

Part4

Employee as Partners, A Happy Workplace



Management Approach for Material Topics

Material Topic: Occupational Safety and Health

Item	2025 Management Approach.
Policy	Implement safety audits and improvements to prevent major environmental safety accidents.
Commitment	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.
Grievance Mechanism	Employee Complaints E-mail: cster@tw.maxxis.com
Communication Performance	Communication with stakeholders has been sound, with no major concerns or grievances reported.
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: 9 cases Number of serious occupational accidents at Subsidiaries: 39 cases

Material Topic: Talent Recruitment and Cultivation

Item	2025 Management Approach.
Policy	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.
Commitment	Establish a friendly and diversified quality environment, create a fair learning environment, and enhance employees' concept of sustainable development.
Goals and Targets	Provide professional learning and growth opportunities to motivate employees and enhance the talent pool.
Grievance Mechanism	Employee Complaints E-mail: cster@tw.maxxis.com Employee Complaints Hotline +886-(04) 852 5151#321
Communication Performance	Suggestions are collected via course questionnaires or post-course feedback and integrated into subsequent course design and training improvement mechanisms to address employee learning needs and enhance overall training quality.
Specific Actions	Cultivate potential mid-to-high-level talents through systematic training. Cheng Shin accelerates 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 Topic: Labor Relations and Welfare

Item	2025 Management Approach.
Policy	Cheng Shin takes into account the labor supply and demand market and regional salary trends, and considers factors such as the employee's job position, education, work experience, years of service, and professional skills to formulate a reasonable salary and compensation policy.
Commitment	Offer competitive compensation to increase the retention rate of key talent.
Goals and Targets	Provide professional learning and growth opportunities to motivate employees and enhance the talent pool.
Grievance mechanism	Employee Complaints E-mail: cster@tw.maxxis.com Employee Complaints Hotline +886-(04) 852 5151#321
Communication Performance	By holding quarterly labor-management meetings, reports on labor dynamics are made, and labor activities, welfare and other items are communicated and discussed.
Specific Actions	The company holds meetings of the labor union, employee welfare committee, and human resources committee on an irregular basis.
Mechanisms for Evaluating the Management Approach	The percentage of employees who have joined the employee stock ownership trust will be reviewed on an irregular basis.
Results of the Management Approach Evaluation	The employee stock ownership trust has 60% of its members.

4.1 Diverse and Inclusive Workplace

4.1.1 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 4,000 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 cultivation through talent recruitment, training, and development systems to drive local employment and industrial development. 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 2025: 4194 in Taiwan, including nine directors who do not hold other positions, with a female-to-male ratio of 1: 5.4 The subsidiaries employ 18,350 people, with a female-to-male ratio of 1:2.3 Compared to 2024, the number of regular employees remained relatively stable. Due to the industry's characteristics, the proportion of female employees is lower. Regular employees account for over 99% of the total workforce in Taiwan, with all non-regular employees consisting of dispatched or outsourced personnel (security guards). Compared to 2024, the number of these employees also remained stable.

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: <https://www.taiwanindex.com.tw/indexes/EMP99>.

Employee Overview 2025

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

Category	Taiwan Region		Subsidiary	
	Male	Female	Male	Female
Total Employees	3,545	649	12,744	5,606
Number of Permanent Employees	3,545	649	7,102	3,490
Number of Temporary Employees	0	0	5,642	2,116
Number of Casual Employees	0	0	0	0
Number of Full-time Employees	3,544	648	12,656	5,595
Number of Part-Time Employees	1	1	88	14
Total	22,544			

Note: Employment type (permanent, temporary) and work-time type (full-time, part-time) represent distinct statistical dimensions; thus, data across these categories may not directly add up or correspond to one another. All figures are based on local HR system records as of December 31, 2025.

The number of Members of the Organizational Governance Unit

Percentage of Members in the Organizational Governance Unit							
Taiwan Region		Under 19 years old	20-29 years old	30-50 years old	51 and above (inclusive)	Subtotal	%
Gender	Female	0	0	15	3	18	2.52%
	Male	0	5	535	155	695	97.48%
	Subtotal	0	5	550	158	713	100.00%
		0.00%	0.70%	77.14%	22.16%	100.00%	
Subsidiaries		Under 19 years old	20-29 years old	30-50 years old	51 and above (inclusive)	Subtotal	%
Gender	Female	0	11	256	2	269	11.02%
	Male	0	59	1,742	371	2,172	88.98%
	Subtotal	0	70	1,998	373	2,441	100.00%
	%	0.00%	2.87%	81.85%	15.28%	100.00%	

The 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	18	631	649	15.47%
	Male	695	2,850	3,545	84.53%
	Subtotal	713	3,481	4,194	100.00%
	%	17.00%	83.00%	100.00%	
Subsidiaries		Supervisor	Non-supervisor	Subtotal	%
Gender	Female	269	5,251	5,520	30.23%
	Male	2,172	10,570	12,742	69.77%
	Subtotal	2,441	15,821	18,262	100.00%
	%	13.37%	86.63%	100.00%	

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

The number of Employees by Job Grade and Age

Number of Employees by Job Grade and Age Statistics							
Taiwan Region		Under 19 years old	20-29 years old	30-50 years old	51 and above (inclusive)	Subtotal	%
Job Grade	Supervisor	0	5	550	158	713	17.00%
	Non-supervisor	2	522	2,562	395	3,481	83.00%
	Subtotal	2	527	3,112	553	4,194	100.00%
	%	0.05%	12.57%	74.20%	13.18%	100.00%	
Subsidiaries		Under 19 years old	20-29 years old	30-50 years old	51 and above (inclusive)	Subtotal	%
Job Grade	Supervisor	0	70	1,998	373	2,441	13.37%
	Non-supervisor	169	4,030	10,344	1,278	15,821	86.63%
	Subtotal	169	4,100	12,342	1,651	18,262	100.00%
	%	0.93%	22.45%	67.58%	9.04%	100.00%	

The number of Employees by Educational Qualification and Gender

Number of Employees by Educational Qualification and Gender Statistics								
Taiwan Region		Ph.D.	Master's Degree	Bachelor's Degree	High School	Junior high school and below	Subtotal	%
Gender	Female	0	66	232	193	158	649	15.47%
	Male	6	379	1,261	1,003	896	3,545	84.53%
	Subtotal	6	445	1,493	1,196	1,054	4,194	100.00%
	%	0.14%	10.61%	35.60%	28.52%	25.13%	100.00%	
Subsidiaries		Ph.D.	Master's Degree	Bachelor's Degree	High School	Junior high school and below	Subtotal	%
Gender	Female	0	93	1,762	1,109	2,556	5,520	30.23%
	Male	0	214	4,034	3,954	4,540	12,742	69.77%
	Subtotal	0	307	5,796	5,063	7,096	18,262	100.00%
	%	0.00%	1.68%	31.74%	27.72%	38.86%	100.00%	

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		
2025	51	52	750	11



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

Cheng Shin won the Changhua County 2025 Excellence Award for Excess Employment of Persons with Disabilities. Cheng Shin provides employment opportunities for people with disabilities and creates a friendly workplace environment to fulfill its corporate social responsibility.

New Employee Hires & Employee Turnover

Based on the total number of employees at the end of 2025, new hires amounted to 6.22% of all Cheng Shin staff, while employee turnover was 8.87%; in subsidiaries, the percentage of new hires was 58.18% and employee turnover was 34.98% for the same period. The higher ratios of new hires and employee turnover in subsidiaries were due to changes in the local labor market and industry environment.

2025 Statistics on New Employee Hires

New Employee Hires Statistics						
Taiwan Region		Under 29 years old	30-50 years old	51 and above (inclusive)	Subtotal	%
Gender	Female	19	19	0	38	14.56%
	Male	141	81	1	223	85.44%
	Subtotal	160	100	1	261	100.00%
		61.30	38.32%	0.38%	100.00%	
Subsidiaries		Under 29 years old	30-50 years old	51 and above (inclusive)	Subtotal	%
Gender	Female	506	2,615	130	3,251	30.60%
	Male	1,667	4,519	1,187	7,373	69.40%
	Subtotal	2,173	7,134	1,317	10,624	100.00%
	%	20.45%	67.15%	12.40%	100.00%	

2025 Statistics on Employee Turnover

Employee Turnover Statistics						
Taiwan Region		Under 29 years old	30-50 years old	51 and above (inclusive)	Subtotal	%
Gender	Female	11	27	10	48	12.90%
	Male	77	212	35	324	87.10%
	Subtotal	88	239	45	372	100.00%
	%	23.65	64.25%	12.10%	100.00%	
Subsidiaries		Under 29 years old	30-50 years old	51 and above (inclusive)	Subtotal	%
Gender	Female	488	951	63	1,502	23.51%
	Male	2,527	2,263	96	4,886	76.49%
	Subtotal	3,015	3,214	159	6,388	100.00%
	%	47.20%	50.31%	2.49%	100.00%	

Note: Separated employees refer to personnel who left voluntarily or due to dismissal, retirement, or death in the line of duty.

4.1.2 Employee Welfare and Care

Remuneration and Benefits

Cheng Shin does not discriminate in employee compensation based on gender, race, religion, political affiliation, or marital status, but adopts a fair and consistent approach, referencing labor market supply and demand as well as regional compensation trends. Factors such as job position, education, work experience, years of service, and professional capabilities are taken into consideration for salary determination. A reasonable remuneration policy is established, aligned with annual business performance, and distributed based on individual performance achievement rates and contributions to the Company's performance evaluation results. Employee salary determination and promotions at Cheng Shin are primarily based on job capabilities and work performance. Work bonuses do not differ by gender. Furthermore, to enhance employee well-being, in addition to regular salaries, the employee stock ownership trust was officially launched in October 2022.

The number of full-time employees in non-supervisory positions and their average salaries in Taiwan Region are disclosed as follows:

Year	Employee Headcount Annualized Average (person)	Employee Salary - Average (NT\$ thousand/person)	Salary - Median (NT\$ thousand/person)
2023	4,349	703	664
2024	4,143	734	696
2025	4,027	707	673

Note 1: In Taiwan Region, as of the end of 2025, the salary ratio between female and male managers in managerial positions was 97%, and the salary ratio between female and male non-managerial employees was 95%. The salary ratio is calculated as the average salary of women in that category divided by the average salary of men in that category.

Note 2: In accordance with Article 4 of the Rules Governing the Preparation and Filing of Sustainability Reports by Listed Companies, relevant information is disclosed on the Market Observation Post System (MOPS), accessible via the following path: Market Observation Post System > Summary Reports > Corporate Governance > Employee Welfare and Compensation Statistics > Salaries of Full-Time Employees Not Holding Managerial Positions / Salary Information of Full-Time Employees Not Holding Managerial Positions.

In 2025, the total compensation ratio and the total compensation change ratio were both 3.7. Due to the effects of international geopolitical tensions and tariff policies, the Company operations experienced a decrease in orders. Year-end bonuses for senior executives and overtime pay for general employees both declined compared to the previous year due to these operating conditions, resulting in a corresponding decrease in total annual compensation.

To enhance employee well-being, in addition to regular salaries, Cheng Shin also provides employee benefits superior to those stipulated by the government. According to their nature, Cheng Shin's welfare initiatives can be divided into four categories: related protections, lifestyle benefits, festivals and events, and employee support, as follows:

Related protections: Statutory holidays and insurance (Note 1), regular annual health checkups, on-site physicians (Note 2), medical consultations, pensions, employee bonuses (Note 2), etc.

Employee support: Employee stock ownership trust (Note 2), medical benefits, compassionate grants, sympathy allowances, marriage/funeral/disability benefits (Note 2), and educational incentives for employee children.



Lifestyle benefits: employee meals, uniforms, dormitories, parking lots, discount partner stores, employee activity recreation areas, and employee tire purchase discounts.

Festivals and Events: Bonus and/or gifts for three major festivals, year-end bonus, year-end party allowance, and employee outing allowance.

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

Note 2: Only for full-time employees in the Taiwan region.

Parental Leave Without Pay

To enable employees to work with peace of mind, Cheng Shin's Taiwan operations entitle employees to unpaid parental leave in accordance with laws and regulations. As no such leave type exists under local government regulations in Mainland China, relevant statistics are not collected. In the event of injuries, illnesses, or other circumstances requiring extended leave, employees may also apply for unpaid leave of absence and subsequently apply for reinstatement upon expiration of the leave period, so as to balance both personal and family needs. Taking parental leave as an example, a total of 60 employees at Cheng Shin's Taiwan operations applied for unpaid parental leave in 2025, with a return to work rate of 100%; For those who took parental leave in 2025 and returned to work, the retention rate after completing one year of service was 93.3%. The above information demonstrates that Cheng Shin is able to provide assistance to its employees to readapt to the workplace environment.

Cheng Shin provides employees with the option to apply for parental leave without pay. The number of employees who applied for said leave in 2025 was as follows:

Taiwan Region

Item	Number of male employees	Number of female employees	Total
The number of eligible employees for parental leave in 2025	175	59	234
The number of employees who applied for unpaid parental leave in 2025	30	30	60
The number of employees expected to return to work after conclusion of unpaid parental leave in 2025 (A)	16	22	38
The number of employees expected to return to work after conclusion of unpaid parental leave and were actually reinstated in 2025 (B)	16	22	38
The number of employees who actually returned to work after unpaid parental leave in 2024 (C)	16	14	30
The number of employees who returned to work after unpaid parental leave in 2024 and remained in the Company's employment after one year in 2024 (D)	14	14	28
Return to work rate from unpaid parental leave % = B/A	100.0%	100.0%	100.0%
Retention rate upon return to work from unpaid parental leave % = D/C	87.5%	100.0%	93.3%

Marriage and Childbearing Support:

To support employees with marriage and childbearing needs, the company provides wedding congratulatory gifts and offers prenatal and postnatal childcare education through on-site doctors, benefiting 24 participants in total.

To alleviate the financial burden of raising children for employees and to reward and encourage academically excellent students, the company offers scholarships for employees' children attending high school, vocational school, colleges, universities, or master's degree programs. The Luo Jie Education Foundation provided scholarships to 35 recipients in 2025, and the Employee Welfare Committee's Children's Education Scholarship provided scholarships to 281 recipients in 2025, with total scholarships exceeding NT\$1 million.

The company also encourages employees and their families to participate in family activities such as mountain cleanup hikes hosted by the company and labor-management hikes organized by the county government, attracting approximately 200 person-times in participation. These activities not only respond to sustainable development and incorporate social welfare, but also support employees in balancing work and family care.

Employee Stock Ownership Trust (ESOT)

To look after employee welfare, incentivize outstanding talent, and assist employees in achieving long-term savings to ensure a stable life after retirement or post-employment 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 trust program was officially launched in October 2022. Under this plan, employees contribute a fixed amount from their monthly salary, while Cheng Shin also provides a 100% matching contribution. These funds are collectively deposited into a dedicated trust account to retain talent, assist employees in accumulating wealth, and plan for their future retirement.

As of the end of December 2025, the membership rate has reached 60%.

Employee Pensions

Old pension system	Cheng Shin sets aside 2% of the total payroll each month as pension reserve funds and deposits them into a dedicated account under the name of the Labor Retirement Reserve Supervisory Committee at the Bank of Taiwan. Before the end of each year, Cheng Shin assesses the balance in this dedicated account. If the balance is less than the amount required for the payment of pensions to all employees who are eligible to retire in the following year calculated according to the above method, Cheng Shin will make up the deficiency in a single contribution before the end of March of the following year. In 2025, pension costs recognized by Cheng Shin under the aforementioned pension regulations amounted to NT\$9,115 thousand.
New pension system	The new pension system applies to all employees onboarded from July 1, 2005. For employees opting for the new system, the company contributes a statutory percentage of salary into their individual pension accounts (company contribution). Employees may also voluntarily contribute 1% to 6% of their monthly salary into their individual pension accounts (employee contribution). In 2025, pension costs recognized by the company under the aforementioned pension regulations amounted to NT\$120,640 thousand.

In accordance with the pension systems under the "Labor Pension Act" and the "Labor Standards Act", in addition to making monthly contributions to labor pensions and allocating labor retirement reserves to pay pensions upon retirement, the company also provides retirement souvenirs to retiring employees.

Retiree Advisory Team

Cheng Shin regards employees as talent, and colleagues with extensive experience are its valuable assets. Regular employees at Cheng Shin include those "rehired after retirement"—employees who meet the retirement criteria under the Labor Standards Act, apply for retirement, and are subsequently rehired. By leveraging the practical experience of seasoned colleagues, this practice promotes a culture of internal knowledge transfer, preventing a significant loss of experienced personnel and enhancing the middle-aged and senior workforce. Under the policy of actively promoting the rehiring of retired personnel as specialist technicians and consultants, Cheng Shin’s internal knowledge management continues to circulate. As of the end of 2025, the total number of rehired retirees reached 137.

Care for Foreign Migrant Workers

In Taiwan, Cheng Shin employs a total of 750 migrant workers from Vietnam, Thailand, and Indonesia. Dormitory managers are assigned to each dormitory to provide dedicated care for migrant workers’ daily life. For plants further away from the dormitory, shuttle buses are arranged by Cheng Shin for commuting to and from work; the dormitory offers fitness equipment and recreational venues for migrant workers to relieve work stress. The dormitory also includes a cooking area where they can prepare home-cooked meals whenever they miss the flavors of their hometown.



Changhua Dormitory



Changhua Dormitory



Ball game



Festival Experience
(Dragon Boat Festival feast)



Home cooking competition

4.1.3 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			
Position	Supervisor		Non-supervisor		Supervisor		Non-supervisor	
Gender	Male	Female	Male	Female	Male	Female	Male	Female
Total hours of training	11,566.00	239.90	41,640.35	31,673.32	72,069.78	8,553.04	355,458.45	182,197.82
Average number of hours of training per employee	16.64	13.33	14.61	50.20	33.87	32.52	34.28	35.48



New Employee Training:

Cheng Shin provides comprehensive pre-employment training courses for new employees, covering corporate culture, ethical business practices, safety education, quality concepts, and company rules and regulations. These courses enhance employees' understanding of Cheng Shin and build a strong sense of quality and safety awareness. After completing orientation, employees must undergo on-the-job training—including pre-job training, position-specific training, internships, and capability certifications—to ensure they become familiar with the working environment and master job knowledge and skills. Under the guidance of mentors, they must become proficient in operational requirements and pass certification before officially assuming their roles.

Tiered Management Training:

Cheng Shin designs specialized topical courses tailored to different job levels to strengthen management skills and operational efficiency. For example, courses on presentation skills and report writing are offered to management trainees to help them integrate into the work environment and adapt to work rhythms; courses on interpersonal communication, daily management, and problem-solving steps are provided for junior supervisors to enhance job performance; and courses on policy management and leadership case studies are offered to managers to elevate their leadership and management capabilities. In recent years, the learning roadmap has been further optimized. Project-based courses previously aimed at enhancing mid-to-senior executives' competencies are now integrated into annual routine tiered training to cultivate a growth mindset among senior management. Furthermore, conceptual courses on workplace safety and corporate culture, as well as specialized courses on risk prevention and cost management, have been incorporated. Management skills cultivation now begins early for non-managerial staff, thereby perfecting the tiered training system.

Professional Courses:

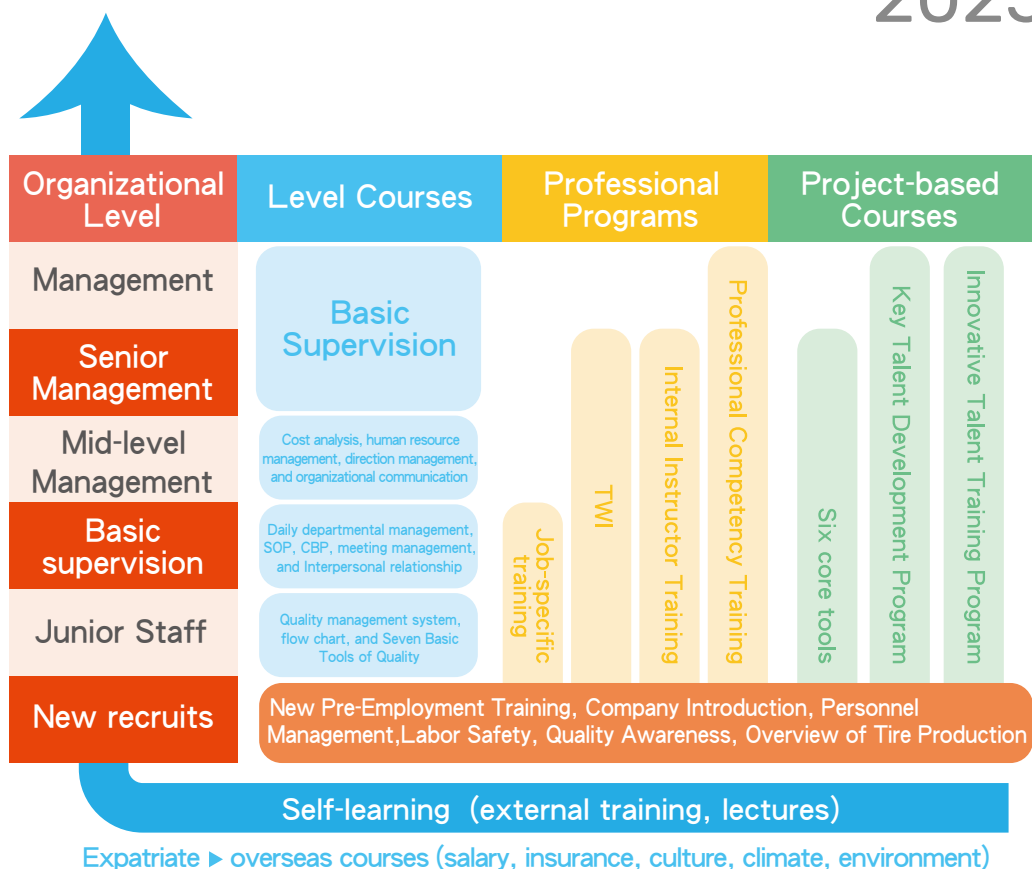
Cheng Shin designs specialized courses for different job positions to ensure employees receive comprehensive training at every career stage. During initial onboarding, position-specific training is offered based on the knowledge and skills required for each role. Additionally, professional competence training is provided in areas such as production management, R&D, and quality assurance, guiding employees to focus on their roles, realize their potential, and excel. For employees in specialized technical positions—such as maintenance electricians, welders, and CNC lathe operators—specialized training programs are provided to help them obtain professional qualifications, ensuring they possess the required professional competencies. Through internal instructor training and the Training Within Industry for Supervisors (TWI) program, Cheng Shin cultivates dedicated internal instructors to deliver unit-specific and cross-unit professional courses. This facilitates the transfer and inheritance of intellectual capital, serving as a hub for knowledge sharing and best practice dissemination within the organization.

Project-Based Courses:

Cheng Shin formulates annual education and training objectives aligned with corporate strategies and policies, planning diverse project-based programs to meet the learning needs of employees across various levels and domains. These include regular courses on the six core quality tools to heighten quality awareness, key talent development programs to cultivate prospective managers and strengthen management capabilities, and innovative talent training for R&D units.

Self-Directed Learning:

Cheng Shin offers external training subsidies and organizes knowledge and lifestyle seminars, providing employees with opportunities to absorb diverse knowledge beyond their work responsibilities and encouraging self-development. For instance, seminars on personal finance, stress relief, and practical tax filing are conducted.



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 named after Cheng Shin' s product brand, aiming to cultivate outstanding technical and management professionals who can create maximum value for the Company. Established in 2006 with an investment of RMB 17 million, it features a total indoor area of over 1,600 square meters, ensuring employees grow and learn in a well-equipped environment with comprehensive educational facilities and spacious, comfortable learning spaces.

In terms of software, Cheng Shin continues to invest approximately RMB 4 million annually in education funds. Through a systematic training framework and courses designed by job rank—supplemented by diverse teaching methods such as lectures, seminars, discussions, and simulations—employees continuously enhance their professional capabilities and personal development.

Foreign Consultants and TWI Instructor Training for Overseas Plants

Since the introduction of the TWI instructor system in Taiwan and Mainland China, multiple training courses have been conducted to date. Through the interactive integration of theory and practice, participants internalize knowledge and apply it to on-site instruction. In Mainland China, approximately 24 TWI (Training Within Industry for Supervisors) instructors have been trained and deployed to production lines to ensure quality consistency. The introduction of foreign consultants, in conjunction with the TWI system, uses work observation and motion analysis techniques to help boost production efficiency and reduce defect rates.

Overseas Expatriation Experience Exchange

To advance international operations and align with global practice, Cheng Shin has established production bases in India and Southeast Asia. To enhance employees' global capabilities and outlook, opportunities for expatriate applications and short-term training are provided for outstanding staff. Additionally, overseas expatriation experience-sharing sessions are organized to pass on overseas experience and deepen cultural understanding.

Performance Evaluation System

To achieve the goals of Cheng Shin' s annual business policies and evaluate individual employee performance, Cheng Shin conducts regular performance evaluations for all employees. The performance evaluation focuses on evaluating past task execution and setting future work goals, serving as the basis for employee compensation, evaluations, and career development planning. Furthermore, results from the previous year' s evaluation are referenced annually for promotions, ensuring fair and comprehensive promotion channels.

In 2025, 100% of Employees underwent performance appraisals

Taiwan Region		Supervisor	Non-supervisor	Subtotal	Performance Evaluation Coverage
Gender	Female	18	631	649	100%
	Male	695	2,850	3,545	100%
	Subtotal	713	3,481	4,194	100%
Subsidiaries		Supervisor	Non-supervisor	Subtotal	Performance Evaluation Coverage
Gender	Female	269	5,251	5,520	100%
	Male	2,172	10,570	12,742	100%
	Subtotal	2,441	15,821	18,262	100%

Cheng Shin is committed to building a sound education and training system to continuously improve employees' abilities and stimulate their potential for future development. Performance appraisals are regularly conducted by unit supervisors based on employees' work responsibilities. If an employee's performance does not meet expected standards, in addition to providing care and communication, appropriate training courses will be arranged to enhance their skills.

4.2 Human Rights Policy and Labor-Management Relations

Human Rights Policy

To protect the basic human rights of Cheng Shin's employees and value chain partners (including customers, suppliers, and local communities) and promote environmental, social, and economic sustainable development, 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); Cheng Shin strictly abides by the laws and regulations of the countries where Cheng Shin's business is located, and regularly reviews the implementation of Cheng Shin's human rights policy, to ensure the implementation of human rights protection.

Cheng Shin assesses its own operations and overseas operating locations to ensure compliance with local labor laws and regulations, and evaluates whether the operating locations and suppliers are at significant risk of child labor. There were no instances of child labor, and no related complaints were received between 2014 and 2025. In addition, Taiwan's Labor Standards Act stipulates that employers must not force employees to work, and the management of foreign employees is conducted in the same manner as for Taiwanese employees. In addition, in order to protect employees' working rights and interests and provide a work environment free from sexual harassment, management mechanisms, such as measures for preventing sexual harassment, complaint, and disciplinary actions, have been established. Furthermore, each Cheng Shin plant provides necessary information or documents for due diligence statements to customers in accordance with EUDR requirements.

Cheng Shin continues to conduct awareness promotion and educational training related to human rights policies to deepen internal attention to human rights issues and implement human rights protection work.

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 Organizations

To improve work efficiency and working conditions, and promote labor-management harmony, Cheng Shin has established labor union organizations in accordance with local laws and regulations. Although an enterprise labor union has been established in Taiwan, no collective bargaining agreement has been signed yet. When discussing relevant issues, diversified communication channels are provided to facilitate constructive communication.

Unionized Employees in 2025

Region	Number of unionized employees	Unionization Percentage
Taiwan Region	2,336	55.70%
Subsidiaries	15,116	84.08%

Note: Union membership rate is calculated as the ratio of union members to the total number of employees at each location. Some operating locations do not have unions or are not subject to union policies; therefore, the scope of union statistics may differ from the overall employee structure of the group.

Minimum Notice Period

Any adjustment in labor conditions or the annual leave plan of Cheng Shin shall be subject to union approval. 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 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 employer may execute the layoff only after explaining the situation to the labor union or all the employees 30 days in advance and soliciting opinions from the labor union or employees, and the layoff plan has been reported to the labor administrative department:

1. Reorganization in accordance with the provisions of the Enterprise Bankruptcy Law.
2. Serious difficulties in production and business operations.
3. Change of production, major technological innovation, or adjustment to business operations, where layoffs remain necessary after modifying labor contracts.
4. Other major changes in objective economic conditions upon which the labor contract was executed, making the performance of the labor contract impossible.

Labor-Management Meetings

To coordinate labor-management relations, promote labor-management cooperation and improve work efficiency, Cheng Shin holds labor-management meetings on a regular basis in accordance with the Regulations for Implementing Labor-Management Meeting. Extraordinary meetings are also held 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. In 2025, the Taiwan region held regular meetings in accordance with regulations.

Employee Communication Channels

Cheng Shin requires that all operational activities shall be in compliance with relevant laws and regulations. If employees encounter any relevant issues, they can file a complaint with the Human Resources Department or apply for labor mediation with the local government. In 2025, 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

China Region (Cheng Shin Kunshan) :

Complaints Number: 0512-57673888-8102 (HR) / 8119 (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.com), 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: Vice President Chen.

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

There were no mediation cases involving the parent company or subsidiaries in 2025

4.3 Safe and Healthy Workplace

4.3.1 Occupational Health and Safety Management System

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 Chairman, and each department assigned responsible persons, forming an implementation team to collectively drive the initiative. Led by the 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 surveillance audit was conducted in April 2025. The scope of the Taiwan Region's management system certification covers both employees and workers who are not employees. 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

To promote the health and safety of employees, Cheng Shin's Taiwan operations stipulate in the labor union charter that the labor union shall promote labor safety and health and member welfare matters, and the Company shall 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 Regulations for Occupational Safety and Health Management, 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 General Manager 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 Committee 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 subsidiaries, an "Environmental Safety and Health Committee" is established, which is similar to the one in Taiwan, whereby the General Manager appoints management representatives to participate. In accordance with local laws and regulations such as the Work Safety Law, the Law on the Prevention and Control of Occupational Diseases, and the Regulation on Work-Related Injury Insurance, the subsidiaries establish compliant labor safety and health facilities, build a sound labor safety and health management system, formulate safe operating procedures for each job position, and provide labor protection supplies (PPEs), dedicated to ensuring a safe and healthy working environment for workers.

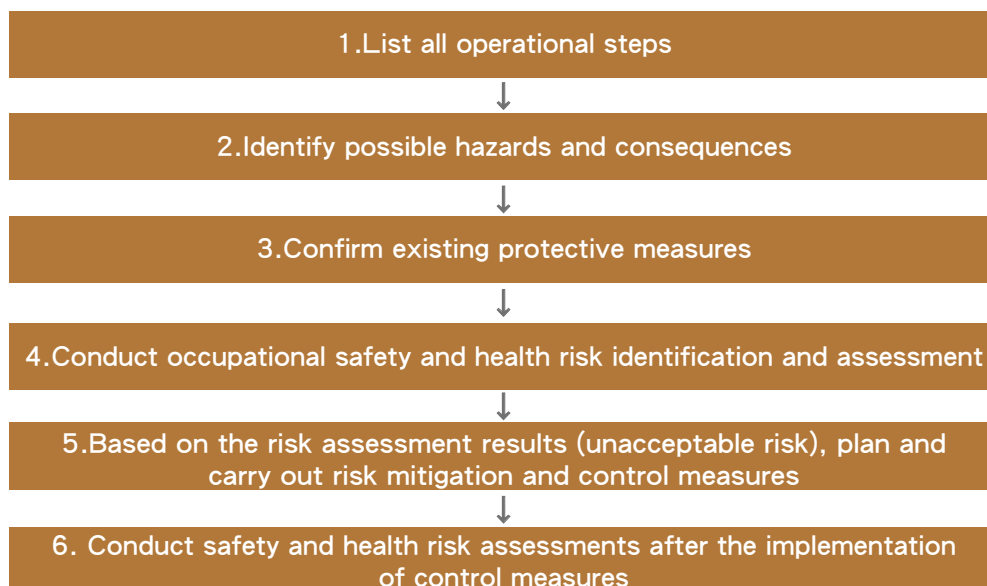
Region	Taiwan Region
Name	Occupational Safety and Health Committee
Total Committee members	46
Labor representatives (note)	29
Ratio of labor representatives	63%

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

Hazard Risk Assessment

Cheng Shin has established the "Regulations for Hazard Identification and Risk Assessment Management" to conduct comprehensive hazard identification and risk assessments for all machinery, equipment, or operations that may cause personnel injury or accidents. Occupational safety and health management performance is also reviewed, and the effectiveness of controls is evaluated to formulate policies and objectives that serve as the foundation for planning the Company's occupational safety and health management system.

Risk assessment procedures are as follows



4.3.2 Occupational Health and Safety Management

In 2025, there were 9 serious work-related accidents in the Taiwan region and 39 across subsidiaries. The main types of injuries included caught-in/between, entanglement, cuts, lacerations, and abrasions. According to the Occupational Safety and Health Administration's statistical data on total injury index for all industries from 2022 to 2025, the Disabling Injury Frequency Rate (FR) for the rubber manufacturing industry is 2.54, 143 for the Disabling Injury Severity Rate (SR), and 0.60 for the Total Injury Index. Cheng Shin Taiwan's 2025 Disabling Injury Frequency Rate (FR) of 1.12, Disabling Injury Severity Rate (SR) of 57.98, and Total Injury Index (TII) of 0.25 were far below the industry average. The occupational accident investigation form must be completed by the unit where the occupational accident occurred according to Cheng Shin's plant 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 2025

2025	Taiwan Region		Subsidiary	
Total Work Hours	8,067,657.0		44,841,355.3	
Gender	Male	Female	Male	Female
Number of Severe Occupational Accidents	8	1	27	12
Rate of Severe Occupational Accidents	1.12		0.87	
Total	9		39	
Death	0		0	
Mortality rate	0		0	
Recordable work-related injury cases	74		68	
Recordable work-related injury rate	9.17		1.52	
Lost Days	462.00	5.75	1,723.37	985.44
Disabling Injury Frequency Rate (FR)	1.12		0.87	
Disabling Injury Severity Rate (SR)	57.98		60.41	

Note:

Severe occupational accidents : Rest for more than 1 day (calculated as 8 hours) due to occupational accidents.
 Recordable occupational accidents : Severe occupational accidents and occupational accidents with a rest period of less than 1 day (calculated as 8 hours).

Severe occupational accident rate : $\text{Number of severe occupational accidents} \times 1,000,000 / \text{total number of working hours}$.

Recordable work-related injury rate : $\text{Number of recordable work-related injuries} \times 1,000,000 / \text{total number of working hours}$.

FR : Number of severe occupational accidents per million working hours. $\text{FR} = \text{Number of severe occupational accidents} \times 1,000,000 / \text{total number of hours worked}$.

SR : Total number of lost days due to severe occupational accidents per million working hours. $\text{SR} = \text{Total number of lost days due to severe occupational accidents} \times 1,000,000 / \text{total number of hours worked}$.

Types of occupational accidents in 2025

Classification	Taiwan Region	Subsidiary
Caught-in/between, entanglement injuries	14	23
Collision/Struck-by injuries	2	10
Contact with extreme temperatures	1	0
Cuts, lacerations, and abrasions	36	9
Falls	8	8
Falling objects	0	3
Collapse of objects	1	4
Others	12	11
Total	74	68

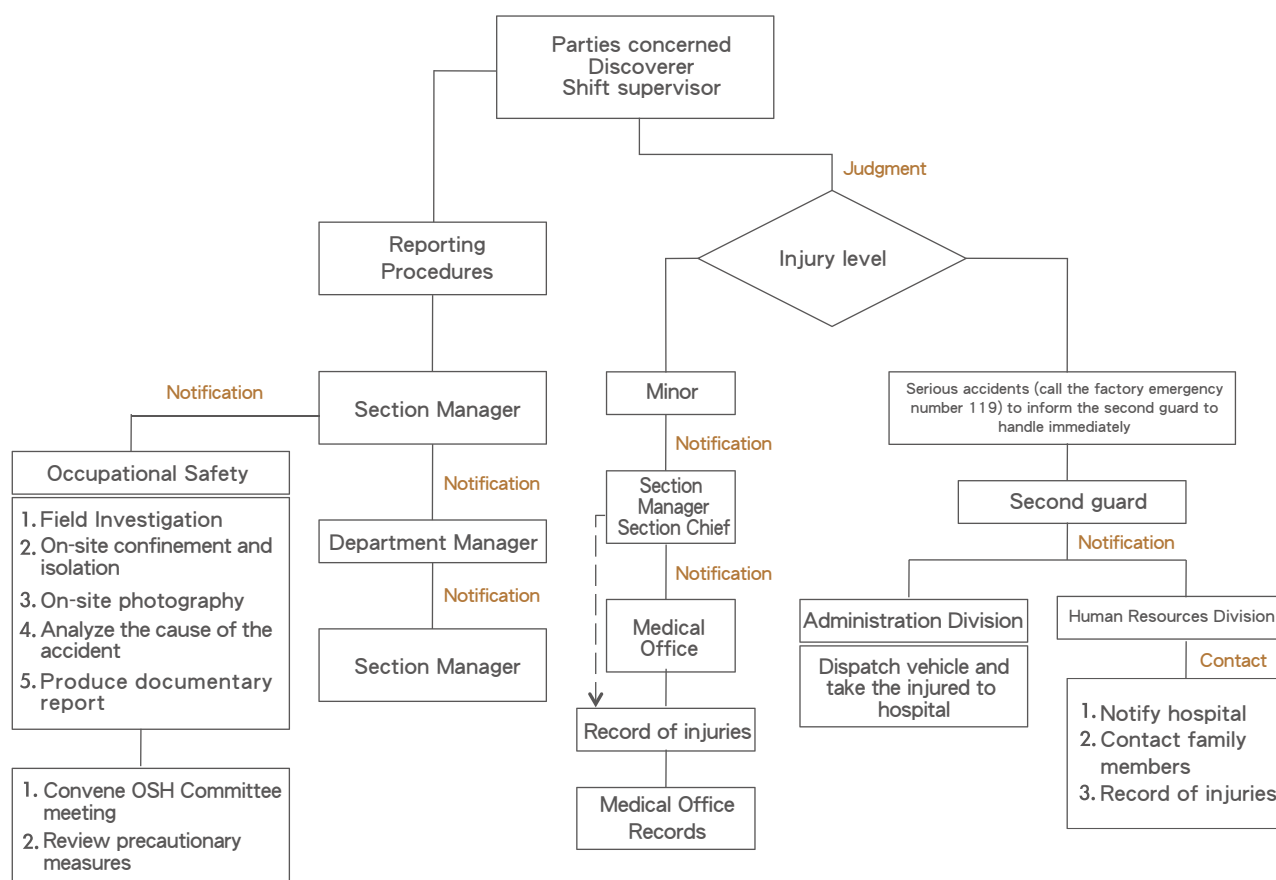
Cheng Shin collects data and reports occupational accidents on a monthly basis in accordance with the Occupational Safety and Health Act. The main types of occupational accidents, "caught-in/between, entanglement" and "cuts, lacerations, and abrasions", are the same as those in the general manufacturing industry. In 2025, 9 severe occupational accidents were recorded in Cheng Shin Taiwan and 39 in subsidiaries. In 2025, there were no cases of occupational diseases in Cheng Shin Taiwan or subsidiaries.

There are occupational 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 report the accident internally, conduct occupational accident investigations, and implement improvement measures within the plant.

The notification process is as shown in the figure below. Different notification and handling procedures are adopted based on the severity of the injuries and damages of the accident.

Personnel will also be organized to initiate the investigation procedure shown in the flowchart.

Reporting Procedures of Occupational Accident in Plant



The increase in occupational accidents in Taiwan in 2025 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 troubleshooting in a rush, leading to the occurrence of accidents.

At present, Cheng Shin is implementing the "Zero Danger Point" Campaign, actively promoting on-site hazard identification. Supervisors pinpoint issues with empathy and care, while those reminded accept the feedback with appreciation, working together to prevent accidents and injuries.

4.3.3 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%
Subsidiaries	100%

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



Fire Fighting & Accident Prevention Training

New employees are all required to receive firefighting and injury prevention training after joining the plant to obtain firefighting skills.



Safety Education in Each Unit

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



Training Dojo

Training dojos have been set up for new employees to receive occupational training. Employees may only operate actual machinery once their skills and knowledge have been verified/certified.

On-site Hazard Identification Activities

To enhance workplace safety, we encourage full employee participation through near-miss reporting and 30-minute management safety observations. These initiatives aim to raise safety awareness among all personnel, identify potential hazards related to staff, the environment, and machinery, and implement improvements. By utilizing the PDCA (Plan-Do-Check-Act) cycle, we create a more comfortable and secure work environment. Proactive prevention of accidents ensures the safety of our workforce.

1. Implementation of Pointing and Calling

Before starting work each day, supervisors lead employees in "pointing and calling" at critical hazard points to identify dangerous areas and reinforce workplace safety awareness.

2. 30-minute Management Safety Observations Site operation supervisors conduct a 30-minute inspection prior to daily operations, identifying potential risk factors early and applying immediate corrective measures.

3. Near-Miss Incident Proposals

Through full employee participation, we effectively collect reports of near-miss incidents in the workplace. These incidents are identified and addressed with improvement plans to prevent injuries and create a comfortable, safe working environment. If the proposal is approved, the proposer will be rewarded with points.



虛驚事故提案單			
類別：	部門：	課(股)：	發生時間： 年 月 日
員工編號：	姓名：	發生地點：	
STOP-6： ☐ 夾、捲傷 ☐ 撞物擊傷 ☐ 車輛碰撞 ☐ 墜落 ☐ 觸電 ☐ 熱輻射接觸 ☐ 其他			
虛驚事由、經過(含SWH詳細填寫)：			
處置改善情形：(由廠區主管以調查表填列或高並改善)			
改善期限填列：(由安衛部填寫)		☐ 立即改善，已於 月 日完成 ☐ 待改善，以： ☐ 改善計劃書 ☐ 專案改善	
☐ 需 要 ☐ 不 需 要		☐ 提 案 者 ☐ 其他：	
安全衛生部		機電組	經理 課長 股長
☐ 認 可 ☐ 不 認 可			

保存期限：1年
6159_20201111_2 正新橡膠工業股份有限公司 AS NO.6159

Departmental 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

Safety signage is posted at prominent locations throughout the site to disclose safety-related information and ensure employee awareness. Update hazard publicity materials in the cultural corridor at any time to enhance employees' safety awareness.



"Enhanced Safety Month" Activities

Annual Safety Production Month and Strengthening Month campaigns are held every year. Safety activities are organized to enhance employees' safety awareness.

Propose various activities and publicity to enhance staff safety awareness



Safety and Health Protective Equipment Wearing Standards

Labels for required safety and health protective equipment are produced based on the needs of different projects and posted within the operating areas. To accommodate the diverse nationalities of foreign workers in the plant, 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.



4.3.4 Occupational health services

In accordance with the Labor Health Protection Rules, Cheng Shin has appointed occupational health nurses and contracted specialist physicians to provide on-site services based on the headcount of each plant. On-site physician services at each plant in 2025 were as follows:

2025 Implementation of On-Site Physician Services by Plant

Plant	Frequency of Doctor's Clinical Services	Total Number of Consultation Sessions	Number of Consultations (Persons)
Main Plant	6 times per month, 3 hours per session	72	376
Zhongzhuang Plant	1 time per month, 3 hours per session	12	60
Plant 3	1 time per year, 2 hours per time	1	3
Xizhou Plant	2 times per month, 3 hours per session	24	149
Douliou Plant 1	1 time per quarter, 2 hours per session	4	28
Douliou Plant 2	1 time per month, 3 hours per session	12	127

Continuous Health Monitoring

In accordance with the Labor Health Protection Rules, Cheng Shin conducts annual health checkups for its employees in July through designated medical institutions that provide on-site services.

Employee health checkups include general health checkups (for general employees) and special health checkups (for employees engaged in operations with special health hazards). In 2025, the number of employees in Taiwan who received special health checkups was 811. Employees with abnormalities found in their chest X-ray, or elevated "three highs" (high blood pressure, high blood sugar, and high cholesterol), will be notified for a follow-up check. To enhance employees' health literacy and self-health management capabilities, four health seminars were held in February, May, August, and November of 2025, with a total of 213 participants. In addition, one health promotion activity (physical fitness test) was held, with a total of 25 participants. The course content covered health promotion topics such as prevention of high-risk signs of cardiovascular and cerebrovascular diseases and cancer, understanding autonomic nervous system disorders, prevention and management of heat injuries, and weight management and healthy eating. Through health education and professional knowledge transfer, the event aimed to strengthen employees' disease prevention awareness, cultivate good healthy lifestyle habits, reduce health risks, and ultimately create a safe and healthy workplace environment. 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 Mainland 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 2025 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 responsible for the health examinations can only issue the grading report of special health examination results after all individuals have completed their re-examinations.

Special Health Examination 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 2025

Region/number of employees	Number of employees receiving health checkups	Number of employees under follow-up
Taiwan Region	811	19
Subsidiaries	5,609	1,301
Total	6,420	1,320