CST ESG 2025

Sustainability Report

Cheng Shin Rubber Ind. Co., Ltd.

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Contents

Foreword ---------- 3
About This Report ---------- 3
Message from the Chairman ---------- 4
Identification of Material Topics ---------- 6
Procedure for the Identification of Material Topics ---------- 6
Management of Material Topics ---------- 8
Stakeholder Engagement ---------- 8

PART 1 Cheng Shin "Rolls" the World ---------- 10
1.1 Sustainable Cheng Shin ---------- 11
1.2 About Cheng Shin ---------- 19
1.3 Corporate Governance ---------- 22
1.3.1 Corporate Governance Framework ---------- 22
1.3.2 Governance Performance Evaluation and Remuneration System ---------- 26
1.3.3 Integrity and Anti-Corruption ---------- 27
1.3.4 Information Security Management ---------- 29
1.3.5 Intellectual Property Governance ---------- 32
1.4 Risk Management ---------- 36
1.5 Supply Chain Partners, Growing with Cheng Shin ---------- 42
1.5.1 Supply Chain Partners ---------- 42
1.5.2 Sustainable Supply Chain Management Policy 45
1.5.3 Supplier On-site Audit and Review Outcomes 48

Part 2 Safety Products Innovative Value ---------- 53
2.1 Safe and Reliable Cheng Shin Tire ---------- 54
2.1.1 Product R&D and Technology Development ---------- 56
2.1.2 Product Quality Management ---------- 59
2.1.3 Clear Product Labeling ---------- 61
2.2 Protecting Customer Privacy ---------- 63

Part 3 Environmental Sustainability, Loving the Earth ---------- 66
3.1 Risks and Challenges of Climate Change ---------- 66
3.1.1 Climate Change Governance ---------- 66
3.1.2 Climate Change Strategy ---------- 67
3.1.3 Climate Change Risk Management ---------- 70
3.1.4 Climate Change Indicators and Targets ---------- 71
3.2 Environmental Management ---------- 72
3.2.1 Environmental Management System ---------- 73
3.2.2 Environmental Compliance ---------- 73
3.3 Energy Resources and Greenhouse Gas Management ---------- 74
3.3.1 Energy Management ---------- 74
3.3.2 Greenhouse Gas Management ---------- 78
3.3.3 Climate-related Information ---------- 79
3.4 Water Resources Management ---------- 86
3.4.1 Water Use Management ---------- 86
3.4.2 Wastewater Management ---------- 87
3.5 Waste Management, Recycling and Reuse ---------- 89
3.6 Air Pollution Prevention ---------- 92

Part 4 Employee as Partners, A Happy Workplace 93
4.1 Diverse and Inclusive Workplace ---------- 94
4.1.1 Employee Care Policy ---------- 94
4.1.2 Employee Welfare and Care ---------- 99
4.1.3 Career Development and Assessment ---------- 103
4.2 Human Rights Policy and Labor-Management Relations ---------- 107
4.3 Safe and Healthy Workplace ---------- 109
4.3.1 Occupational Health and Safety Management System ---------- 109
4.3.2 Occupational Health and Safety Management 110
4.3.3 Occupational Safety Education and Training 113
4.3.4 Occupational health services ---------- 115

PART 5 Corporate Social Responsibility and Social Good ---------- 117
5.1 Social Harmony and Prosperity ---------- 117
5.2 Social Engagement and Contribution ---------- 119
5.2.1 Sustainable Talent Empowerment ---------- 119
5.2.2 Local Prosperity and Social Good ---------- 122

Appendix: GRI Index ---------- 131
SASB Index (ALL) ---------- 136
United Nations Global Compact comparison table 137
Third-party assurance report ---------- 138

About This Report

Report Contents

Cheng Shin has published a Corporate Social Responsibility (CSR) Report on an annual basis since 2014. In 2021, the title was changed to "Sustainability Report" in accordance with regulatory requirements. In 2025, Cheng Shin published its 11th Sustainability Report, hereinafter referred to as the "Report.

This Report presents Cheng Shin´s sustainability performance across the dimensions of governance, products, environment, and society, covering topics including corporate integrity management, environmental stewardship, employee care, supplier management, shareholder rights, customer service, and community participation. The Report communicates to all stakeholders Cheng Shin´s efforts and achievements in advancing corporate sustainability, demonstrates its commitment to corporate sustainability and sustainable development, and serves as a stakeholder engagement and communication platform to foster constructive dialogue between Cheng Shin and its stakeholders.

Reporting Principles

This Report has been prepared in accordance with the GRI Standards issued by the Global Reporting Initiative (GRI) and includes disclosures with reference to the Sustainability Accounting Standards Board (SASB) Standards and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The Report has been uploaded to both the Market Observation Post System (MOPS) (https://mops.twse.com.tw/mops/#/web/home) and Cheng Shin´s official website. GRI and SASB Content Indexes are provided at the end of this Report to facilitate readers´ reference and information retrieval.

Reporting Period and Frequency

Report Timing: Statutory filing and public disclosure are completed by August 31 each year

Reporting Period: Cheng Shin publishes its Sustainability Report annually. The 2025 Sustainability Report discloses the company´s sustainability performance for the 2025 (from January 1, 2025, to December 31, 2025) and responds to issues of concern to stakeholders. To ensure the completeness of the information, some information is presented retrospectively to 2023.

Boundaries and Scope

The disclosure scope of this report covers the entire Group. Starting from 2024, the disclosure scope has also included consolidated subsidiaries (referred to as subsidiaries). Some information is presented separately for Chinese subsidiaries. Financial information audited by CPAs and certain sustainability information are consistent with the financial statements.

Review and Assurance

The Cheng Shin Sustainability Report was compiled by various departments and coordinated by the Sustainable Development Working Group, in accordance with the aforementioned international standards and reporting requirements.To ensure the quality of information disclosure, Cheng Shin engaged PwC Taiwan to issue a limited assurance report according to Assurance Standard No. 3000. This Report was issued upon its approval by the Board of Directors on August 12, 2026.

Contact Information

If you have any suggestions or questions regarding this Report, please feel free to contact Cheng Shin using the following contact details:

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Message from the Chairman

In 2025, the global political and economic landscape continued to face a complex mix of challenges. Against the backdrop of the ongoing Russia-Ukraine conflict, escalating tensions in the Middle East, and the increasingly complex landscape of trade sanctions and tariff structures, geopolitical risks have reached an all-time high, becoming the primary concern for corporate operations. Meanwhile, although inflation has slowed, it remains above pre-pandemic levels, and the manufacturing industry continues to face multiple cost pressures from raw materials, labor, and energy. The global supply chain continues to undergo restructuring, trending toward regionalization and localization, while the overall operating environment remains fraught with high uncertainty.

In this environment, the tire industry is also facing structural challenges, including trade policy volatility in major markets, supply chain realignment pressures, and product upgrade requirements driven by increasingly stringent environmental regulations, and the rise of electric vehicles. In the face of the rapidly changing external environment, Cheng Shin continues to uphold its business philosophy of "Robust Operations and Total Resilience." It is steadily strengthening our core business foundations, optimizing our global supply chain footprint, and advancing regulatory compliance and risk management mechanisms to build a solid foundation for long-term development.

Meanwhile, Cheng Shin is also actively addressing the key challenges of organizational transformation and global footprint. In response to drastic changes in the industry and market environment, Cheng Shin has continued to drive the transformation of its internal operating model, shifting from passive support to proactive collaboration. This shift has strengthened cross-departmental integration and overall efficiency to enhance the speed of decision-making and execution. In terms of organizational operations, it has continued to strengthen group-level management, integrating global resources and operating locations to strengthen regional division of labor and synergy, thereby enhancing overall competitiveness and resilience. Furthermore, regarding our global footprint, Cheng Shin continues to refine its localized operational capabilities. By optimizing resource allocation and leveraging regional advantages, we effectively diversify risk and create long-term value through market diversification and flexible deployment.

Despite challenges in the external environment, in 2025 Cheng Shin maintained steady operating results, with consolidated net profit reaching NT$4.835 billion and earnings per share of NT$1.50. Reflecting the challenges of the overall industry landscape, Cheng Shin has continued to review its operational structure and implement relevant adjustments to strengthen the foundation for future operations.

Cheng Shin has long upheld "100% Quality, 100% Service, 100% Trust" as its core values. The competitiveness of the MAXXIS brand in the global market has continued to be strengthened with products now marketed in more than 180 countries. We focus on enhancing product safety, durability, and performance. At the same time, brand trust is emphasized to build long-term, stable partnerships with global customers.

In terms of sustainable development, Cheng Shin continues to integrate ESG principles into its operational strategies and everyday management. In 2025, Cheng Shin reduced greenhouse gas emissions by 30,617.64 metric tons of CO_2e through energy-saving optimization and process improvements. Meanwhile, the company expanded its use of renewable energy, with solar power consumption reaching 94.06 GWh. The ISO 50001 energy management system was also introduced to continuously enhance energy efficiency and proactively respond to the challenges of climate change.

Talent is the key driver of sustainable corporate development. Cheng Shin continues to strengthen occupational safety and health management, creating a safe, healthy, and supportive work environment while promoting diverse talent cultivation and career development systems to drive the mutual growth of employees and the Company. In the social dimension, Cheng Shin has also continued to invest in public welfare and local community care, strengthening social connections with its operating locations and fulfilling corporate social responsibility.

In terms of corporate governance and supply chain management, Cheng Shin continues to refine its regulatory compliance, risk control, and information security mechanisms to enhance overall governance quality and transparency. Furthermore, it collaborate with supply chain partners to promote sustainable management—including raw material traceability, human rights risk assessments, and quality control—to address international sustainable development trends. In 2025, Cheng Shin was selected as a constituent of the FTSE4Good Taiwan Index for the eighth consecutive year in 2025, demonstrating the results of its long-term commitment.

Looking ahead, Cheng Shin will continue to uphold the spirit of "Integrity and Innovation" and deepen tire technology R&D and product innovation. It will focus on low-carbon materials, energy-efficient designs, and electrification trends to create products that integrate safety, performance, and environmental responsibility. At the same time, Cheng Shin will continue to strengthen its global footprint and organizational resilience, working together with shareholders, employees, customers, suppliers, and all stakeholders to build a more resilient and value-creating sustainable future.

Chairman Robert Lo

Identification of Material Topics

Procedure for the Identification of Material Topics

Understanding the Organizational Context

To conduct a materiality analysis of corporate sustainability issues, Cheng Shin conducted an inventory and assessment of sustainability topics in accordance with the AA1000 SES Stakeholder Engagement Standard and with reference to international sustainability trends, regulatory requirements, international ratings and disclosure standards, stakeholder concerns, and industry peer disclosure trends.

1.Identification of stakeholder types: In accordance with the five principles of the Stakeholder Engagement Standard (AA1000 SES), Cheng Shin identified five major stakeholder groups: customers, shareholders, employees, government agencies, and suppliers.

2.Analysis of Industry Sustainability Topics: Cheng Shin completed its sustainability topic inventory by consolidating information from CDP, IFRS S1/S2, SASB, benchmark companies´ sustainability reports, historical sustainability topics, external survey results, and ESG evaluation requirements. In 2025, a total of 19 sustainability topics were identified, comprising 7 governance, 3 product, 4 environmental, and 5 social topics.

Identify Impacts and Assess Significance

Based on the list of sustainability topics identified in the previous stage, Cheng Shin invited senior executives to assess the likelihood and significance of the positive and negative impacts of each sustainability topic on external stakeholders, including the economy, the environment, and people. In 2025, a total of 58 questionnaires were returned, representing a 100% response rate, of which 29 were valid questionnaires.

Likelihood of occurrence: The probability of positive and negative impacts.

Impact level: The benefits generated by positive impacts, or the severity and scope of negative impacts.In addition, Cheng Shin regularly distributed sustainability topic concern questionnaires to important stakeholders to gauge their level of concern regarding corporate sustainability issues.

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

(1). Sustainability impact score: The sustainability impact score is calculated by summing the positive and negative sustainability impact scores for each topic identified in the internal questionnaire;

(2). Likelihood score: The likelihood score is derived by summing the scores of the positive and negative probabilities for each issue from the internal questionnaire;

(3). The scores are integrated and ranked based on three dimensions: "ranking order," "SASB material topics," and "ESG ratings." This process, supplemented by peer benchmarking and stakeholder levels of concern, is used to establish the list of material topics.

Note: Average likelihood score = total likelihood scores from all valid questionnaires / number of valid questionnaires returned;

average impact score = total impact scores from all valid questionnaires / number of valid questionnaires returned.

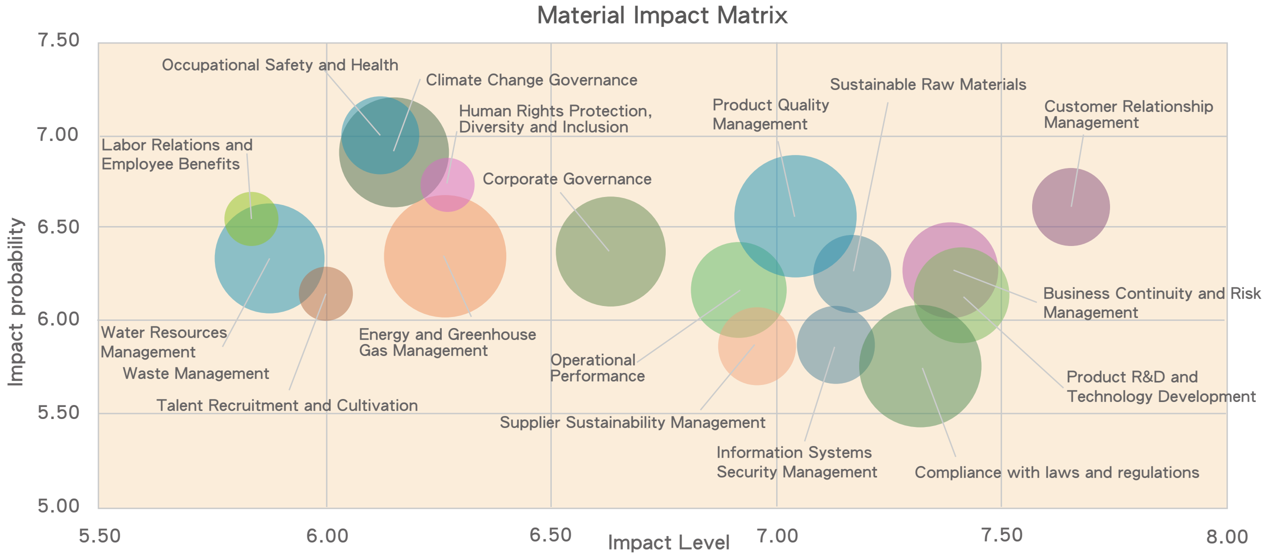
Step 2 Set the materiality threshold

The Sustainable Development 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.

Step 3 Confirm the Material Topics

Note: The x-axis represents the degree of sustainability impact, the y-axis represents the likelihood of impact, and the bubble size represents the degree of external interest.

Note: The x-axis represents the degree of sustainability impact, the y-axis represents the likelihood of impact, and the bubble size represents the degree of external interest.



By integrating the following factors—the disclosure of policies and implementation required by ESG ratings, the frequency of material topics within the industry, rankings from internal and external questionnaires, and a reference to Cheng Shin´s 2024 material topics—a total of 10 sustainability issues were initially prioritized and selected as material topics. These include compliance, customer relationship management, product R&D and technical development, product quality management, energy and greenhouse gas management, business continuity and risk management, talent recruitment and cultivation, labor relations and employee benefits, information systems security management, and occupational health and safety.

Note: Cheng Shin currently employs supply chain collaboration as the core of its biodiversity management strategy; related content is therefore presented in the supplier sustainability management section.

Changes to the 2025 Material Topics

Material Topics	Compared to 2024	Description
Compliance with laws and regulations	Unchanged	
Customer Relationship Management	Unchanged	
Product R&D and Technology Development	Unchanged	
Product Quality Management	Unchanged	
Energy and Greenhouse Gas Management	Unchanged	
Business Continuity and Risk Management	Consolidation and Renaming	Consolidated with risk management to ensure the rapid recovery and operational resilience of the business after any compound disasters.
Talent Recruitment and Cultivation	Unchanged	
Labor Relations and Employee Benefits	Consolidation and Renaming	Newly added: "Labor Relations and Employee Benefits" has been integrated into the risk management framework, recognizing "people" as the most critical asset for business continuity. By optimizing employee well-being to mitigate the risks of talent attrition and labor shortages, the Company has established a framework that bridges social responsibility (ESG) and operational resilience.
Information Systems Security Management	Unchanged	
Occupational Safety and Health	Newly added	

Management of Material Topics

Cheng Shin complies with the GRI 3 Material Topics Standard and discloses its management approaches in accordance with GRI 3. Cheng Shin has established a concrete management approach for each relevant material topic.We have established a comprehensive and systematic management framework through clear policies and commitments, quantitative targets and indicators, robust action plans and resource investment, as well as accessible grievance mechanisms and performance evaluations. For the management approaches of relevant material topics, please refer to the opening page of each chapter.

Stakeholder Engagement

hrough various forms of management and stakeholder engagement, 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 Working 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 Sustainability 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 SES Stakeholder Engagement Standard, including dependency, responsibility, tension, diverse 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 five major stakeholder groups (customers, shareholders, employees, government agencies, and suppliers). At the same time, in daily operations, Cheng Shin carries out engagement and communication with the above stakeholder groups through various communication channels and platforms, and seeks to facilitate a better understanding of all stakeholders through this Report, and responds to the issues and topics of their concern.

Stakeholder Group	Description	Significance to Cheng Shin	Topics of Concern	Communication method and frequency (ad hocor regular weekly, monthly, quarterly, semi-annually, etc.))	2025 Engagement Outcomes and Actions
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	1.Ad hoc business visits and online communication via the Company website. 2.Ad hoc new product launches 3.Ad hoc customer communications via customer service email and telephone. 4.Annual customer satisfaction surveys.	Customer satisfaction surveys and continuous improvement: Taking Taiwan as an example, 500 questionnaires were distributed in 2025, with 485 responses received, and the survey results were rated as average or above. Feedback collected is forwarded to relevant departments (e.g., R&D, production, and quality management), and improvement projects are initiated to address customer pain points regarding product quality, delivery lead times, or after-sales service.

Stakeholder Group	Description	Significance to Cheng Shin	Topics of Concern	Communication method and frequency (ad hocor regular weekly, monthly, quarterly, semi-annually, etc.))	2025 Engagement Outcomes and Actions
Shareholders	Refers to holders of shares issued by Cheng Shin	Shareholders who invest in Cheng Shin are important supporters of the Company´s sustainable development. The Company is committed to protecting shareholder rights and ensuring that all shareholders have fair access to material information. At the same time, public perception of the Company may also affect its share price performance.	1.Compliance 2.Risk Management 3.Information Systems Security Management 4.Product Quality Management 5.Business Continuity and Risk Management	1.Shareholders´ Meeting and Investor Conference (annual). 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 2025. 2.One shareholders´ meeting was held in 2025. 3.MOPS information was updated promptly and in accordance with applicable regulations. 4.Investor information on the Company´s website was updated on an ad hoc basis. 5.Shareholders submitted inquiries via phone and email on an ad hoc basis, and all inquiries were fully answered. 6.A corporate governance evaluation is conducted annually. In the 2025 evaluation, Cheng Shin was ranked in the 21% - 35% bracket among listed companies.
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 2.Occupational Safety and Health 3.Human Rights Protection, Diversity and Inclusion 4.Labor Relations and Employee Benefits	1.Hold labor-management conferences and occupational safety and health committee meetings (on a quarterly basis). 2.Hold corporate labor union meetings, Employee Welfare Committee meetings, and Human Resources Committee meetings (as required). 3.Ad hoc internal company announcements (as required). 4.Monthly on-site medical and nursing services, including employee health check follow-ups and health consultations.	1.Labor-management meetings are held quarterly to report on labor dynamics, communicate and discuss labor activities, employee benefits, etc. 2.2025 On-site Physician Services: A total of 128 service sessions were conducted, providing consultations to 749 employees.
Government Agencies	Ministry of Environment (MOENV),Occupational Safety and Health Administration(OSHA),Financial Supervisory Commission (FSC),Taiwan Stock Exchange(TWSE), and other competent authorities	Stakeholders concerned with Cheng Shin´s compliance performance in economic, environmental and social aspects, and who play an important role in industry development and policy promotion.	1.Business Continuity and Risk Management 2.Sewage Discharge Management 3.Waste Management 4.Occupational Safety and Health 5.Labor Relations and Employee Benefits	1.Official documents (as required) 2.Communication with competent authorities regarding regulatory briefings or public hearings through labor unions (on an ad hoc basis). 3.Reporting through the competent authority´s online reporting system (according to the required reporting cycle). 4.Inspections and visits by the competent authorities (as required).	1.Outreach meetings held by environmental protection and occupational health authorities:participation in more than 30 sessions. 2.Government agencies' promotion seminars and public hearings: occasional participation. 3.MOPS:Disclosures made in compliance with applicable regulations.
Suppliers	Suppliers of raw materials, equipment and tooling	Suppliers of raw materials,equipment and tooling.	Supplier Sustainability Management Product Quality Management	1.On-site audits or self-assessments of new and existing suppliers (as required). 2.Collection and analysis of suppliers´ delivery performance. Major suppliers submit quarterly reports on production process capability. Suppliers failing to meet monthly performance targets are notified by telephone or email and are required to sign and return raw material abnormality notification forms. Review meetings are convened when necessary (monthly).	A total of 40 suppliers underwent on-site assessments in accordance with the annual audit plan, including one new supplier that underwent an on-site audit under the supplier development program. Among them, 19 suppliers were rated Grade A, 16 suppliers were rated Grade B+, and 5 suppliers were rated Grade B. The qualification rate and achievement rate both reached 100%.

Part 1

Cheng Shin “Rolls” the World

Management Approach for Material Topics

Material Topic: Compliance with Laws and Regulations

Item	2025 Management Approach.
Policies	Regularly update regulations related to products, markets, society, the environment, and human rights to adapt to operational shifts resulting from regulatory amendments. Examples include Cheng Shin’s current implementation of labor human rights and fair employment policies, labor rights and ethics policies, and environmental, safety, and health policies.
Commitments	Comply with relevant laws and regulations and operate in accordance with the principle of legal compliance.
Goals and Targets	Receive zero environmental, health, and safety (EHS) violation fines annually through 2025.
Grievance mechanism	Toll-free service hotline: 0800-092123 and Customer Service Center e-mail: svc@tw.maxxis.com.
Communication Performance	Based on reports from various business units, Cheng Shin recorded no violations of laws or regulations in 2025.
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 compliance with these regulations to ensure that subsequent actions align with legal requirements, guaranteeing operational compliance and enabling necessary adjustments to internal procedures.
Mechanisms for evaluating the management approach	Each business unit regularly reports any violations of relevant laws and regulations, followed by ongoing monitoring and supervision.
Results of the management approach evaluation	In 2025, Cheng Shin recorded one violation of Article 20, Paragraph 1 of the Air Pollution Control Act in Taiwan, for which corrective measures are currently underway. Short-term measures focus on improving operating procedures to reduce pollutant volatilization, while long-term measures involve seeking alternative materials.

Material Topic: Business Continuity and Risk Management

Item	2025 Management Approach.
Policies	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.
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.
Grievance mechanism	1.Communication and engagement are conducted through investor conferences, with a dedicated Investor Relations sectionon the Cheng Shin website for downloading relevant materials. 2.Toll-free service hotline: 0800-092123 and Customer Service Center e-mail: svc@tw.maxxis.com.
Communication Performance	Communication with both internal and external stakeholders has been effective, with no major concerns or grievances reported.
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	Execute control self-assessment and risk identification, and develop audit plans.
Results of the management approach evaluation	Based on the results of the annual audit plan, all audit deficiencies have been corrected. The overall risk management mechanism is operating effectively, relevant control measures have been effectively implemented, and risk management effectiveness continues to be enhanced through regular reviews and follow-up improvement actions.

Material Topic: Information Systems Security Management

Item	2025 Management Approach.
Policies	Certified to ISO 27001:2022, obtained TISAX AL2 certification, and established an information security policy.
Commitments	Strengthen information security management, ensure the availability, integrity and confidentiality of the information systems, and comply with the requirements of relevant laws and regulations, in order to protect information systems from internal and external deliberate or accidental threats.
Goals and Targets	1.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 data to Cheng Shin during their business dealings. 2.There were zero information security incidents during the year.
Grievance mechanism	Toll-free service hotline: 0800-092123 and Customer Service Center e-mail: svc@tw.maxxis.com.
Communication Performance	Communication with both internal and external stakeholders has been effective, with no major concerns or grievances reported.
Specific actions	Implement information security drills.
Mechanisms for evaluating the management approach	Correct and improve deficiencies identified through regular audits.
Results of the management approach evaluation	Routine operations and project progress were reported and reviewed, with no major deficiencies identified.

1.1 Sustainable Cheng Shin

1.1.1 Strategies for Sustainable Development

Commitment to Sustainability

Guided by the beliefs of its founder, Chairman Luo Jye, Cheng Shin regards Honesty and Integrity, which are the most fundamental core values for Cheng Shin and the highest guiding principles in the pursuit of sustainable operations. In addition, Cheng Shin also places the “Cheng Shin Maxxis Family” at the center of its sustainability efforts, with safety as its top priority, and integrates these principles into the economic, environmental, and social dimensions of sustainable development.

Sustainability Policies

- Implement ESG spirit: We will hold fast to the philosophy of Integrity & Innovation, remain committed to its core business while embracing new opportunities and practice the corporate culture of honesty, integrity, and continuous innovation as one of the critical factors underpinning the sustainable and sound development 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 remain accountable for their core responsibilities when performing their duties.
- Reduce GHG emissions: Harness clean energy and plan energy-saving measures to reduce GHG emissions. Align with targets set out in the national decarbonization pathway, and strive to continue efforts toward achieving these goals.

- Participation in social welfare activities: Continue to care for the underprivileged and work together with the entire Maxxis family to participate in social welfare activities and spread positive energy throughout society.
- Improve energy efficiency: Proactively conduct GHG emissions inventory and disclosures,monitor carbon emissions at each plant,and optimize the production process to improve energy efficiency.
- Talent attraction and cultivation: Establish a friendly and high-quality work environment,create a fair learning environment, and enhance employees´ awareness of sustainable development.
- Protection of employees’ rights: Committed to protecting labor rights and maintaining comprehensive employee welfare,and creating a healthy and safe work environment.

1.1.2 Sustainable Development Working Group

In 2015, Cheng Shin began to promote and set up a CSR Steering Group. The Company publishes a sustainability report every year, and mobilizes the resources of our Taiwan and China operations to promote the implementation of sustainable development practices in the economic, social and environmental aspects of the Company, as well as to collect and disclose the relevant information required for this Report.

To align with international development trends, 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 Working Group" (hereinafter referred to as the ESG Working Group). The Board of Directors has established four major groups: Corporate Governance, Society, Environment, and Products. Department heads from finance, human resources, marketing and planning, management, R&D, and other departments at each site serve as organizational members. On August 12, 2024, the Board of Directors authorized General Manager Chin-Chang Li to serve as the convener.In addition, the Sustainable Development Committee was established on November 12, 2025, with Associate Vice President Wei-Hsiang Su appointed by the Board as the Chief Sustainability Officer. In this role, he is responsible for formulating corporate sustainability strategies, supervising performance, promoting social responsibility and risk management initiatives, as well as the annual publication of a sustainability report.

On May 13, 2026, the Board of Directors was briefed on the contents and plans of the previous year´s sustainability report, as well as the implementation of improvement measures and mid-to-long-term policy goals. The Board of Directors also supervised the efforts of the ESG Working Group to fulfill the 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.

Furthermore, starting in 2025, updates regarding the progress of Cheng Shin´s greenhouse gas inventory and verification schedule, along with the implementation status of the Cheng Shin IFRS Sustainability Disclosure Standards implementation plan, have been reported to the Board of Directors on a quarterly basis.

1.1.3 2025 Sustainability Highlights

2025 Sustainability Goals and Achievements

Cheng Shin Sustainability Policy	Corresponding Material Topics in Sustainability	Goal	2025 Achievement
Implementation of the ESG Spirit	Compliance wit laws and regulations	Ensure that Cheng Shin is not penalized by the competent authorities for violating laws and regulations in its operations.	One penalty was imposed for a violation of environmental regulations in 2025.
	Operational Performance	We are continuing to refine our production-side management; on the sales side, we are making every effort to secure OE (Original Equipment) contracts, expand into new markets,and optimize existing channels.	Sales of various tire products showed a polarizing trend: while automobile tires and inner tubes declined, motorcycle and bicycle tires saw counter-trend growth.
	Business Continuity and Risk Management	Continue to monitor operational-related issues and proactively manage potential risks.	Regulatory and Environmental Risk Response (Carbon Fees and Green Transformation): 1. Environmental Management System Certification: Cheng Shin has obtained ISO 14001:2015 Environmental Management System third-party certification. The company has integrated climate risks and opportunities with its dependencies and impacts to implement its environmental strategies. 2. Green Energy Product Replacement: The integration of new and old generation products has been accelerated; traditional low-margin products are being replaced with "green energy environmental tires" (such as PREMITRA HP6 and VICTRA SPORT 6) with high capacity utilization and high added value with an emphasis on safety, fuel efficiency, quietness, and low carbon emissions.
	Customer Relationship Management	Maintain market share,conduct market development at home and abroad,and continue to develop new products for customers.	After-Sales Market (AM) Customer Relations for Sustainable Products To meet customer demand for eco-friendly and high-performance products, Cheng Shin has launched a new generation of AM products to enhance customer loyalty: New Product Launch: Launched "PREMITRA HP6" and "VICTRA SPORT 6". Integrating Sustainability Value: Introduced the new-generation eco-friendly "rice husk silica" formula to effectively reduce carbon emissions while enhancing overall tire performance (safety, fuel efficiency, and quietness) in response to the expectations of stakeholders and customers for green consumption.
	Information Systems Security Management	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 data to Cheng Shin during their business dealings.	No data leakage incidents in 2025.

Cheng Shin Sustainability Policy	Corresponding Material Topics in Sustainability	Goal	2025 Achievement
Reduce GHG emissions Improve energy efficiency	Energy Resources and Greenhouse Gas Management	Reduce energy intensity by 1% per year; Reduce emissions by 22% compared to the base year (2019) by 2030; Renewable energy to account for 12% by 2030.	1. Third-party Certification: Cheng Shin has obtained ISO 14001:2015 environmental management system certification. 2. Implementation of Intelligent Systems: We are continuing to introduce intelligent systems during production to enhance overall operational and manufacturing efficiency, precisely manage resources, and reduce unnecessary energy waste during the manufacturing process. 3. Enforce Operating Standards: Strictly enforce the "say what you do, write what you say, and do what you write" principle to reduce energy and material waste resulting from human error or improper system management. 4. Energy Conservation and Carbon Reduction in Manufacturing: We have explicitly established "striving for energy conservation and carbon reduction within plants and manufacturing processes" as a core policy, and are now actively optimizing the operational efficiency of production equipment.
	Product R&D and Technology Development	Continued to develop high-performance,lightweight,low rolling resistance,low-wear, safe, and smart tires.	1. Completed the development of 4 low-energy projects for electric vehicles. was completed. 2. Completed the development of 2 sustainable products using recycled fishing net yarn. 3. Completed the development of 4 material and formulation projects.
	Product Quality Management	Pass relevant certification tests around the world to obtain assurance of product safety and ensure the most stringent protection for consumer safety.	1. ISO 14001:2015 certification: The Company has obtained third-party certification for its environmental management system, ensuring that production processes comply with domestic and international environmental and safety regulations while maintaining high quality standards. 2. Regulatory and Compliance Monitoring: In terms of product sales and marketing, we strictly comply with relevant laws and regulations to prevent anti-competitive behavior or violations of marketing laws, thereby safeguarding the reputation of our brand and products.
Talent Attraction and Cultivation	Labor Relations and Employee Benefits	Enhance employee welfare and incentivize top talent.	60% of employees are enrolled in the Employee Stock Ownership Trust Program.
	Occupational Safety and Health	No occupational accidents were reported.	No occupational accidents were reported.
	Talent Recruitment and Cultivation	Boost employee expertise, enhance management capabilities, uphold the Company's corporate culture and strengthen employee competitiveness.	Average hours of training: Taiwan Region: (TBC by HR) 16.56 hours for supervisory employees; 21.06 hours for non-supervisory employees. Subsidiaries: 33.72 hours for supervisory employees; 34.68 hours for non-supervisory employees.
Participation in social welfare activities	-	Cheng Shin continued to sponsor local educational and community outreach initiatives such as scholarships for underprivileged elementary school students.	In 2025,Cheng Shin donated NT$82,000 to scholarships for underprivileged elementary school students and participated in blood donation drives.

Responding to the United Nations Sustainable Development Goals (SDGs)

Cheng Shin regards honesty and integrity as its highest guiding principles in sustainable operation and takes economic growth, social progress, and environmental protection as its direction for sustainable development. It also adopt the 17 United Nations Sustainable Development Goals (SDGs) as its guide for sustainable development 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,following the five steps of the SDG Compass: understanding the SDGs,defining priorities,setting goals,integrating,and reporting and communicating,thereby establishing action plans and reviewing them in a timely manner to support future sustainable development.

SDGs	Targets	Summary of Contributions ▲Projects●Results	Corresponding Chapter
	1.1.By 2030, ensure that all men and women, in particular the poor and the vulnerable,have equal rights to economic resources,as well as access to basic services,ownership and control over land and other forms of property,inheritance, natural resources,appropriate new technology and financial services, including microfinance.	●In 2025, Cheng Shin donated NT$82,000 to scholarships for underprivileged elementary school students.	5.2.1 Sustainable Talent Empowerment
	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 approximately 200 lunch boxes daily for the elderly living alone, mobility impaired,and low- and middle-income households near the Dacun Plant and Xizhou Plant. ●Douliu Plant sponsored the Douliu City Office to promote the Elderly-Friendly Cafeteria to enhance proper and adequate care for the elderly.	5.2.2 Local Prosperity and Co-prosperity
	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 2025, totaling 811 employees, with follow-up for 19 employees.	4.3 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 2025, a total of five industrial safety seminars were held, reaching a cumulative attendance of 251 people. In addition, four health seminars were conducted, with a cumulative attendance of 213 participants, and one health promotion activity (physical fitness assessment) was held, with 25 participants.	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.	●In 2025, Cheng Shin donated NT$82,000 to scholarships for underprivileged elementary school students.	5.2.1 Sustainable Talent Empowerme

SDGs	Targets	Summary of Contributions ▲Projects●Results	Corresponding Chapter
5 性別平等	5.1.End all forms of discrimination against all women and girls everywhere.	●Cheng Shin employees are paid fairly and consistently without regard to gender, race, religion, political affiliation, or marital status. We also take into account the labor supply and demand market and regional salary quotations, as well as the positions held by employees, their education, work experience and years of experience, and their professional abilities.	4.1.2 Employee Welfare 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 14.11% compared to 2024.	3.4 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 trans-boundary 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. ●Reduced GHG emissions by 1,366.66 tonnes CO_2e in 2025 by promoting energy saving programs at our operations in Taiwan and subsidiaries.	3.3 Energy and Greenhouse Gas 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 2025, consolidated revenue reached NT$90.78 billion, earnings per share was NT$1.5, gross margin of sales reached 22.73%, and brand value reached US$217 million.	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 Cheng Shin employee. ●The hiring process is rigorous, and employees' ages are verified to ensure compliance with the local labor-related laws and regulations of the operating regions. Between 2014 and 2025, no child labor was used, and no child labor-related complaints were received.	4.2 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 ISO 45001 management system to maintain the occupational safety and health of the work environment. ●Implement the female worker health protection program to ensure the safety of female workers at work. ●The 2025 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.	4.3 Safe and Healthy Workplace

SDGs	Targets	Summary of Contributions ▲Projects●Results	Corresponding Chapter
11 永續發展的市鎮規劃	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.	●Maintain the normal operations of air pollution control equipment in factory plants. ●Control equipment is installed for each stationary pollution source to ensure that Cheng Shin's processes comply with air pollution control permits.	3.5 Waste Management, Recycling and Reuse 3.6 Air Pollution Prevention and Control
12 確保永續消費和生產模式	12.2.By 2030, achieve the sustainable management and efficient use of natural resources.	●In response to the concept of global environmental protection, Cheng Shin has established an enterprise environmental management system,committed to product design in line with the concept of environmental protection and improve the equipment and operating environment,thereby reducing waste gas emissions,wastewater, noise,and waste generated during manufacturing processes, conserving energy, and promoting the proper recycling and reuse of resources.	3.3.1 Energy Management 3.3.1 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.	●To ensure the normal operation of air and water pollution control equipment,chemical dosing systems are typically installed. However,the plant has effectively optimized the settings of this equipment to achieve peak performance without the need for chemicals, thereby eliminating unnecessary chemical consumption. ●The amount of waste generated in the Company's Taiwan plants in 2025 decreased by 4.26% compared to 2024.	3.5 Waste Management,Recycling and Reuse
	12.5.By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.	●By continuously promoting wastewater reduction and recycling, reducing wastewater discharge, and integrating production planning across plants to ensure the optimal use of water resources.	3.4 Water Resources Management
	12.6.Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	●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 和平、正義與健全的司法	16.5.Substantially reduce corruption and bribery in all its forms.	●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.	1.3.3 Integrity and Anti-Corruption
	16.6.Develop effective,accountable and transparent institutions at all levels.	●Procedures for Preventing Insider Trading. ●Work Regulations. ●Establishment of regulations for Related-Party Transactions. ●Suppliers - Commercial Contract Guidelines. ●No incidences of insider trading or corruption cases occurred in 2025.	

Cheng Shin Highlights 2023 ~ 2025

2023

Cheng Shin was listed as a constituent company of the FTSE4Good TIP Taiwan ESG Index for the 6th consecutive year.
All eight MAXXIS products were recognized by the "Taiwan Excellence Awards".
The MAXXIS VS-EV electric tire won the Red Dot Award, the Paris DNA Design Award, and the U.S. IDEA International Design Excellence Award.

FTSE4Good TIP Taiwan ESG Index
TIP
台灣精品 2024
reddot winner 2023

2024

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

FTSE4Good TIP Taiwan ESG Index
TIP
A'DESIGN AWARD & COMPETITION WINNER 2024 GOLD
iF DESIGN AWARD 2024
reddot winner 2024
GOOD DESIGN AWARD 2024

2025

1.Maxxis N Vision Concept tire won Italy´s 2025 A´Design Award.
2.Maxxis´s Maxxventure AT adventure (ADV) motorcycle tire won the 2025 Golden Pin Design Award in Taiwan. Honored with the GOLDEN PIN DESIGN AWARD!
3.2025: Won the 34th Taiwan Excellence Award for the Premitra HP6 sedan tire, VR2 racing sedan tire, and ATV non-steel belt desert racing tire.
4.MAXXIS´ Victra Sport VS6 won the 2025 U.S. MUSE Design Gold Award and the 2025 German Red Dot Design Award; its high-performance touring tire,Premitra HP6,also won the 2025 German Red Dot Design Award, demonstrating MAXXIS´outstanding strength in product innovation and design aesthetics.
5.2025: Enduro Mountainbike Magazine readers voted MAXXIS as the best mountain bike tire brand of the year.
6.2025 - Vital MTB North American Magazine´s survey ranked MAXXIS as the number one mountain bike tire brand for the 13th consecutive year.
7. 2025 - Secured supplier status for DJI´s ANFLOW EB200, EB300, and EB400 series electric bicycle tires.
8.2025 - MAXXIS sponsored riders achieved impressive results in various international mountain biking events, taking a total of 44 first-place finishes,36 second-place finishes, and 37 third-place finishes.
9.2022~2027 - Designated RC-1 tires for the BMW E30 Series of the National Auto Sport Association (NASA, U.S.A.).
10.2022~2026 - Designated tires for the Karting Australia CADET 9 and CADET 12 classes.
11. Maxxis expanded its collaboration with the BMW Group in 2025, securing original equipment (OE) tire supplier status for the BMW 1 Series (European market) and the BMW 2 Series.

ENDURO MOUNTAINBIKE MAGAZINE BEST BRAND 2025 READERS' CHOICE TIRES
A'DESIGN AWARD & COMPETITION
AWARD WINNING DESIGN GOLD A' DESIGN AWARD 2025
GOLDEN PIN DESIGN AWARD 2025 金點設計獎
2025 GOLD WINNER MUSE DESIGN AWARDS
台灣精品 TAIWAN EXCELLENCE Everyday Excellence
reddot winner 2025

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 honest 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

Date Established	January 1, 1967
Headquarters	No.215, Meigang Rd., Dacun Township, Changhua County, Taiwan (R.O.C.)
Chairman	Tsai-Jen Lo
General Manager	Yung-Lung Luo
Paid-in Capital	NT$32.414 billion
Total number of full-time employees	Taiwan: 4,194 ; Group: 22,544

Main Product/Service Items

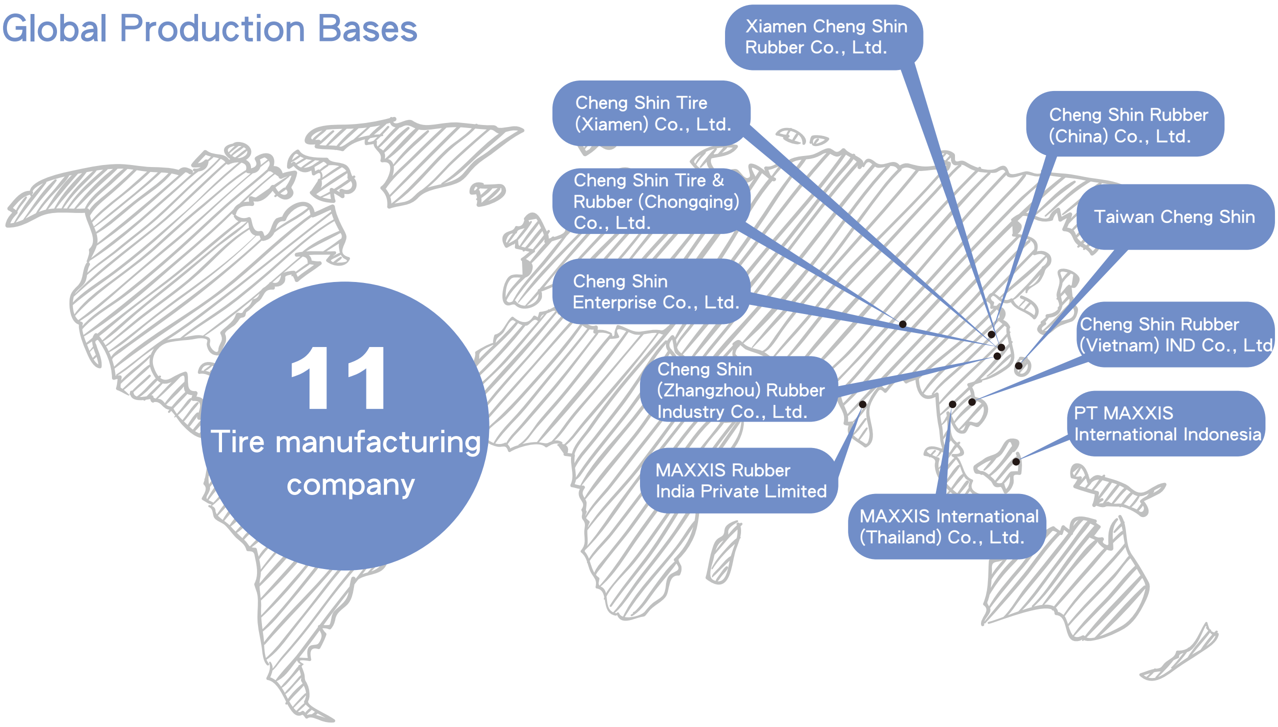
Cheng Shin's primary product range spans various fields, including tires for horticultural use, industrial use, bicycles, motorcycles, all-terrain vehicles (ATVs), passenger cars, buses, light trucks, trucks, trailers, and racing, as well as various other rubber products. Please refer to PART 2 for further product details.
heng Shin's primary product range spans various fields, including tires for gardening,industrial use,bicycles, motorcycles, all-terrain vehicles (ATVs), passenger cars, buses, light trucks, trucks, trailers, and racing, as well as various other rubber products. Please refer to PART 2 for further product details.

Business and Growth

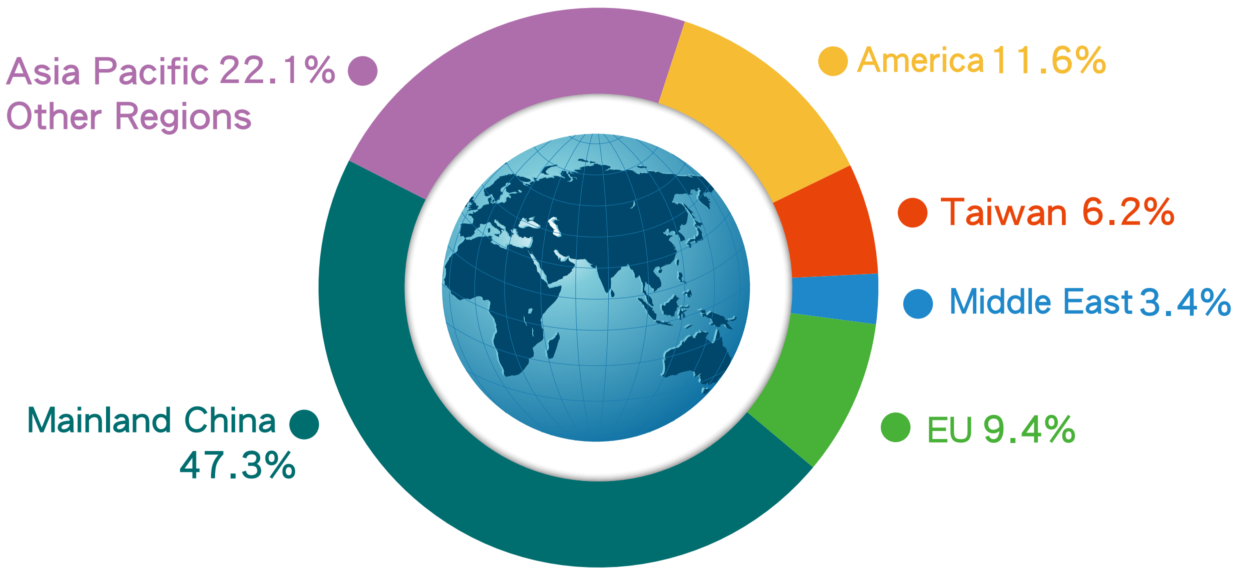
Cheng Shin supports integrity and innovation, remainins committed to its core business while creating new opportunities, and these are manifested in its corporate culture through the concept of "Three 100s: 100% Quality, 100% Service, 100% Trust. The Company continuously advances by enhancing research 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.
heng 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. At present, Cheng Shin has expanded its sales to more than 180 countries, covering five continents.
The rise of emerging markets has boosted demand for automobile tires. The recent investments in India and Indonesia,which are the most 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



Analysis of Group Sales - By Region



Group Operational Performance

The global trade environment remains turbulent in 2025, with frequent adjustments to U.S. tariff policies creating a high degree of uncertainty. Traditional industries are bearing the brunt of these changes and are faced with severe challenges. Simultaneously, the Chinese tire market is grappling with overcapacity resulting from large-scale investment, leading to fierce domestic price competition. Coupled with rising overseas trade barriers, the competitive landscape for the entire industry has become increasingly demanding, serving as a comprehensive test of corporate operational resilience and adaptability.

The net profit in the consolidated financial statements for 2025 declined by 39.77% compared to the previous year, with earnings per share of NT$1.50. Cheng Shin maintained a customer-centric approach, ramping up production to meet demand and creating new opportunities. By continuing to strengthen its business and organizational performance, Cheng Shin is steadily increasing its overall competitiveness and growing its brand value. Cheng Shin has successfully forged MAXXIS into an international brand from Taiwan that is marketed in more than 180 countries worldwide, demonstrating Cheng Shin´s strong global market presence and international footprint.

Unit: NT$ thousand

Consolidated statements (Note)	2023	2024	2025
Operating revenue	96,201,313	96,247,057	90,780,872
Gross profit	23,388,685	23,243,923	20,632,042
Operating profit and/or loss	10,357,806	10,011,804	7,155,291
Non-operating income and expenses	148,804	730,827	-312,486
Profit before income tax	10,506,610	10,742,631	6,842,805
Net Profit for the Year	7,197,962	8,028,188	4,835,490

Government Subsidies

Cheng Shin actively responds to government policies, particularly in the areas of industry innovation, technological upgrades, and environmental protection. In 2025, 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 Administration of Industrial Development (AID); 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; Subsidy Program for Promoting Zero Trust IoT Fields, the Digital Transformation and Ecosystem AI Service Innovation Project, and employer subsidies for maternity exam and paternity leave.

Unit: NT$ thousand

Region (Currency)	2023	2024	2025
Cheng Shin Taiwan	51,357	34,671	73,338
Cheng Shin Kunshan	348,496	16,514	47,987
Cheng Shin Chongqing	34,218	187	165,787
Cheng Shin Xiamen	247,236	228,405	250,684
Subsidiaries outside China	NA	10,586	0

Note: From 2024, all data includes subsidiaries included in the consolidated financial statements.

Participation in Industry Associations and 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 or member is listed below:

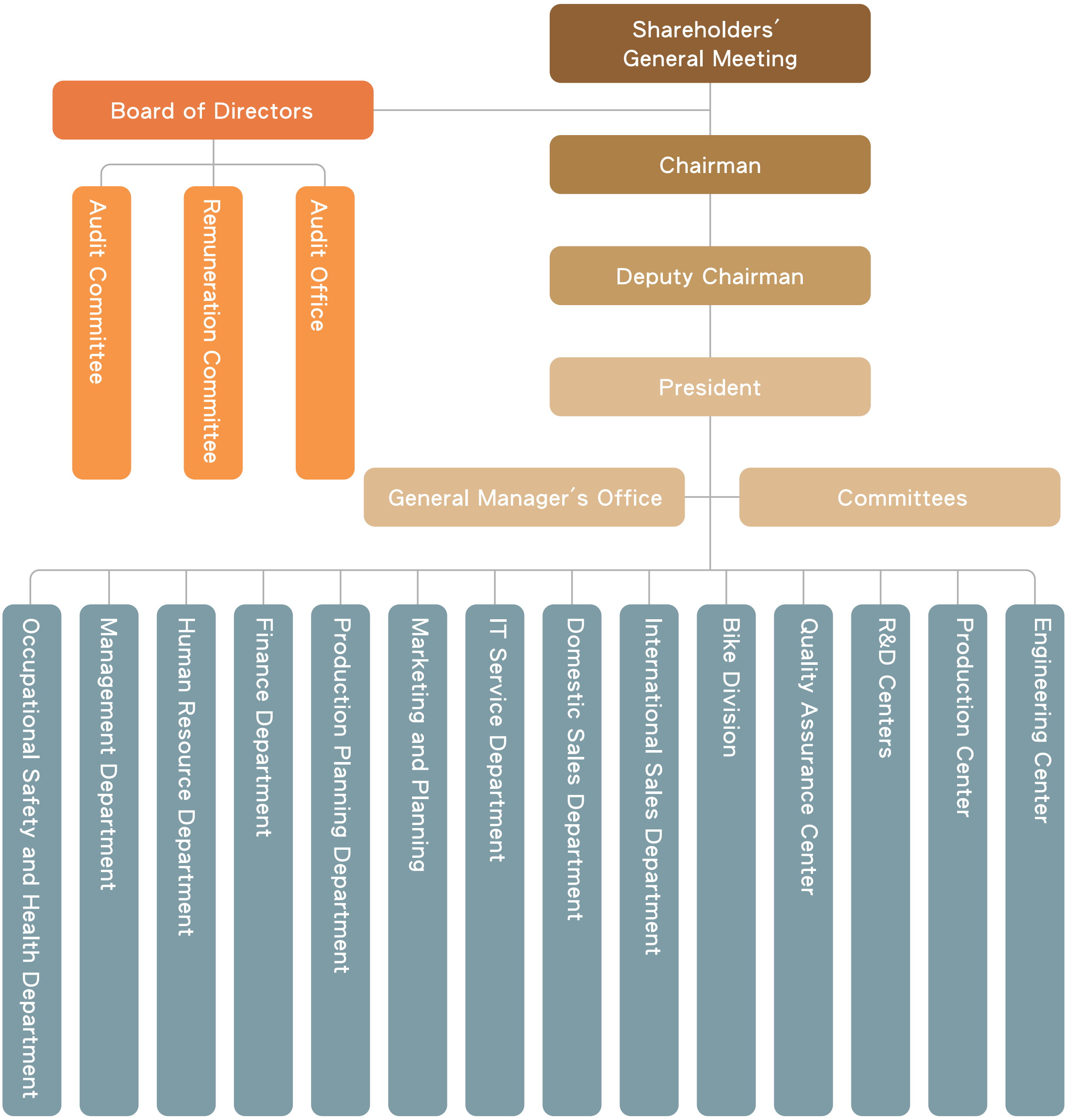
Company	Director, supervisor, or advisor (number of industrial associations and organizations)	Members (number of industrial associations and organizations)	Amount invested (NT$)
Taiwan	2	31	4,348,244
Subsidiary	17	6	NA

1.3 Corporate Governance

1.3.1 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 Board of Directors has established the Internal Audit Office, the Audit Committee, the Remuneration Committee, and the Sustainable Development Committee to assist in fulfilling its supervisory responsibilities.

Organizational Structure of Cheng Shin



The main responsibilities of each department are as follows: Please refer to Cheng Shin's website (http://www.cst.com.tw/shareholder_9.php)

Operation of the Board of Directors

In accordance with Article 10 of the Rules of Procedure for Board of Directors Meetings, the board of directors of Cheng Shin shall be convened by the chairman of the board, who shall serve as the chairman of the meeting. 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 2025 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 all 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, five are aged 71 and above, three 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 involve a conflict of interest and may be detrimental to the interests of Cheng Shin,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 Cheng Shin uses regular stakeholder feedback to better understand changes in the market, economy, society and environment.
The Rules of Procedure for Board of Directors Meetings are available for download from Cheng Shin's website. (http://www.cst.com.tw/shareholder_9.php)
In 2025, a total of 5 board meetings were held, with a directors' (including independent directors) attendance rate of 98%. For further detailed background information on the Board members, please refer to the 2025 Annual Report of the Shareholders' Meeting.
According to the 2025 material topics, the total number of key material matters that have been communicated with the highest governance unit is 28 items (Compliance, 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)

Communication of key material matters with the highest governance body is detailed in the table below

Date	Proposal contents	Independent Director's Opinion	Company's Response to Independent Director's Opinions
2025.01.21 (10th Meeting of the 12th Board)	Report Items: (1)Report of key financial activities. (2)Report of internal audit findings.	None	N/A
2025.03.12 (11th Meeting of the 12th Board)	Report Items: (1)Report of key financial activities. (2)Report of internal audit findings. (3)Progress report on Cheng Shin's greenhouse gas inventory and verification schedule. (4)Progress report on the implementation of Cheng Shin's IFRS Sustainability Disclosure Program.	None	N/A
2025.05.13 (12th Meeting of the 12th Board)	Report Items: (1)Report of key financial activities. (2)Report of internal audit findings. (3)Progress report on Cheng Shin's greenhouse gas inventory and verification schedule. (4)Report on the operation of the Cheng Shin ESG Working Group. (5)Report on the operation of the Integrity Management Group. (6)Progress report on the implementation of Cheng Shin's IFRS Sustainability Disclosure Program.	None	N/A
2025.08.12 (13th Meeting of the 12th Board)	Report Items: (1)Report of key financial activities. (2)Report of internal audit findings. (3)Progress report on Cheng Shin's greenhouse gas inventory and verification schedule. (4)Progress report on the implementation of Cheng Shin's IFRS Sustainability Disclosure Program. Discussion Items: (1)Completion of the Cheng Shin 2024 Sustainability Report. (2)Proposal to amend the Company's "Procedures for the Preparation and Verification of Sustainability Reports".	None	N/A
2025.11.12 (14th Meeting of the 12th Board)	Report Items: (1)Report of key financial activities. (2)Report of internal audit findings. (3)Progress report on Cheng Shin's greenhouse gas inventory and verification schedule. (4)Cheng Shin Information Security Management Report. (5)Progress report on the implementation of Cheng Shin's IFRS Sustainability Disclosure Program. (6)Corporate Value Enhancement Plan Report. Discussion Items: (1)Proposal to establish the Company's 2026 Audit Plan. (2)Amendment to the Company's Sustainable Development Best Practice Principles (3)Establishment of the Cheng Shin Sustainable Development Committee and adoption of the "Sustainable Development Committee Charter". (4)Appointment of members of the Sustainable Development Committee.	None	N/A

Directors´ Continuing Education

In 2025, the Company planned a total of 9 hours of courses related to environmental sustainability (net zero and sustainability, sustainable finance and climate change, IFRS sustainability standards). Training hours for courses related to corporate governance, taxation, and information security (corporate governance, information security risks, and taxation laws and regulations) totaled 87 hours, for a total of 96 training hours. Participants received relevant certificates of completion, fulfilling the annual training requirement of six hours for directors. Furthermore, the Company provides quarterly updates on insider regulatory compliance and timely notifications of relevant law amendments.

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. The opinions of stakeholders and remuneration consultants are not referenced currently. In 2025, 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 the 2025 Annual Report of the Shareholders´ Meeting 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 2025 with a 100% attendance rate. For other detailed background information of the Audit Committee, please refer to the 2025 Annual Report of the Shareholders´ Meeting and the Cheng Shin website. (http://www.cst.com.tw/shareholder_9.php)

Sustainable Development Committee

Cheng Shin established the Sustainable Development Committee on November 12, 2025. The first committee consists of five members appointed by a resolution of the Board of Directors. Committee members must possess professional expertise and competence in corporate sustainability. Furthermore, the Board of Directors approved the appointment of a Chief Sustainability Officer on March 11, 2026. The term of office for committee members coincides with the term of the appointing Board of Directors. The Committee was established to fulfill sustainable development goals related to environmental protection, social responsibility, and corporate governance. In 2025, a total of one meeting was held, with an attendance rate of 100%. For further detailed background information on the Sustainable Development Committee, please refer to the 2025 Annual Report of the Shareholders´ Meeting and Cheng Shin´s website. (http://www.cst.com.tw/shareholder_9.php)

Implementation Status in 2025:

Meeting Date	Proposal Contents	Resolutions of the Sustainable Development Committee	Company response to Sustainable Development Committee opinions
2025.12.29 (1st Meeting of the 1st Committee)	(1)Organizational report for the Cheng Shin Sustainable Development Working Group. (2)Cheng Shin report on new and revised indicators for the 2026 ESG evaluation. (3)Report on the timetable for preparation of the Cheng Shin 2025 ESG Report. (4)Cheng Shin Human Rights Due Diligence Progress Report (5)Report on Cheng Shin´s 2025 sustainable development implementation outcomes and future goals.	Proposal 2: Regarding the Company´s ESG operations and ESG assessment needs, Committee Member Yong-Li Lo recommended the appointment of a Chief Sustainability Officer; the remaining reports were noted, and there were no other opinions.	Submitted to all the directors present at the 15th meeting of the 12th Board of Directors on February 10, 2026. The establishment of the CSO was approved by the Board of Directors and publicly announced on March 11, 2026.

1.3.2 Governance 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 upon retirement after review by the Remuneration Committee and approval by the Board of Directors. 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. Beginning in 2026, the remuneration of the General Manager and senior executives (Chief Sustainability Officer) will be linked to ESG performance. Greenhouse gas emission intensity (40%), employee safety (30%), and ESG assessment results (30%) will be incorporated into annual performance evaluations. Evaluation results will serve as the basis for operating bonus adjustments, with increases of up to 15% and reductions of up to 15%, thereby strengthening senior executives' accountability for sustainable development objectives and promoting the implementation of the Company's sustainability strategy.

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 (with no less than 30% of employee compensation to be set aside for entry-level 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 1: 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.

Note 2: Cheng Shin does not have independent remuneration consultants. Directors' remuneration is reported at the annual Shareholders' Meeting and explained to shareholders. The link to the "Regulations Governing the Performance Evaluation of the Board of Directors and its Functional Committees" is available at https://reurl.cc/51onR7.

Performance Evaluation of the Board of Directors and Functional Committees

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

The results of the 2025 evaluation were presented to the Remuneration Committee on February 09, 2026 and discussed at the Board of Directors' meeting on February 10, 2026. The overall evaluation result was that "the Board of Directors and its Functional Committees are operating in a sound and professional manner", and will be used as a reference for the selection of directors to be nominated for reappointment in the future.

Please refer to page 24 of the Annual Report for the results of the evaluation of the performance of the Board of Directors and its functional committees.

The annual report is available for download on the Market Observation Post System (MOPS) and Cheng Shin's website (http://www.cst.com.tw/shareholder_7.php).

Enhance Information Transparency

Cheng Shin has amended its "Regulations Governing the Election of Directors" and "Rules of Procedure for Board of Directors Meetings" in accordance with the law, and has established relevant corporate governance regulations. These are disclosed on the company website and the Market Observation Post System (MOPS). Furthermore, the Company discloses information regarding directors' continuing education, board meeting attendance, and remuneration on the MOPS. Financial information has been announced ahead of the statutory deadlines.

1.3.3 Integrity and Anti-Corruption

Integrity Management and Anti-Corruption Regulations

In accordance with the Ethical Corporate Management Best Practice Principles, 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. The Code of Conduct for directors, managers and employees of Cheng Shin is also set out in the work rules to ensure that all members of Cheng Shin uphold honesty and integrity in the execution of their duties. There were no violations of ethical business regulations (including anti-corruption) or internal regulations in the year 2025.

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.

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 aforementioned communication channels in 2025.

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. Overseas subsidiaries provide training for both new hires and existing employees to communicate and instill the Company's ethical management regulations and philosophy. To date, the training completion rate has reached 97.9%, and these programs will continue to be implemented across the entire Group.

Cheng Shin has implemented ethical corporate management, and the parent company has completed its corruption-related risk assessment procedures. In 2026, the Company will conduct comprehensive risk assessments across all subsidiaries and, based on the results, actively formulate and implement corresponding improvement and control measures to strengthen ethical governance.

In 2025, 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		2023	2024	2025				
				Training Category	Training Hours	Total Employees	Number of Trainees	Training Coverage (%)
Taiwan		2,471.20	3,685.00	Supervisor	652.73	4,194	4,113	98.00%
				Non-supervisor	3,399.85			
Cheng Shin China		8,220.00	6,891.00	Supervisor	66.50	3,050	3,050	100.00%
				Non-supervisor	5,570.00			
Cheng Shin Chongqing		856.00	717.00	Supervisor	87.00			
				Non-supervisor	555.00			
Xiamen Group		NA	12,776.00	Supervisor	1,318.92	8,915	8,857	99.00%
				Non-supervisor	8,705.08			
Non-China Subsidiaries	Manufacturing Plants	NA	NA	Supervisor	880.00	6,075	5,742	94.52%
				Non-supervisor	7,337.50			
	Non-Manufacturing Operations	NA	NA	Supervisor	17.00	222	222	100.00%
				Non-supervisor	230.00			
Total				Supervisor	3,022.15	22,456	21,984	97.90%
				Non-supervisor	25,797.43			

Business Integrity Operations and Implementation

Commitments	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 is reviewed along with the contracts by the legal affairs unit. The same procedure applies to new partners.
Promotion	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. The relevant ethical management policies and key operational procedures are uploaded to Cheng Shin's intranet, and internal announcements are issued to reiterate the company's commitment to ethical management. Department heads are required to provide education and training on these matters to their subordinates.
Evaluation	Cheng Shin has implemented ethical management with a comprehensive risk control mechanism and overall self-assessment procedures now in place. Further comprehensive risk assessments across all operational sites will be conducted in the future. The Company will also actively formulate and implement corresponding improvement and control measures to strengthen ethical governance.
Education and Training	1. Arrange ethical business education and training for new employees. 2. In 2025, 4,052.58 hours of ethical management training (covering anti-corruption, anti-bribery, employee code of conduct, and corporate culture) were completed in the Taiwan Region. Ethical training completion rate has reached 97.9% across the entire Group and will continue to be implemented group-wide.
Violations	No violation as of December 31, 2025.

1.3.4 Information Security Management

Information security management framework

On November 10, 2022, the Board of Directors of Cheng Shin approved the establishment of a dedicated Information Security Team under the Information Services Department with Assistant Vice President Po-Chia Chen as the Chief Information Security Officer (CISO), and Manager Hsiang-Hsien Hsiao as the Information Security Manager. The team is staffed with three dedicated information security personnel responsible for information security operations and maintenance, the promotion of information security policies, information security incident response, information security audits, and information security education and drills. The annual audit plan also includes reviews of information and communication security management operations. Furthermore, the Information Security Team is required to report the status of information security implementation to the Board of Directors at least once a year; the most recent report was completed on November 12, 2025.

The Company has also established a comprehensive information security governance framework. This includes an Information Security Committee composed of the General Manager and cross-departmental senior executives, under which an Information Security Task Force, an Information Security Audit Team , and an Information Security Response Team have been established. The Manager of the Information Department serves as the Management Representative, while the Assistant Vice President of the Information Services Department serves as the Chief Information Security Officer (CISO). The Committee and Task Force work together to establish three lines of defense comprising strategic planning, audit oversight, and incident response, thereby strengthening information security governance and operational resilience

Information and communications security policy

Cheng Shin has drawn up the "Information Security Manual" and defined an information security management vision: Strengthen personnel awareness, prevent data leakage, implement daily maintenance operations, and ensure service availability, list the implementation of various information security measures and strengthen audit management. Cheng Shin has been implementing management programs since 2023 In accordance with the information security governance framework and the five functions of ISO 27001 and the NIST CSF: Identify, Protect, Detect, Respond, and Recover. These mechanisms ensure that Cheng Shin can mitigate operational risks through prevention, detection, and rapid recovery when facing emerging cyber threats such as ransomware, data breaches, and AI-generated attacks.

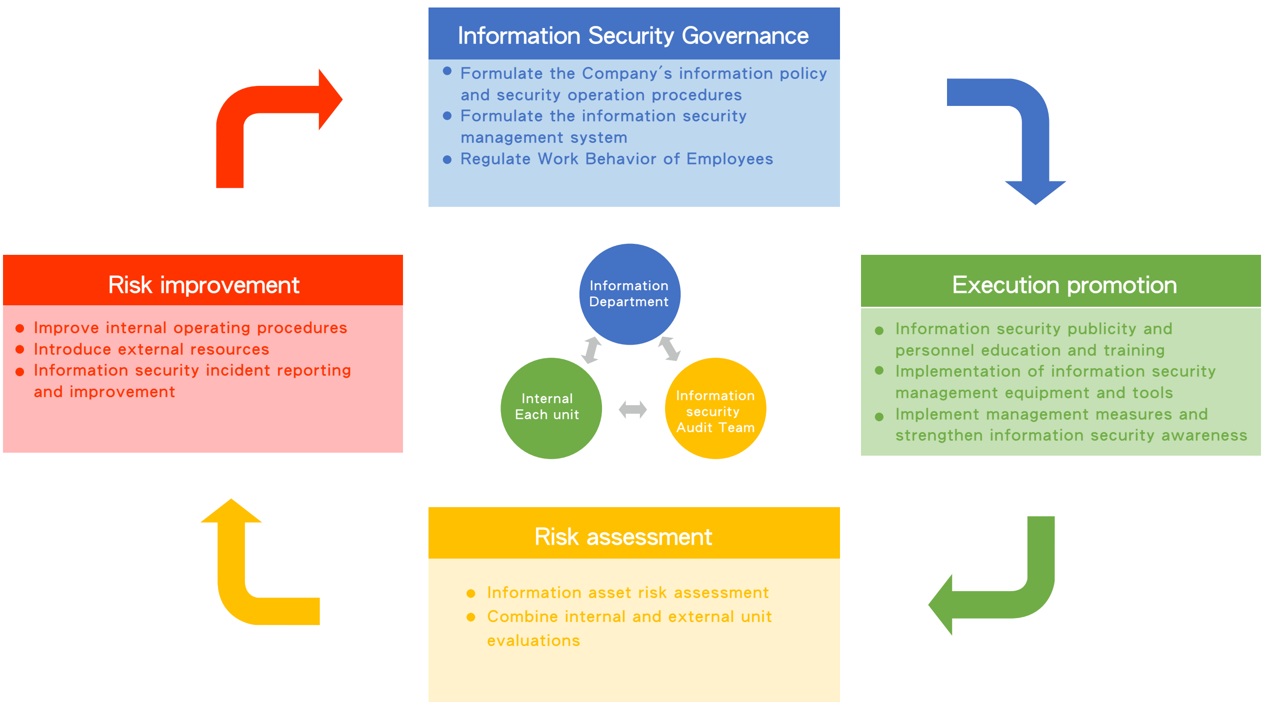
Specific management programs and resources invested toward information and communications management

With the aim to quickly and successfully resume business operations and lower the extent of possible losses and risks when the event of information system damage occurs, countermeasures are in place such as the regular analysis of disasters´ impact on operations performed every year, the designing and upgrading of the proper software and hardware equipment and resources based on their risk levels, and the improvement of the operation procedures. Cheng Shin continues to invest in cybersecurity infrastructure, with a total investment of over NT$37 million between 2023 and 2026 for equipment upgrades, vulnerability scanning and penetration testing, endpoint protection, cloud disaster recovery, and SOC.

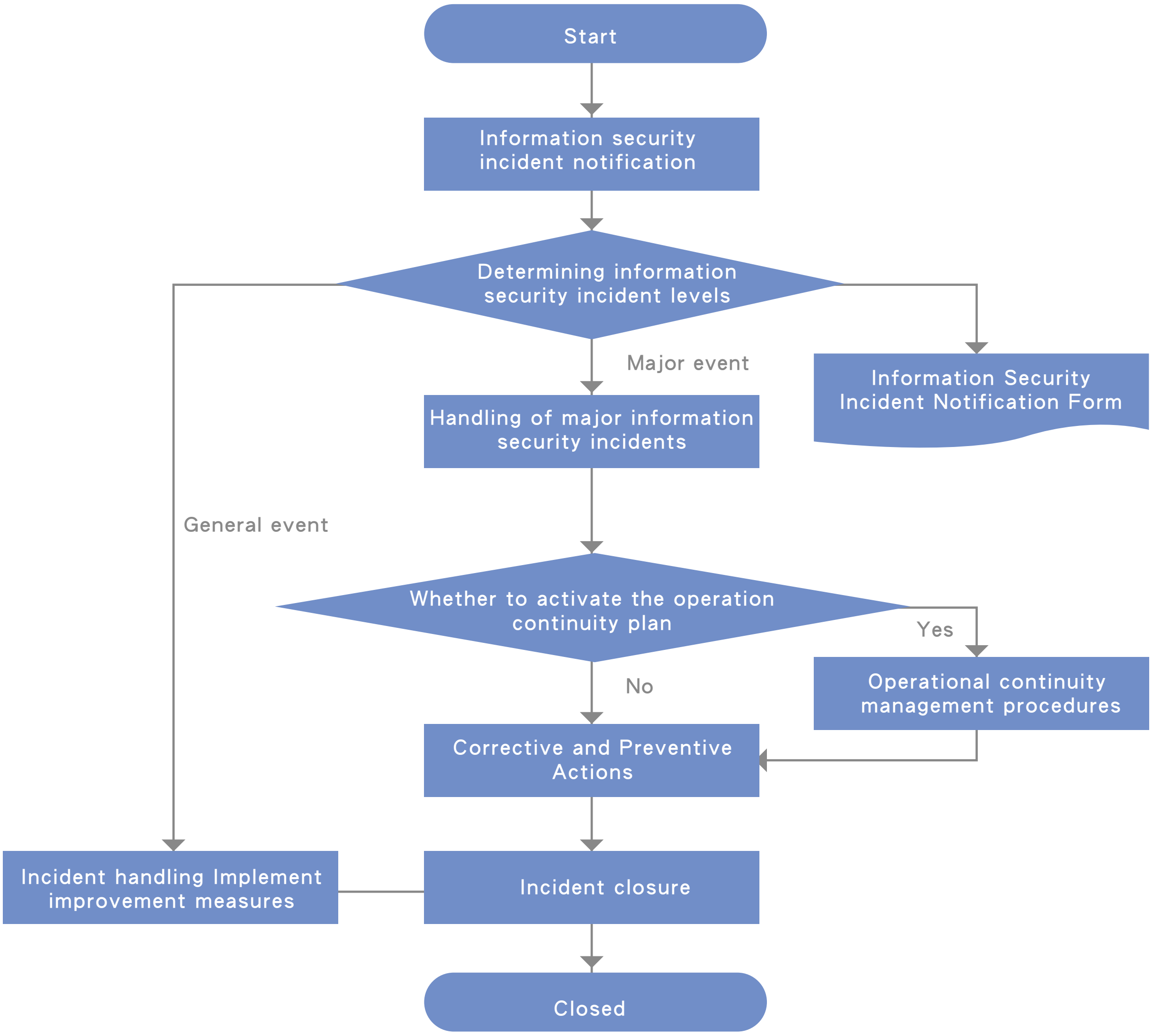
Impact of information system damage on the Company´s business and responsive measures:

The IT system architecture of Cheng Shin is designed with high-availability dual-host, off-site recovery, and data backup mechanisms based on risk levels to ensure service continuity. Backup media are transported to off-site locations for storage. Furthermore, the Company has strengthened simulation testing and emergency response drills within its data centers to ensure the normal operation and security of information systems. These measures mitigate the risk of system interruptions caused by unforeseen natural disasters or human error, ensuring that recovery time objectives (RTO) are met.

Information management process chart



Procedures for Information Security Incident Reporting and Response



Information security certification

In May 2024, the Company passed the Information Security Management System (ISO27001:2022) certification (valid from 2024/05/16 to 2027/05/15), and the International Automotive Cybersecurity TISAX:AL2 certification (valid from 2024/07/15 to 2027/07/14). These certifications cover the corporate information security management system, business continuity management, data protection, and related cybersecurity control measures, ensuring that Cheng Shin can defend against supply chain cybersecurity risks in accordance with international standards.

Information Security and Personal Data Protection Awareness and Training Results

Cheng Shin's 2025 information security initiatives as shown below
Major information security events: 0
Vulnerability scanning: Once per year (outsourced)
Social engineering drills: 2
SAP DR drills: 1
Network drills (Business Continuity): 1
Information Security Management Target Completion Rate: 100%
Information Security Education and Training: More than 2 hours/person
26 threat intelligence briefings and 18 group-wide information security communication meetings
AI-driven detection and blocking of high-risk abnormal network behavior
Daily botnet or malicious login detection (averaging 50/1000 failed login events)
In 2025, all new hires received information security training in paper format before onboarding. A total of 3,963 current employees participated in information security education and training, totaling 3,648.5 training hours.
Cheng Shin is committed to protecting customers' intellectual property and personal data privacy through rigorous information security management practices. The Company has established management and protection mechanisms for documents and information related to product confidentiality and proprietary business information. Through the continuous enhancement of information security controls, regular updates to protection mechanisms, and the implementation of data leakage prevention measures, Cheng Shin continues to strengthen its information security management capabilities, mitigate information security risks, and maintain the trust of customers, suppliers, and other stakeholders.

1.3.5 Intellectual Property Governance

Intellectual Property Strategy

Research and development have been considered the technical foundations of the company since the founding of Cheng Shin. Technology is a type of intangible asset and the Company strongly believes that intellectual property should be protected. To strengthen the Company's R&D ability, the Company has been promoting short-term, medium-term, and long-term strategic planning since 2015. The Company focuses on improving patent quality and invests in technological development to ensure that both the quality and quantity of the Company's patents continue to grow. Under the protection of intellectual property rights, the value of its technology and patents could be created and the ultimate goal would be gaining profit by the commercialization of the patents. In August 2020, the company consolidated the control of "patents", "trademarks" and "trade secrets" under the Intellectual Property Section to realize the systematic management of the group's intellectual property; In addition to patents, the internal IP management strategy of Cheng Shin will be further refined through the inclusion of trademarks and trade secrets. In 2024, Cheng Shin's intellectual property management has evolved beyond independent control programs at each factory to management by the Group's "Intellectual Property Center." Intellectual property includes "patents", "trademarks", and "trade secrets." The PDCA management cycle is implemented according to the Taiwan Intellectual Property Management System (TIPS).

Intellectual Property Management Plan

The Intellectual Property Management Plan for 2025 and its implementation status was reported to the Board of Directors on March 11, 2026.

Intellectual Property Governance Structure

To implement the intellectual property strategy, the Intellectual Property Section under the General Manager's Office serves as the primary responsible unit for intellectual property governance. The Chief Intellectual Property Officer coordinates with the R&D Center, the Information Service Department, and other supporting units to jointly promote and maintain the operations of the intellectual property management system. The Company regularly convenes management review meetings to evaluate its intellectual property (IP) management system. These meetings involve considering internal and external issues as well as stakeholders related to IP, identifying risks and opportunities to be addressed, and establishing IP management policies that align with relevant laws and the Company's compliance obligations. Furthermore, the Company sets IP management goals and reports its implementation plans and operational status to the Board of Directors annually to ensure that the IP management system remains appropriate, comprehensive, and effective.

Intellectual Property Management System

The Intellectual Property Section of the General Manager's Office at Cheng Shin Rubber's headquarters serves as the top decision-making and executive body for intellectual property management. It is also tasked with assisting the Group's subsidiaries in driving their intellectual property initiatives. The division is responsible for coordinating global intellectual property strategies and establishing and implementing management systems. Its scope of work includes patent and trademark application planning, maintenance, and infringement response procedures, as well as the development of trade secret management systems and risk control mechanisms. Through the aforementioned model of dual centralized management and local support, Cheng Shin effectively leverages global resources to enhance intellectual property utilization and corporate competitiveness. The Company obtained the TIPS Grade A certification for "Trade Secrets" and "Patents" in 2023 and completed the TIPS Grade A renewal in 2025. The TIPS Grade A certificate remains valid until December 31, 2027. The Cheng Shin Intellectual Property Management System is outlined below:

1.Trademark Management

To protect the rights and interests of the Cheng Shin brand and its trademarks, the company has established comprehensive trademark management regulations covering various processes such as application, maintenance, and infringement response. Cheng Shin conducts preliminary trademark searches and evaluations for new products or technologies to ensure that the trademarks are distinctive and meet the application requirements. Following the application, a dedicated unit regularly tracks the progress of the trademark examination, handles renewals and oppositions in accordance with local laws and regulations and ensures the ongoing validity of trademark rights.

2.Patent Management

Leveraging its robust R&D capabilities, Cheng Shin continues to create tires with even higher performance. Before any new product is launched, patent protection must be secured to ensure that the company' s production, sales, import, export, and utilization remain unhindered. This not only safeguards innovative achievements and provides security for Cheng Shin products, but also demonstrates the company' s profound commitment to intellectual property protection.

If a patent proposal is deemed unsuitable for application following review by the Intellectual Property Review Committee, the Committee may resolve to transfer the proposal to the Trade Secret Management Review Committee for further evaluation and management regarding trade secret protection. This institutionalized process ensures that every technological achievement receives the most appropriate form of intellectual property protection, strengthening corporate competitiveness and technical security.

3.Trade Secret Management

Cheng Shin currently manages 49 trade secrets. To protect these assets, the Company has defined clear trade secret regulations and established a comprehensive trade secret management policy. This framework covers mechanisms such as trade secret flow control, decryption procedures, and data destruction. From top to bottom, all levels of management demonstrate a steadfast commitment to the protection of trade secrets.

In terms of daily management, Cheng Shin regularly conducts awareness training to emphasize the importance and protection principles of confidential information. Furthermore, the Company works closely with the IT department to strengthen cybersecurity defenses and reduce the risk of data leakage. Access control mechanisms also restrict who can view documents and for how long, with watermarks added to documents to identify the borrower. All transmissions of trade secret-related information must be conducted via the email system or internal storage space provided by Cheng Shin. Furthermore, the removal of relevant materials from the designated storage area is strictly prohibited to protect Cheng Shin's sensitive data and trade secrets.

Intellectual Property Risks and Response Measures

To optimize the quality of intellectual property utilization, enhance its added value, and strengthen corporate competitiveness, Cheng Shin manages and maintains these assets in accordance with established management regulations for trademarks, patents, and trade secrets. Cheng Shin also values integration and collaboration with external resources. The Company partners with professional firms to conduct trademark and patent infringement monitoring, legal analysis, and strategic recommendations. The following response measures have been adopted by Cheng Shin for intellectual property risks:

1.Monitoring of Trademarks and Counterfeit Products

Regular monitoring for counterfeiting activities is 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.

2.Patent Infringement Response Mechanism

In case of patent infringement, Cheng Shin activates its internal management regulations, conducts patent comparison analysis, and confirms the status of patent infringement. If Cheng Shin is found to have infringed upon the rights of other manufacturers, the company will initiate product recalls and compensation procedures. Conversely, if other manufacturers should infringe upon Cheng Shin's patents, the company will launch claim procedures, which include issuing warning letters to the infringing parties and determining compensation amounts. These actions are taken to safeguard the rights and interests of Cheng Shin's products and ensure the protection of its patent rights.

3.Remedial Measures for Trade Secret Infringement

When trade secrets are infringed, leaked, or suspected of being leaked, Cheng Shin has established emergency response procedures for reporting and disputes to enable relevant personnel to take immediate action. The Company has also implemented disciplinary mechanisms for trade secret violations, demonstrating Cheng Shin's proactive commitment to and emphasis on protecting trade secrets.

4.Third-Party Intellectual Property Risk Management Mechanism

In addition to proactively protecting its own intellectual property rights, Cheng Shin attaches great importance to intellectual property risk control when collaborating with external vendors for raw material procurement, technology introduction, or licensing. To prevent the procurement of products that may infringe on the intellectual property of others, Cheng Shin has explicitly stipulated non-infringement warranty clauses in relevant contracts and purchase orders. This dual protection safeguards its interests while strengthening the consensus on intellectual property protection with our partners, thereby mitigating legal risks and ensuring the stability of supply chain operations.

Intellectual Property Holdings

As a world-class leader in the rubber and tire industry, Cheng Shin Tire demonstrates a highly forward-looking and strategic approach to its global patent and trademark portfolio. The intellectual property protection network spans global markets, ensuring that the company's technologies and brands are comprehensively protected worldwide.

1.Patents

In terms of technology research and development, Cheng Shin is continuing to invest significant resources. The domestic patent portfolio focuses on enhancing overall tire performance, with 1,121 valid patents accumulated so far. Across all technologies, Cheng Shin Rubber places particular emphasis on key performance dimensions such as "safety," "eco-friendliness," "handling," and "noise reduction technology. Examples of this include methods to improve noise and wet grip performance, designs to reduce tire noise, and enhancements to tire driving safety.

Distribution of Patent Rights

Group Distributio / Patent Category	Parent company	Subsidiary
Invention Patent	62	184
Utility Patent	3	149
Design Patent	390	333
Total	1,121(patents)	

2.Trademarks

In terms of brand protection, Cheng Shin actively employs trademark registrations to comprehensively protect the identity and rights of its MAXXIS brand across various tire product categories. These include heavy-duty motorcycle tires, bicycle tires, road bike tires, mountain bike tires, passenger car tires, and ATV tires, among others. To date, 2,052 trademark rights have been registered, demonstrating a high level of importance placed on intellectual property protection and comprehensive planning prior to the launch of new products.

Trademark Holdings		單位:件
Trademark Ownership Entities / Registration Region	Parent company	Subsidiary
Domestic	154	12
Overseas	651	1,235
Total	2,052	

Incentive Policies

To encourage innovation and enhance the quality of intellectual property output, Cheng Shin has established a comprehensive incentive mechanism to encourage employees to actively submit high-potential technical proposals. Once a proposal is assessed to have patentable value, a patent application plan is initiated, and the relevant departments issue bonuses in accordance with regulations to incentivize innovation. If a patent proposal is deemed unsuitable for application following review by the Intellectual Property Review Committee, the Committee may resolve to transfer the proposal to the Trade Secret Management Review Committee for further evaluation and management regarding trade secret protection. If the proposal is ultimately confirmed to possess trade secret value, the proposer will be eligible for a trade secret proposal incentive.

From 2020 to 2024, the incentive program targeted approved invention patents, with NT$ 10,000 distributed per case. Starting in 2025, the incentive for invention patents was adjusted to NT$ 13,000 per approved case, and a new incentive of NT$ 5,000 per case was added for approved design patents. The program has distributed a total of approximately NT$434,000 between 2020 and 2025.

Note 1*: (I) refers to approved invention patent cases

Note 2*: (D) refers to granted design patents; the issuance of design patent rewards will be implemented starting from 2025.

Talent Cultivation: Intellectual Property Education and Training in 2025

Cheng Shin regularly organizes training programs to strengthen the operational effectiveness of Cheng Shin´s intellectual property management system and enhance employee awareness. These include courses on the intellectual property management system, basic IP concepts, information security training for trade secret protection, and sharing sessions on the latest regulations and case studies, all designed to help employees establish proper concepts regarding intellectual property protection. Implementation of education and training is tabled below:

For new hires and general employees

The Company provided intellectual property awareness courses covering basic IP concepts and Cheng Shin´s intellectual property management regulations. A total of 681 participants completed the training.

For personnel with intellectual property-related duties and responsibilities

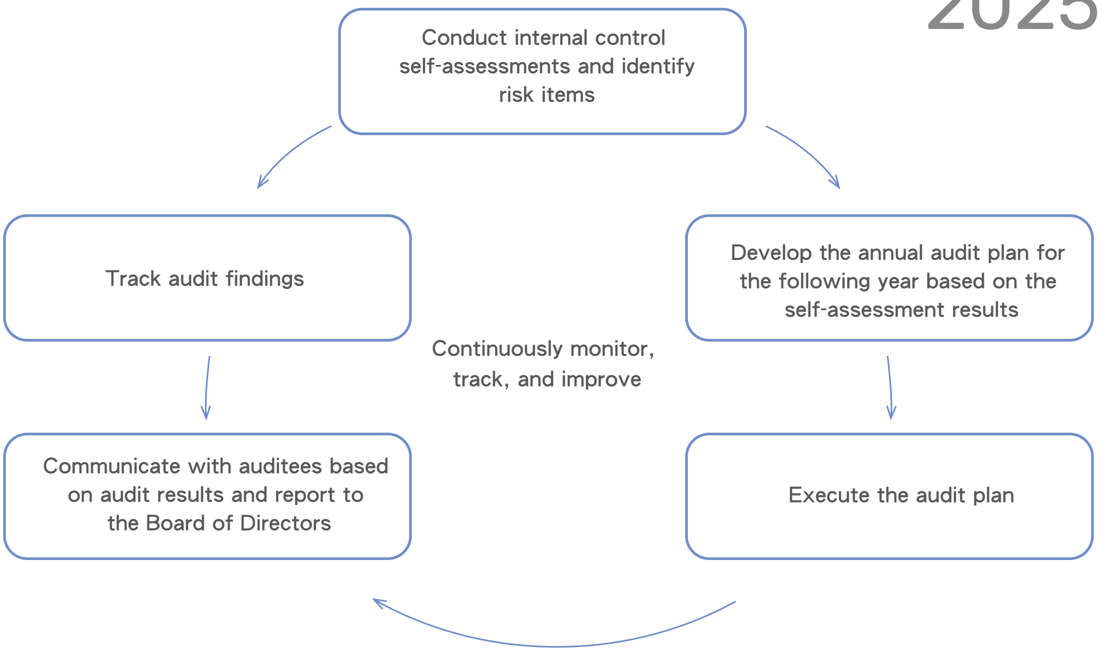
External training: The Company Provided the Self-Assessor Course under the Industrial Development Administration (IDA) TIPS Program, covering corporate governance and intellectual property management system operations for a total of 24 hours. Two employees were dispatched for training and obtained self-assessor qualifications. The Company added two new self-assessors during the year. Refresher training was also organized for two existing self-assessors to ensure the continuous improvement of the system.

1.4 Risk Management

Cheng Shin adopted the "Risk Management Policy and Procedures" as its primary guiding principle for implementation in corporate governance and operational management. Guided by the core philosophy of "Honesty, Integrity, and Safety First," Cheng Shin minimizes business uncertainties through a robust organizational structure and standardized processes to achieve its goal of sustainable management. The Company applies this philosophy to implement corporate governance and operational management, establishing sound risk management mechanisms. The Company actively addresses and controls risks inherent in its operations to foster its long-term sustainable development.

Functions and Operational Mechanisms of Responsible Units

Unit	Responsibility	Frequency	Mechanism
Board of Directors	heng 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	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 Sustainability Development 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 Cheng Shin'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 review and sign-off.	Monthly Audit Report	1. Monthly audit results are presented to the independent directors for review and sign-off. 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.
General Manager'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 Departments	Integrate functional groups and make decisions and track progress.	Monthly functional meetings	Each functional department conducts cross-departmental reviews and executes regular reviews of the plan.



Cheng Shin adopted the "Risk Management Policy and Procedures" as its primary guiding principle for implementation in corporate governance and operational management. Guided by the core philosophy of "Honesty, Integrity, and Safety First," Cheng Shin minimizes business uncertainties through a robust organizational structure and standardized processes to achieve its goal of sustainable management. The Company applies this philosophy to implement corporate governance and operational management, establishing sound risk management mechanisms. The Company actively addresses and controls risks inherent in its operations to foster its long-term sustainable development.

ESG	Risk Category	Potential Risks	Management Strategies and Practices	2025 Response Measures	Responsible Unit
Corporate Governance and Operational Management	Financial Risk	Exchange Rate Risk	◆ As a multinational operating company, the financial reports of its overseas subsidiaries are denominated in the currency of the countries where they are located. Therefore, the Company is 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. ◆ Cheng Shin manages net foreign exchange inflows and outflows from daily operations primarily through natural hedging by offsetting income and expenses. The Company continuously monitors foreign exchange market trends and maintains records, making appropriate currency adjustments based on liquidity conditions to minimize exchange losses or reduce risks to an acceptable level.	Cheng Shin mitigates operational risks through localized production across its diverse global bases and actively utilizes financial instruments, such as foreign exchange and foreign currency hedging, to reduce the impact of global tariff and exchange rate fluctuations in 2025.	Finance Department
		Interest Rate Risk	◆ Cheng Shin's external borrowings are denominated in USD and NTD. As the U.S. Federal Reserve cut interest rates by 3 quarter-points (0.75%) in 2025, the benchmark interest rate reached 3.50% - 3.75%. Given the continued strong performance of US economic data, the probability of further rate cuts in 2026 is expected to increase. Meanwhile, NTD interest rates remain relatively low and stable. Overall, interest rate risk remains within a controllable range. ◆ The Company closely monitors 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.	Cheng Shin has locked in its cost of capital by borrowing at fixed interest rates and optimizing its debt ratio, thereby reducing financial interest risks arising from interest rate fluctuations in 2025.	Finance Department
		Inflation	◆ The annual growth rate of the Consumer Price Index (CPI) in 2025 was 1.66%, a five-year low, reflecting stable price performance in Taiwan. In light of the uncertainty in the global economic forecast, the Company is not in a position to predict inflation or contraction. Since the tire products of the Company are consumer products whose raw material prices and market demands are moderately or highly volatile to inflation or contraction, the global economic environment will have an impact on the Company's sales. Nonetheless, no material adverse impact is expected for the overall operation.	Cheng Shin has diversified its global production bases to mitigate the impact of inflation.	Finance Department

ESG	Risk Category	Potential Risks	Management Strategies and Practices	2025 Response Measures	Responsible Unit
Corporate Governance and Operational Management	Continuous Operational Risk	Raw Material Price and Raw Material Supply Risk	◆ 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 Cheng Shin 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 REACH, RoHS, PAHs, CMRT & EMRT, supply chain management assessment questionnaires, due diligence reports, or statements, followed by risk assessment and management to mitigate procurement risks.	Cheng Shin aims to maintain at least two suppliers for key raw materials through a strategy of globally diversified procurement. A zero-disruption supply chain for key raw materials was successfully accomplished in 2025.	General Manager's Office
		Product Research and Development Management	◆ Stay updated on regulatory changes and amendments, and conduct regular compliance audits and self-assessments. ◆ 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.	Continue to set the development of high-performance, lightweight, low rolling resistance, durable, safe, and smart tires as the goal. A total of 10 projects were completed in 2025: 4 low-energy-consumption projects for electric vehicles 2 sustainable products using recycled fishing-net yarn 4 material and formulation development projects	R&D Center
		Transportation Risk	◆ 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 the Company 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 the Company has signed transportation contracts to stabilize transportation costs in the event of a large increase in current market prices.	Zero disruptions of sea-ground logistics and zero major customer complaints were achieved in 2025.	Production Planning Department
		Prevention of Infectious Diseases	◆ 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.	Seminars and information releases were completed as scheduled in 2025	Safety and Health Department
		Energy Supply	◆ Implement energy equipment management, regular inspections of Level 1, 2, and 3 equipment and predictive inspections using thermal imaging devices, 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 continuous improvements.	Cheng Shin has set the implementation of energy management as its goal. In 2025, the Company successfully supplied millions of kilowatt-hours of electricity through its green power system, reducing energy supply and operational risks.	Engineering Center

ESG	Risk Category	Potential Risks	Management Strategies and Practices	2025 Response Measures	Responsible Unit
Corporate Governance and Operational Management	Intellectual Property Management	Intellectual Property Rights Risk	◆ Cheng Shin products are sold in more than 180 countries around the world, and the following measures are taken to prevent infringement: A. Preventing Infringement by External Manufacturers: In addition to the intellectual property department's ongoing monitoring of patent statuses at other firms, the business unit also monitors whether third-party products are similar to those of Cheng Shin. If similar or potentially infringing products are identified, they are immediately reported to the intellectual property unit to verify whether an infringement has occurred. 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 related to the product, in order to ensure that Cheng Shin' s product has been implemented with the design around to prevent infringing the patent rights of others, following which inventors are requested to submit patent applications according to the patent application requirements specified in the "Patent Procedure Management Regulations" , thereby ensuring that all Cheng Shin' s new market products are equipped with patent protection and without infringing the patent rights of others as the highest principle ※ In the 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 is implemented to track whether other companies are attempting to register or imitate Cheng Shin Group's trademarks. In such cases, proactive actions, such as filing for trademark cancellations or sending cease and desist letters, will be implemented against those infringing the trademark rights of the Company, thereby ensuring 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 issues are controlled in cooperation with the information department, in order to reduce the risk of disclosure of controlled data.	The Company's domestic patent portfolio focuses on enhancing overall tire performance. It now has more than 150 valid patents and 2,052 registered trademarks.	Intellectual Property Management
	Digital Information Security Risk	Confidential Information Protection	◆ Cheng Shin has obtained the information security management system (ISO27001:2022) certification and obtained the international automotive cybersecurity 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. The Company strengthens information security management, ensures the availability, integrity and confidentiality of the information system, and complies with the requirements of relevant laws and regulations, in order to protect the information system from internal and external deliberate or accidental threats.	There were no violations of related regulations or malicious/accidental internal/external threats in 2025.	Information Services Department
Workplace Safety and Health	Safety Risk Management	Major Disaster Incidents	◆ Establishment of the "Disaster Incident Management Regulations" : specifying emergency response operating procedures, emergency contact systems, and disaster countermeasures. ◆ 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. ◆ Formulate the Comprehensive Emergency Plans: For factories in China, the Company has stipulated the Comprehensive Emergency Plans for accidents such as fire explosions, poisoning, mechanical injuries, vehicle-related injuries, dust explosions, electric shocks, and suffocation, which specify the emergency response leadership team organization, 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.	No major disasters or accidents in 2025	Safety and Health Department

ESG	Risk Category	Potential Risks	Management Strategies and Practices	2025 Response Measures	Responsible Unit
Workplace Safety and Health	Environmental Risk	Prevention of Infectious Diseases	◆ 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.	Seminars and information releases were completed as scheduled in 2025	Safety and Health Department
		Environmental Control Capability	◆ Implement the environmental management system (ISO 14001), and through annual external and internal audits, formulate environmental policies, set targets, implement, audit and review them to achieve continuous improvement of environmental performance.	All audits were completed as scheduled in 2025	Safety and Health Department
		Greenhouse Gas Emissions	◆ The "Energy Saving and Carbon Reduction Committee" establishes the greenhouse gas emission reduction strategy and goal, and also responds to the energy-saving goal of reducing energy consumption by 1.5% annually specified by the Bureau of Energy. The Company has 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. ◆ The ISO 50001 energy management system introduced by the Company has already improved energy management performance. ◆ In accordance with the "Climate Change Response Act and the Regulations for Management of Inventory, Registration and Verification of Greenhouse Gases", 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 Roadmap 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.	All energy saving measures and carbon inventories were completed as scheduled in 2025	Safety and Health Department
		Environmental Management	◆ Implement the environmental management system (ISO 14001), and through annual external and internal audits, formulate environmental policies, set targets, implement, audit and review them to achieve continuous improvement of environmental performance. ◆ The Company has obtained the ISO 14001 environmental management system certification. The validity of the certificate is maintained continuously through daily management practices to ensure that air pollution control, water pollution control, and waste management meet legal requirements. ◆ In line with the Environmental Protection Bureau's implementation of the integration of multiple environmental permits into one, Cheng Shin actively accepts guidance to integrate the various certificates to comply with subsequent regulations. ◆ Each unit carries out the General Manager's policy to create a sustainable environment and reduce waste. The Company reduces compressed air energy consumption and wastewater discharge.	All certifications were completed as scheduled in 2025.	Safety and Health Department
		Climate Risk	◆ The sustainability team and the staff of various departments evaluate and identify physical climate risks, such as heavy rainfall and prolonged droughts, based on materiality criteria, and implement countermeasures in response to such risks.	All risk identification and assessments were completed as scheduled in 2025.	Safety and Health Department

ESG	Risk Category	Potential Risks	Management Strategies and Practices	2025 Response Measures	Responsible Unit
Society	Human Resource Risk	Human Capital	◆ To accelerate the development of managerial talent, the Company implements systematic training programs to nurture potential middle- and senior-level executives. The Company accelerates the development of mid- and senior-level executives through the implementation of its Talent Pool Program. ◆ By offering specialized learning and growth opportunities, the Company motivates employees and enhances the capabilities of its talent pool. This approach not only meets the learning needs of its employees but also ensures that they acquire crucial skills, thereby implementing its talent development plan effectively.	Boost employee expertise, enhance management capabilities, uphold the Company´s corporate culture and strengthen employee competitiveness;In 2025, supervisors in the Taiwan region underwent on average 16.56 hours of training, while non-supervisors underwent 21.06hours of training.	Human Resource Department
		Human Capital Management	◆ 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.	To enhance talent attraction and retention, as well as strengthen diverse functional development and management flexibility; In 2025, the Company continued to expand recruitment channels and enhance employee care to bolster overall workforce capabilities and human resource flexibility.	Human Resource Department
	Occupational Safety Risk	Safety and Health Standard Operating Procedure Management	◆ In order to ensure the safety and health of the working environment, reduce the cost of accidents and reduce the loss of man-hours, the Company implemented the ISO 45001 occupational safety and health management system. In accordance with management system requirements, the Company regularly conducted hazard identification, risk assessment, and opportunity identification during the year. For high-risk operations, the Company implemented control measures such as engineering improvements, administrative controls, and education and training to eliminate hazards or mitigate risk impacts. At the same time, the achievement of safety and health objectives is tracked through internal audits, regulatory compliance assessments, and performance monitoring mechanisms. Overall implementation has been sound, with all risk control measures promoted according to plan. These efforts have effectively enhanced workplace safety and health performance as the Company continues to move toward the goal of zero major occupational accidents.	All operational management activities were completed as scheduled in 2025.	Safety and Health Department
	Legal Compliance	Regulatory Rationalization	◆ To ensure that business operations align with regulatory requirements, the Company continuously tracks amendments to environmental, safety, health, and other relevant laws and regulations announced by the government. Each month, the latest regulatory information is compiled and provided to the respective responsible units for compliance assessments. The responsible units review current management measures and operating procedures in response to new or amended laws and regulations. The relevant internal plant specifications are revised as necessary to ensure that all operations remain in compliance with legal requirements. ◆ Regarding key environmental issues such as greenhouse gas management, the Company actively participates in task forces and advocacy seminars established by the government and relevant agencies. The Company continuously monitors draft regulations and policy developments to stay informed of the latest information and plan response measures in advance. Overall implementation was sound, with no material instances of regulatory non-compliance identified.	All relevant internal regulations were revised in accordance with the law in 2025.	General Manager´s Office/Safety and Health Department

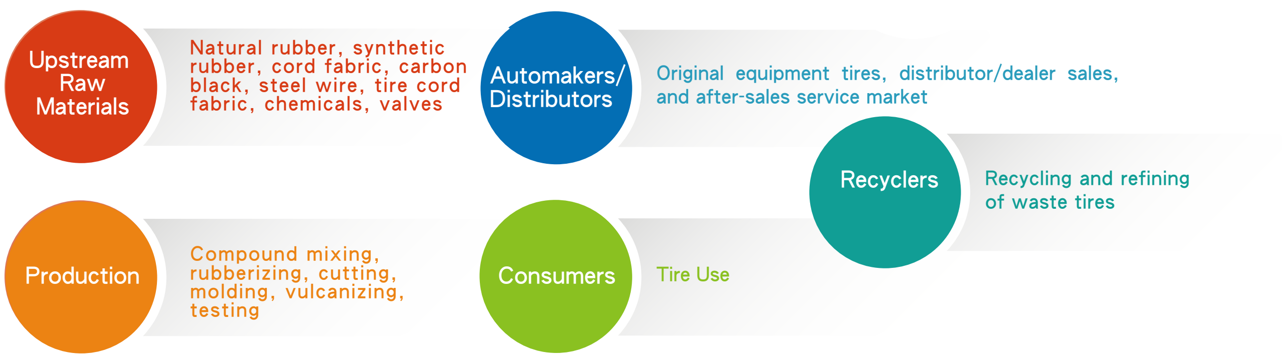
1.5 Supply Partners, Growing with Cheng Shin

Cheng Shin has always approached its relationship with suppliers from a partnership perspective. The Company upholds the concept of teamwork and strives for close and long-term collaborative relationships with its suppliers, aiming to achieve mutual benefit. Its commitment to sustainable business practices reflects its aspiration to create a win-win situation. In response to international sustainability trends, customer requirements, and the development of supply chain-related regulations (such as the EU Deforestation Regulation (EUDR), Human Rights Due Diligence (HRDD), GPSNR, forced labor, anti-corruption, C-TPAT, AEO, etc.), Cheng Shin has integrated the identification, assessment, and management of ESG risks into its existing procurement systems and supplier management processes. This serves as a "risk management and decision-making support tool" alongside the three core procurement decision-making pillars of quality, delivery, and cost.
The governance logic of supplier management follows the qualified supplier selection, evaluation, audit, and management mechanisms established in accordance with Cheng Shin's existing procurement regulations. This chapter is divided into three sections:

- 1.5.1 Supply Chain Partners: A description of Cheng Shin's supply chain composition, procurement performance, and resource circulation practices.
- 1.5.2 Sustainable Supply Chain Management Policies: A description of Cheng Shin's procurement policy, supplier evaluation strategy, and continuous improvement directions for supplier selection.
- 1.5.3 Supplier On-site Audits and Audit Results: A description of Cheng Shin' s supplier audit mechanism and annual audit results. Identified potential negative environmental and social impacts are also summarized along with the corresponding proactive measures taken.

1.5.1 Supply Chain Partners

Supply Chain Composition



In the value chain, Cheng Shin delivers product value primarily through safe and reliable tires. For upstream materials, compound raw materials, equipment, and molds represent the Company's three major supplier categories, with compound raw materials accounting for the largest share of procurement. Major materials include natural rubber, synthetic rubber, carcass ply, carbon black, steel wire, and tire cord fabric, representing approximately 80% of the total procurement amount.

In accordance with Cheng Shin' s existing procurement regulations, qualified suppliers are categorized as follows based on their importance to tire quality and safety performance, as well as their impact on the environment and personnel safety:

Classification	Scope
Key Raw Material Suppliers	Vendors supplying carcass ply, Nylon, steel belts, and bead wires.
Important Raw Material Suppliers	Vendors supplying natural rubber, synthetic rubber, and carbon black (including silica), Kevlar, and Carbon Fiber..
General Raw Material Suppliers	Suppliers of other raw materials used in the formulation, excluding key and critical raw materials
Indirect Raw Material Suppliers	Raw material vendors other than those listed above.
Key Component Suppliers	Vendors supplying valves and valve cores.

Note: The scope of "important suppliers" mentioned in Section 1.5.2, "Supplier Selection and Improvement Plan," corresponds to the "important raw material suppliers" defined in this table. Both refer to suppliers of natural rubber, synthetic rubber, and carbon black (including silica), thereby ensuring terminology consistency.

Procurement Performance

The quantity of raw materials procured by Cheng Shin in 2025 and the percentage of local procurement from 2023 to 2025 are as follows:

Parent Company:

Material Name	2025	Procurement Share (%)		
	Quantity (metric tons)	2023	2024	2025
Natural Rubber (Note 2)	17,111	0.00%	0.00%	0.00%
Synthetic Rubber	10,463	82.00%	63.00%	59.00%
Carcass Ply	5,729	81.00%	60.00%	63.00%
Carbon Black	20,286	99.00%	99.00%	99.00%
Steel Wire and Tire Cord Fabric (Note 3)	8,864	0.00%	0.00%	0.00%

Subsidiaries:

Material Name	2025	% of Local Procurement (Note 1)	
	Quantity (metric tons)	2024	2025
Natural Rubber (Note 2)	182,028.83	85.64%	87.88%
Synthetic Rubber	158,010.61	56.30%	56.61%
Carcass Ply	66,199.68	87.09%	67.51%
Carbon Black	166,162.78	84.21%	78.73%
Steel Wire and Tire Cord Fabric (Note 3)	72,709.34	81.18%	77.74%

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, and Taiwan relies entirely on imports as it is located in a non-rubber-producing area.
Note 3: Taiwan does not have domestic manufacturers of tire steel wire and tire cord fabric, and must rely on imports.

Resource Circulation

The products manufactured by Cheng Shin are tires, and mainly consume raw materials such as natural rubber, synthetic rubber, carbon black, steel wire, etc. To reduce the depletion of natural 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 auxiliary materials, or reduce usage to eliminate the need for auxiliary materials.
- Review the reasonableness of material usage regularly.
- Look for high-strength and lightweight reinforcing materials as alternative materials.

In 2025, the total amount of raw materials used in Taiwan and subsidiaries was 88,675 and 740,582 metric tons respectively. The production of tires (including inner tubes) amounted to 86,393 and 707,354 metric tons respectively. The material usage intensity was 0.974 and 0.955 for Taiwan and subsidiaries. Cheng Shin continues to enhance material management, reduce waste generation, and minimize losses from scrapped products. As a result, the Company is 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	2023	2024	2025
Taiwan Region	0.984	0.979	0.974
Subsidiaries	NA	0.965	0.955

2025				
Manufacturing Plants	Renewable Raw Material Consumption (metric tons)	Total Consumption of Materials (metric tons)	Renewable Raw Material Ratio	Total Product Weight (metric tons)
Taiwan Region	19,478	88,675	21.97%	86,393
Subsidiaries	150,387	740,582	20.31%	707,354

Note: Raw Material Usage Intensity = Total Product Weight (metric tons) / Total Consumption of Materials (metric tons)

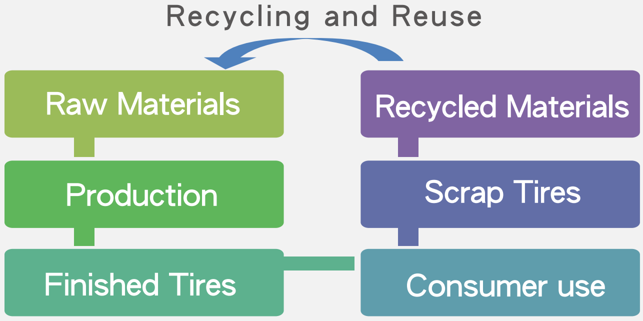
1.5.2 Sustainable Supply Chain Management Policy

Procurement Policy

In recent years, Cheng Shin has integrated ESG into procurement management in response to growing international trends in environmental protection, human rights regulations, and supply chain resilience. Procurement policy is focused on the environmental and social (including human rights) risks associated with upstream raw materials (Scope 3 Category 1), with differentiated management applied based on raw material maturity and market conditions. The three procurement policies are as follows:

1. Cheng Shin has joined the Global Platform for Sustainable Natural Rubber (GPSNR) and remains committed to adhering to and promoting the policies established by GPSNR to its natural rubber suppliers. These policies include a focus on "Livelihoods and Wellbeing of Communities, Good Ecosystems (including a commitment to no deforestation and the protection of biodiversity), and Respect for All Human Rights." The Company has also established a due diligence system to actively respond to the EU Deforestation Regulation (EUDR) and Human Rights Due Diligence (HRDD) requirements.

2. Environmental and social (including human rights) factors have been integrated into the supplier risk management framework. Through a dual-track evaluation mechanism consisting of data reviews and process audits, the Company has established a minimum threshold of Grade B or above. This approach ensures the verifiability of suppliers´ ESG practices while mitigating supply chain risks. Some raw materials have been incorporated into a sustainable supply chain circular economy model, and the Company is actively promoting the development and adoption of sustainable raw materials (renewable and recyclable), as illustrated in the figure to the right. From 2024 onwards, information on carbon emissions from upstream raw materials has been included in annual tracking and management activities.



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

In 2024, the Company established a Supplier Sustainable Development Code of Conduct and Statement based on SAQ 5.0. From 2025 onwards, the Company requires its suppliers to jointly implement these standards. This has been rigorously integrated with its 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.

Supplier Evaluation Strategy

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

Focus Areas	Corresponding laws / regulations / systems / indicators	Requirements	Management Results
Environment	REACH: EU Substances of Very High Concern (SVHC)	Provide a third-party verification report or declaration	100%
	RoHS: Restriction of Hazardous Substances Directive	Provide a third-party verification report or declaration	100%
	PAHs for Eco-Friendly Tires (Polycyclic Aromatic Hydrocarbon Content) (Note 2)	Provide a third-party verification report or declaration	100%
	Chemical Substance Identification and Safety Data Sheet (SDS)	Completion of substance identification and regulatory registration certificates	100%
	EUDR(EU Deforestation Regulation)	Complete due diligence and risk assessments	100%
Quality	ISO 9001	Provide valid certificates	100%
	Product Control Plan	Provide control plan	100%
	Quality Verification	Quality Assurance Report	100%
Human Rights	The Company prioritizes supplier employment and training, health, safety and environmental standards, anti-corruption, information security and privacy protection, in accordance with the Responsible Business Alliance (RBA) Code of Conduct. The Company adheres to various international conventions and local labor regulations under the RBA framework and local labor laws.	Pass the review and verification process (Note 3)	100%
Social Responsibility	Prohibit the use of conflict minerals	Sign a commitment statement and provide Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT) documentation if required.	100%
	Follow and promote the GPSNR policy	Require natural rubber suppliers to follow relevant policies and guidelines.	100%

Note 1: In recent years, Cheng Shin has continued to optimize its supplier evaluation framework, expanding the original ESG-based scoring mechanism into a comprehensive evaluation model that covers multiple dimensions, including quality, delivery, cost, and sustainability.
Under this adjustment, the ESG score weighting has been revised from the original 75 - 80% to approximately 40 - 55%, reflecting an expansion in evaluation dimensions rather than a reduction in the importance of ESG.
ESG remains a core indicator for supplier onboarding and risk management, with continuous implementation ensured through minimum rating standards and audit mechanisms.
Note 2: PAHs reports apply mainly to oil- and resin-based raw materials.
Note 3: Regarding environmental and social issues (including human rights), a total of 86 qualified suppliers in Taiwan were assessed in 2025. Following the assessment, 40 suppliers were selected for on-site audits under the annual audit plan, and no major deficiencies were identified that would place them in a high-risk management category.

Supplier ESG Evaluation Mechanism

During the introduction of new suppliers and the selection of raw materials, Cheng Shin has systematically incorporated environmental, social (including human rights), and corporate governance (ESG) dimensions into its supplier management processes to ensure that supply chain risks are effectively identified and managed.

In terms of its evaluation mechanism, Cheng Shin adopts a dual-track framework of "Document Review and Process Audit." This approach involves reviewing suppliers' regulatory compliance statements, sustainability codes of conduct, and relevant certification documents, supplemented by on-site audits to verify actual performance across environmental management, social responsibility, and operational control. By doing so, the Company reduces the discrepancy between supplier self-declarations and actual operations, ensuring that their ESG commitments are both traceable and verifiable.

In addition to basic quality and delivery capabilities, Cheng Shin also conducts comprehensive evaluations of suppliers' management systems and capabilities across environmental, social, and corporate governance (ESG) dimensions. These evaluations include environmental management systems, greenhouse gas inventories, occupational safety, human rights management, and regulatory compliance, providing a thorough understanding of suppliers' sustainability management maturity and risk levels.

In terms of scoring and management, ESG-related indicators have been incorporated into the supplier evaluation system, accounting for approximately 40 - 55% of the overall score. A minimum threshold of Grade B or above has been established as a critical criterion for supplier evaluation, admission, and ongoing cooperation. This mechanism is primarily utilized for identifying supply chain risks and prioritizing management efforts, serving as the foundation for subsequent initiatives to enhance supplier sustainability.

Supplier Evaluation Improvement Plan

To further enhance the maturity of sustainable supply chain governance, the Company is planning to gradually introduce international standards and external assessment mechanisms. These initiatives aim to strengthen suppliers' capabilities in environmental and social (including human rights) dimensions while establishing a traceable and verifiable foundation for supply chain management.

The improvement strategy is guided by "capability-based" principles and implemented in stages according to supplier risk and materiality. It covers key dimensions such as environmental management, carbon footprint inventory, occupational health and safety, human rights management, and the adoption of sustainable supply chain standards.

In addition to serving as a basis for enhancing supplier capabilities, this plan is being integrated into supplier evaluations, tiered management, and subsequent audit mechanisms to strengthen supply chain risk control and sustainability performance. This mechanism is primarily utilized for identifying supply chain risks and prioritizing management efforts, and is not intended as a basis for short-term supplier elimination or cost pass-through.

Directions for improvement:

Dimension	Direction	Management Requirements	Management Target	Timeline	Annual Progress Status (Note 1)
Corporate Governance	Commitment to Sustainability	Sign Supplier Sustainability Code of Conduct	100% implementation	2025	In Progress
Corporate Governance	ESG Evaluation Implementation	CDP, EcoVadis, MSCI, etc.	Inclusion in rating and bonus score mechanisms	2025	In Progress
Environment	Greenhouse Gas Management	ISO 14064	Establish carbon inventory capability	2025	In Progress
Environment	Product Carbon Footprint	ISO 14067	Provide carbon emission data.	2025	In Progress
Environment	Environmental Management System	ISO 14001	Improve Environmental Management Ability	2026	Established
Society	Occupational Health and Safety Management	ISO 45001	Implementation by Key Suppliers	2026	Established
Environment	Sustainable Raw Material Management	ISCC PLUS	Increase the proportion and traceability of sustainable raw materials.	2027	In Progress

Note 1: Annual Progress Status is defined as follows

Annual Progress Status	Definition
Initiated	Introduction and planning already under way
In Progress	Partial systems or data have been established
Established	Regular operation
Optimizing	Pacific Accident Corrective Measures

Supply Chain Resilience and Emergency Response

To ensure a stable supply of raw materials and strengthen supply chain risk management capabilities, Cheng Shin has formulated the "Procurement Risk Management Regulations" to establish a systematic risk identification and response mechanism. Based on changes in the external environment, the Company plans annual response themes and conducts drills to enhance organizational responsiveness and decision-making resilience.

Two drills were conducted in 2025, covering risk assessment scenarios for new or amended regulations and the verification of supply chain disruption response mechanisms.

Grievance Mechanism

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

Taiwan
Complaint Hotline: +886-(04)-852-5151 #264
Complaint E-mail: cysu@tw.maxxis.com

Mainland China
Kunshan Plant: +86-(0512)-5767-3888 #8293 (Procurement) | zhangaihong@mail.cst.com.cn
Xiamen Cheng Shin: +86-(0592)-621-1606 #6610 (Procurement) | csta027@cn.csttires.com

The grievance mechanism aims to establish corrective measures. Suppliers are expected to cooperate in the following two areas:

1. Taking appropriate corrective actions when non-compliance occurs.
2. Prohibit any retaliation against anyone who, in good faith, reports a violation of policy or law.

1.5.3 Supplier On-site Audits and Audit Results

Supplier Audit Mechanism

To ensure supply chain quality stability and strengthen supplier risk management capabilities, Cheng Shin has established a supplier audit mechanism based on existing procurement regulations that systematically evaluates the operational performance and risk status of suppliers through continuous monitoring and tiered management.

This mechanism encompasses three key pillars:

一、Supplier Delivery Performance Management (Performance Monitoring)

Cheng Shin regularly evaluates supplier performance across multiple dimensions including delivery quality, lead time fulfillment, service responsiveness, and overall operational cooperation. These evaluations are integrated with quality, delivery, and supply stability indicators for tiered management, which serves as the basis for adjusting subsequent audit frequencies and management measures.

II. Supplier On-site Audit

Based on supplier performance ratings and risk levels, Cheng Shin conducts on-site process audits to review the product quality, process stability, and the operation of their quality management systems. The audit scope encompasses environmental (E), social (S), and governance (G) dimensions, including due diligence on occupational safety, labor conditions, human rights, and environmental management, to ensure that suppliers comply with Cheng Shin’s sustainability management requirements.
Audits are conducted by a cross-departmental team comprising procurement, quality assurance, and technical units, and are led by qualified professional auditors to ensure the quality and objectivity of the process.

III. New Supplier and Material Qualification

Cheng Shin has established a systematic evaluation mechanism for the introduction of new suppliers and raw materials. Through document reviews, sample quality verification, and process audits, the Company comprehensively evaluates product compliance, manufacturing capabilities, and management systems to ensure they meet its requirements for quality and supply stability.
During the evaluation process, the Company also reviews, in addition to product quality and manufacturing capabilities, suppliers´ management systems and implementation across the E, S, and G dimensions. This ensures that operational and sustainability risks associated with new supply sources remain manageable.
New suppliers and raw materials must pass the internal review and approval process before being added to the list of qualified suppliers and approved material codes, serving as the basis for subsequent procurement and supply chain management.

Audit Results

Cheng Shin classifies the results of supplier audits into four levels: A, B+, B, and C.
Grade A suppliers: 90.0-100.0 points. Qualified and eligible for preferential procurement and increased purchase orders.
Grade B+ suppliers: 86.0-89.9 points. Qualified.
Grade B suppliers: 80.0-85.9 points. Qualified.
Grade C suppliers: <79.9 points. Improvement is required. Ratings or management measures may be adjusted after a follow-up review confirms the effectiveness of corrective actions.
For existing qualified suppliers, Cheng Shin arranges re-evaluations based on the annual classification of supplier delivery performance. If a supplier achieves an A rating for three consecutive years, at least one re-evaluation will be conducted in the third year. This re-evaluation process follows the same procedure as the new supplier qualification process to ensure continuous improvement in supplier quality.

2025 (Parent Company)

New Suppliers	New Supplier Audits (Note 1)	1 supplier	Grade A ：0 Grade B+：1	Grade B ：0 Grade C ：0
Existing Suppliers	On-site Audits (Note 1)	39 suppliers	Grade A ：19 Grade B+：15	Grade B ：5 Grade C ：0
	Supplier Delivery Performance Assessment (Note 2)	111 suppliers	Grade A ：110 Grade B+：0	Grade B ：1 Grade C ：0

Note 1: The pass rate and completion rate for new supplier audits and existing supplier on-site audits were both 100%
Note 2: In principle, Cheng Shin´s supplier performance evaluation applies to suppliers with a supply record in the current year. Suppliers with lower procurement values or transaction frequencies, and whose impact on quality, delivery, and operational risk has been assessed as limited, are subject to differentiated management and are excluded from annual routine performance evaluations.

Subsidiary

New Suppliers	New Supplier Audits	19 suppliers	Grade A ：15 Grade B+：3	Grade B ：0 Grade C ：1
Existing Suppliers	On-site Audits	85 suppliers	Grade A ：49 Grade B+：36	Grade B ：0 Grade C ：0
	Supplier Delivery Performance Assessment	312 suppliers	Grade A ：302 Grade B+：0	Grade B ：6 Grade C ：4

Note: Grade C suppliers are subjected to enhanced incoming inspections as well as on-site audits.

In addition to supplier assessment and evaluation, Cheng Shin requires raw material suppliers to provide inspection reports from quality laboratories or third-party organizations for each shipment. Upon receipt, Cheng Shin also conducts batch-by-batch or random inspections to ensure the quality of supplied raw materials. In addition to quality control of its own products, the Company also traces upstream sources and requires the use of quality raw materials to ensure that it provides consumers with safer and higher-quality products.
Cheng Shin has prioritized formulating a sustainable natural rubber policy for raw materials representing a significant share of procurement. The Company has initiated biodiversity management, conducted analyses of potential environmental and social impacts, and continues to actively address these impacts.

Through the aforementioned supplier audit mechanism, GPSNR platform engagement, and EUDR due diligence procedures, Cheng Shin has identified the primary potential negative environmental and social impacts, and the corresponding proactive measures as follows:

Potential Negative Environmental Impacts:

1 The balance between the supply and demand of natural rubber, the livelihoods of smallholder farmers, and deforestation has been a persistent challenge, often resulting in significant impacts on the environment, biodiversity, human rights, labor rights, and inequalities within the natural rubber supply chain.

2. As natural rubber is a key raw material for the tire industry and Taiwan lacks domestic natural rubber resources, all natural rubber demand relies on supplies from Southeast Asia. With the continued expansion of global business operations, promoting the sustainable development of natural rubber will remain an important priority for Cheng Shin.

Active Measures:

1. Since 2021, Cheng Shin has been a member of the Global Platform for Sustainable Natural Rubber (GPSNR). Through this platform, Cheng Shin collaborates with stakeholders across the global natural rubber value chain to develop and promote policies that advance sustainable natural rubber practices. These efforts aim to address issues such as deforestation and ecosystem conversion, biodiversity loss, human rights and labor rights violations, and inequalities within the natural rubber supply chain. Cheng Shin is committed to contributing to the sustainable development of the natural rubber industry.
2. The Company has established the ESG Maxxis Family, requiring natural rubber suppliers to join and commit to the sustainable development of natural rubber, including natural rubber smallholders, producers, processors, and traders. The Company has formulated sustainable development policies aimed at guiding its natural rubber suppliers to strengthen sustainability awareness 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, the Company will continuously monitor the processes related to its 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. Participation in the GPSNR Shared Investment Mechanism (SIM)
To further address potential environmental and social risks within the natural rubber supply chain, Cheng Shin has participated in the Shared Investment Mechanism (SIM) promoted by the Global Platform for Sustainable Natural Rubber (GPSNR). Through cross-enterprise collaboration, the Company supports improvement initiatives for key issues such as sustainable production, smallholder capacity building, and supply chain transparency within the natural rubber industry.
5. Cheng Shin is currently participating in three SIM projects. Through concrete resource investment, the Company has strengthened its management influence over the upstream natural rubber supply chain and promoted the sustainable development of the industry as a whole.

6. Cheng Shin's products are 100% recyclable, and the company is actively increasing the percentage of input materials sourced from recycled or re-manufactured components. In 2025, the percentage of relevant recyclable products sold was 0.13%, and the ratio of recycled/re-manufactured materials was 28.94%.
7. A detailed announcement of the Sustainable Natural Rubber Policy can be found on the Company's website:
   Chinese version: https://www.maxxis.com.cn/csr_detail.php?cID=3&Key=27
   English version: http://www.maxxis.com.cn/csr_detail.php?cID=4&Key=28
8. 2025 Evaluation Results: There was no significant supplier risk of forced or compulsory labor incidents.

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 on traceability.
2. The complexity of cross-border trade in Southeast Asia makes traceability even more difficult.
3. Some of the rubber farms are unable to provide accurate geographical positioning information due to war or national security concerns.

Active Measures:

1. The Cheng Shin Group EUDR Team has been established to coordinate and fulfill regulatory and customer requirements, with regular meetings held to review and track progress.
2. Relevant process management regulations have been established. Management, traceability, and auditing have been implemented in accordance with these regulations.
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 progressively signed to guarantee that all products sold in Europe meet the requirements of all EU customers.
4. For tire products sold in Europe, all Cheng Shin Group plants provide the necessary information/documents to customers through the traceability system/platform in accordance with EUDR requirements.
5. Implementing the Agridence digital platform to strengthen EUDR supply chain management: To effectively address the challenges of data collection and due diligence within the natural rubber supply chain under EUDR, Cheng Shin has implemented the Agridence platform as the Group's unified supply chain data management and risk control tool, enhancing raw material traceability and data quality management capabilities.
   The platform assists suppliers with data reporting and verification while enhancing information transparency and traceability through a systematic mechanism, serving as a vital basis for supply chain risk identification and management. The Agridence platform also serves as a critical support system for EUDR management by the Group's various plants, effectively mitigating compliance risks resulting from incomplete or inconsistent data.

To date, the Group's various plants have completed the platform implementation for the supply chains of products sold in Europe, achieving an implementation rate of 100%. The error rate for initial supplier data submissions fell from 40% to 10%, demonstrating the tangible impact of digital tools on enhancing supply chain data quality and risk management.

Part2

Safety Products, Innovative Value

Management Approach to Material Topics

Material Topic: Product R&D and Technology Development	
Item	2025 Management Approach
Policy	Make continuous improvements, honor our commitments, improve quality, satisfy customers, and provide customers with the highest quality products in line with Cheng Shin´s policy.
Commitment	Cheng Shin is committed to providing customers with high-quality products and becoming their trustworthy partner for mutual growth.
Goals and Targets	Continue to develop high-performance, lightweight, low rolling resistance, durable, safe, and smart tires.
Grievance Mechanism	Toll-free service hotline: 0800-092123 and Customer Service Center e-mail svc@tw.maxxis.com.
Communication Performance	Communication with both internal and external stakeholders has been effective, with no major concerns or grievances reported.
Specific Actions	Focusing on sustainable development, the Company develops 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	● 2025 - Completed development on 4 low-energy consumption projects for electric vehicles. - Developed 3 projects on VS-EV electric car tires. - Developed 1 project on YAMAHA T56 EV electric scooter tire. ● 2025 Completed the development of 2 sustainable products using recycled fishing net yarn. - Developed 1 project for the BC 32" large XC ASPEN tire. - Developed 1 project for BC Trail - 2nd Generation Dissector tire. ● 2025 - Completed development on 4 material and formula projects. - Evaluated 1 project on the introduction of rice husk silica for MCR use. - Completed 1 R&D project on MCR bead wire production with rsteel electric furnace. - Completed 1 material development project on pyrolytic carbon black material. - Completed 1 material development project on bio-based processing oil.

Material Topic: Product Quality Management

Item	2025 Management Approach
Policy	“Quality First and Customer Satisfaction” .
Commitment	No production of defective products, no leakage of defective products, no acceptance of defective products.
Goals and Targets	Develop innovative R&D technologies to enhance product performance, improve product differentiation, significantly expand market presence, and strengthen corporate competitiveness.
Grievance Mechanism	Toll-free service hotline: 0800-092123 and Customer Service Center e-mail svc@tw.maxxis.com.
Communication Performance	Communication with both internal and external stakeholders has been effective, with no major concerns or grievances reported
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 2025, the product performance indicators were certified. In 2025, there were no major violations of laws and regulations related to marketing and labeling of products.

Material Topic: Customer Relationship Management

Item	2025 Management Approach
Policy	Conduct market development and maintain good interactive relationship with customers through visits and business promotion.
Commitment	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.
Grievance Mechanism	Toll-free service hotline: 0800-092123 and Customer Service Center e-mail svc@tw.maxxis.com.
Communication Performance	Communication with both internal and external stakeholders has been effective, with no major concerns or grievances reported.
Specific Actions	In response to the different needs of customers, the Company provides diversified products.
Mechanisms for evaluating the management approach	Conduct the customer satisfaction survey on an annual basis.
Results of the management approach evaluation	Consumers´ overall satisfaction with Maxxis tires stayed positive, with the average rating remaining above neutral.

2.1 Safe and Reliable Cheng Shin Tire

Product Excellence Highlights

1.MAXXIS N Vision Concept Tire received the 2025 A´ Design Award (Italy).

A' DESIGN AWARD & COMPETITION AWARD WINNING DESIGN GOLD A' DESIGN AWARD 2025

2.MAXXIS Maxxventure AT ADV Motorcycle Tire received the Golden Pin Design Award (Taiwan).

GOLDEN PIN DESIGN AWARD 2025
金點設計獎

3.Recognized by the 34th Taiwan Excellence Awards for:
- Premitra HP6 passenger car tire
- VR2 racing passenger car tire
- ATV Non-Steel-Belt Desert Racing Tire

台灣精品
TAIWAN EXCELLENCE
Everyday Excellence

4.MAXXIS Victra Sport VS6 received both the MUSE Design Gold Award (United States) and the Red Dot Design Award (Germany). In addition, the high-performance touring tire Premitra HP6 also received the Red Dot Design Award, demonstrating MAXXIS’s excellence in product innovation and design.

reddot winner 2025

GOLD WINNER MUSE DESIGN AWARDS

5.MAXXIS was voted Best Mountain Bike Tire Brand by readers of ENDURO Mountainbike Magazine.

ENDURO MOUNTAINBIKE MAGAZINE
BEST BRAND 2025
READERS' CHOICE
TIRES

6.According to a survey conducted by Vital MTB in North America, MAXXIS ranked No. 1 in mountain bike tire purchase preference, maintaining this distinction for 13 consecutive years.

7.Obtained supplier qualification for the ANFLOW EB200, EB300, and EB400 electric bicycle series, a bicycle brand under DJI.

8.MAXXIS-sponsored athletes achieved outstanding results in international mountain bike competitions, recording:
- 44 first-place finishes
- 36 second-place finishes
- 37 third-place finishes

9.In 2025, MAXXIS expanded its cooperation with BMW Group and obtained original equipment (OE) tire supply qualifications for the BMW 1 Series (European market) and BMW 2 Series.

2.1.1 Product R&D and Technology Development

R&D Investment

Amount invested in R&D in 2025: NTD 3,705,256 thousand.

R&D Achievements

The products successfully developed in 2025 are as follows:

2025 R&D New Product List	
Development of 32" large XC bicycle tires	Development of 2nd generation Dissector mountain bike tires
Development of 2nd generation ultra-lightweight road racing tires	Development of the third generation all-round competition road tire
Development of RAZR RAID + Desert Racing	MCR Multi-purpose tires - MA-AT
Development of MC 2nd generation rain tire product	SYM ADV Model Development

Revenue from products that improve fuel efficiency (NT$ thousand): 15,451,604
Revenue from products that reduce carbon emissions (NT$ thousand): 13,057,006

Product R&D Planning and Future Prospects

Guided by its sustainability policy, Cheng Shin´s R&D department will continue to integrate the concepts of environmental friendliness and sustainable development into product research and development. Going forward, the Company will strengthen the research and application of sustainable and low-carbon materials and expand the development of high-efficiency, energy-saving products. These include green tires with lower rolling resistance, high-performance tires specifically for electric vehicles, and intelligent products aligned with future mobility trends. Through these initiatives, the Company aims to further enhance product safety, durability, and energy efficiency while reducing environmental impact across the entire life cycle.

Regarding product safety, Cheng Shin will continue to adopt more rigorous international standards and testing technologies to ensure that all products pass inspection by global certification bodies, thereby providing consumers with reliable and safe product guarantees. At the same time, the R&D department is actively adopting data-driven, simulation-based, and AI-powered R&D tools to enhance R&D efficiency and innovation capabilities. These will establish a faster and more precise product development process.

In the future, Cheng Shin will continue to drive sustainability through innovation. By integrating cross-disciplinary technologies and deepening R&D collaborations with its partners, the Company aims to create greener, safer, and more efficient mobility products, driving corporate net-zero transformation and sustainable value creation.

Technological Leadership, Innovative Cheng Shin

Cheng Shin continues to invest in forward-looking R&D with ESG sustainability principles at its core to actively promote product innovations with higher efficiency and lower environmental impact. On the environmental (E) front, R&D efforts focus on developing sustainable, eco-friendly, and low-carbon materials and processes. The Company is also committed to enhancing energy efficiency, reducing product weight, and effectively lowering noise emissions to minimize the carbon footprint throughout the entire life cycle. On the social front (S), product design prioritizes safety and comfort. By enhancing wear resistance and durability, the Company extends product lifespans, reducing resource waste and creating a more reliable user experience for consumers. In terms of governance (G), Cheng Shin employs scientific R&D processes and a rigorous quality management system to ensure that innovation outcomes comply with relevant regulations and sustainability standards, demonstrating the company´s commitment to responsible R&D and sustainable governance.

Product	Sustainability Highlights	Technical Description
Hybrid car tires VICTRA SPORT 6 	· EV Ready · Product Lifespan · Use of recycled materials	The application of new blended materials, an eco-friendly highly dispersed silica formula derived from rice husks, and the brand-new FULL TOUCH technology completely satisfies the performance requirements of both internal combustion engine and electric vehicles. Wear resistance improved by 10%, while wet braking and wet handling performance increased by 5% and 8%, respectively.
Balanced car tires PREMITRA HP6 	· Balanced Performance · Product Lifespan · Energy Efficiency	An innovative combination of eco-friendly rice husk, a new resin formula, and a revamped tread pattern improves wear performance by 11%, dry braking by 4%, and fuel efficiency for internal combustion engine vehicles by 9%.
ER-GT Grand Touring All-Season Passenger Tire 	· Product Lifespan · Product Safety · Energy Efficiency	The new silicon nano-molecule formula, combined with wear-resistant and low-temperature rubber compounds, uses next-generation compounding technology to achieve both "high mileage durability" and superior "snow performance" in all seasons. ER-GT offers high mileage performance while maintaining 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. The Company continues to contribute to the preservation of a sustainable, low-carbon environment by developing low-carbon products.
RAZR RAID + Desert Racing Tires ML-ST3 	· Product Lifespan · Product Safety · Energy Efficiency	Featuring a high-durability design and enhanced puncture resistance, this product effectively extends tire service life and mitigates the risk of failure from foreign object penetration, thereby further prolonging tire longevity and reducing replacement frequency. This design reduces waste tire generation and raw material consumption, enhances resource efficiency, and indirectly lowers energy consumption during manufacturing and replacement, delivering environmental benefits across the entire life cycle. In terms of usage, the product offers more stable and controllable handling performance, reducing the risk of accidents in extreme environments and enhancing operational safety. High-reliability designs reduce the need for maintenance and the occurrence of unexpected failures, thereby enhancing operational efficiency.

Product	Sustainability Highlights	Technical Description
BC 32" large XC ASPEN Tires 	· Product Lifespan · Product Safety · Use of recycled materials	The first 32" TLR folding tires with a patented structural design to be developed globally. Compared to 29" tires, rolling performance is improved by 7%, wear resistance by 5%, cornering by 20%, and braking by 10%. The product features a tire casing made from recycled fishing net cord fabric and a highly dispersed silica formula derived from eco-friendly rice husks, achieving a sustainable material ratio of 40%.
BC Trail - 2nd Generation Dissector Tires 	· Product Lifespan · Product Safety · Use of recycled materials	The new tread pattern design maintains the advantage of fast straight-line rolling while enhancing cornering stability, support, and braking performance. The tire casing made from recycled fishing net cord fabric is paired with the next-generation MAXXTERRA tread formula, maintaining grip performance while improving wear resistance by more than 50%.
Multi-purpose Tire - MA-AT 	· Product Lifespan · Product Safety · Energy Efficiency	4 Advantages of Maxxventure AT 1.Hex Cubic: Increases off-road grip by 20% while reducing mud adhesion and noise. 2.Optimized tread pattern arrangement: Balances off-road and highway stability while extending mileage life by 10%. 3.Special angled design: Improves traction and reduces noise at speeds of 60 - 70 km/h. 4.Reusable design introduces a new concept of eco-friendly usage.
MC Rain Tires - MA-WGII 	· Product Lifespan · Product Safety · Energy Efficiency	Featuring a specialized casing structure and a full-silica compound formula, the tire enhances tread stiffness and incorporates a high-drainage pattern to meet the demands of Taiwanese consumers for a balanced riding experience in both sunny and wet conditions. Wet braking distance is shortened by 5%, while wear resistance and handling performance are each improved by 10%.
Electric/high-performance karting tire MD01 	· Product Lifespan · Product Safety	A wear-resistant rubber compound combined with a reinforced rear sidewall structure provides excellent support for go-karts, significantly enhancing cornering stability and handling.

2.1.2 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 its 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, plunger resistance, 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 2025, Cheng Shin did not have any violations of health and safety regulations for products and services.

Customers → Sales & Customer Requirements → Product R&D → Raw Material Purchase → Product Manufacturing → Product Delivery → Customers

Customer-oriented Process

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

Markets	Product Certification	Product Certification Description	Compliance Ratio of Products Sold
European Union	E	Certificate from the Economic Commission for Europe (ECE)	100%
USA	DOT	US Department of Transportation	100%
Indonesia	SNI	Standard National Indonesia	100%
Brazil	INMETRO	National Institute of Metrology, Quality and Technology	100%
India	ISI	The ISI Standard Mark	100%
China	CCC	China Compulsory Certification	100%
Thailand		TISI-Mark	100%
Philippines	BPS CERTIFIED PRODUCT QUALITY	BPS-Mark	100%
Taiwan		Taiwan BSMI Certified	100%

Quality First, Customer Satisfaction

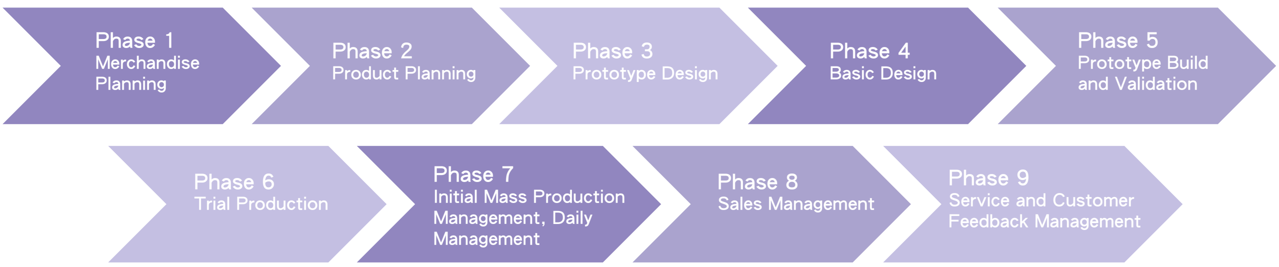
"Quality First, Customer Satisfaction" is Cheng Shin's core competitive product strategy. In terms of quality systems, Cheng Shin has implemented total quality management with both ISO 9001 and IATF 16949 quality management system certifications. A dedicated quality department was also established to promote Cheng Shin's quality management activities:

Region	Quality Management System
Cheng Shin Taiwan and Mainland China	100% implementation of ISO 9001 for all production activities 100% implementation of IATF 16949 for passenger car tire and truck/bus tire production activities

Note: IATF 16949 is a quality management system for the supply chain of the automotive and motorcycle industries.

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 Control	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 Cheng Shin's quality management structure, which is divided into nine quality management phases, as shown below..



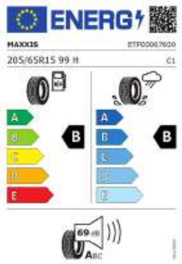
Cheng Shin's quality management system is certified according to ISO 9001 / IATF 16949 standards, which is the basis and guideline for the development of its quality management policies and standard procedures. Its products have also obtained certifications in compliance with European Union regulations 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," Cheng Shin encourages 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 during onboarding. In addition, Cheng Shin incorporates relevant quality courses into its annual training programs and every level of staff training to continuously reinforce its commitment to quality and enhance its management practices in this area.

The "Customer Value Proposition" comes from effectively solving "customer concerns". In addition to providing high-quality products and services, Cheng Shin also has a complete and smooth customer service pipeline:Toll-free information hotline: 0800-092123; customer service center e-mail: svc@tw.maxxis.com.

2.1.3 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 its product offerings adhere to the legal requirements for product information labeling in their respective sales regions. In 2025, Cheng Shin had no violations of marketing and communication-related laws and regulations.



Examples of European Union tire labels

Europe

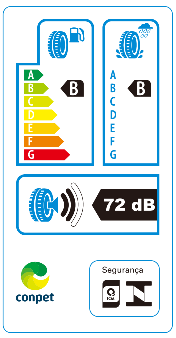
In June 2020, EU 2020/740 European labeling regulation was announced as the replacement for European labeling regulation EC 1222/2009, and all tires sold to European countries are also required to upload their tire information to the EPREL system. The new label became mandatory from May 2021, and 100% of Cheng Shin tires sold to EU countries comply with the regulations.

Saudi Arabia
Examples of Saudi Arabia tire labels

Gulf Cooperation Council countries (GCC) / Saudi Arabia

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

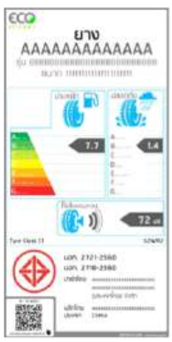
Since November 2015, all tires sold to Saudi Arabia must comply with the Vehicle Tires Rolling Resistance and Wet Grip Requirements (SASO 2857:2016), and all Cheng Shin tires sold to Saudi Arabia comply with such requirements.



Examples of Brazilian tire labels

Brazil

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



Examples of Thai tire labels

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 Thailand 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 in actual testing, while the fuel-saving of grade B and C is 6% and 4%, respectively.

Examples of Taiwan tire labels

Adherence to Product Regulations

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

1.Regulations on product specifications and standards: Includes 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 requiring compliance.

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, with 100% of its products complying with relevant regulations. During 2025, there were no major violations of the laws as described above in Cheng Shin Taiwan or its subsidiaries, 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. There were no violations of laws, regulations, or voluntary codes by Cheng Shin in 2025.

Worldwide certifications obtained by the parent company:

Item	Country/Region	Certification
1	Taiwan	BSMI
2	China	CCC
3	Europe	E-Mark
4	Brazil	Inmetro
5	India	BIS
6	Philippines	BPS
7	Indonesia	SNI
8	Thailand	TIS
9	Uruguay	LATU

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

2.2 Protecting Customer Privacy

Technology is changing at a rapid pace. To meet the needs of the digital age, the world is advancing forward at an unprecedented speed. This rapid development has profoundly transformed human life in all aspects, making the protection of large volumes of data ever more critical.

Cheng Shin has always taken the utmost care to protect its customers′ intellectual property and identity, and to control every document and data file that is relevant to the confidentiality and secrecy of its products. In addition to business secret certification in 2022, Cheng Shin also completed patent certification in 2023 and obtained the certificate in 2024. Currently, it holds two TIPS A-level intellectual property management scope certificates – for business secrets and patents – which are valid until December 31, 2027. This makes Cheng Shin the first tire manufacturer in Taiwan to pass TIPS certification and implement the TIPS introduction process and regulations, effectively protecting its core business and related brands. Furthermore, the Company is committed to ensuring the highest level of data protection and security. Through continuous updates and the establishment of leak prevention mechanisms, it strives to achieve the goal of "data protection without any leaks." This approach aims to provide complete peace of mind to its customers and suppliers when engaging with Cheng Shin, 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.System installation and updates were initiated in key departments and subsequently expanded to all departments across the Company.

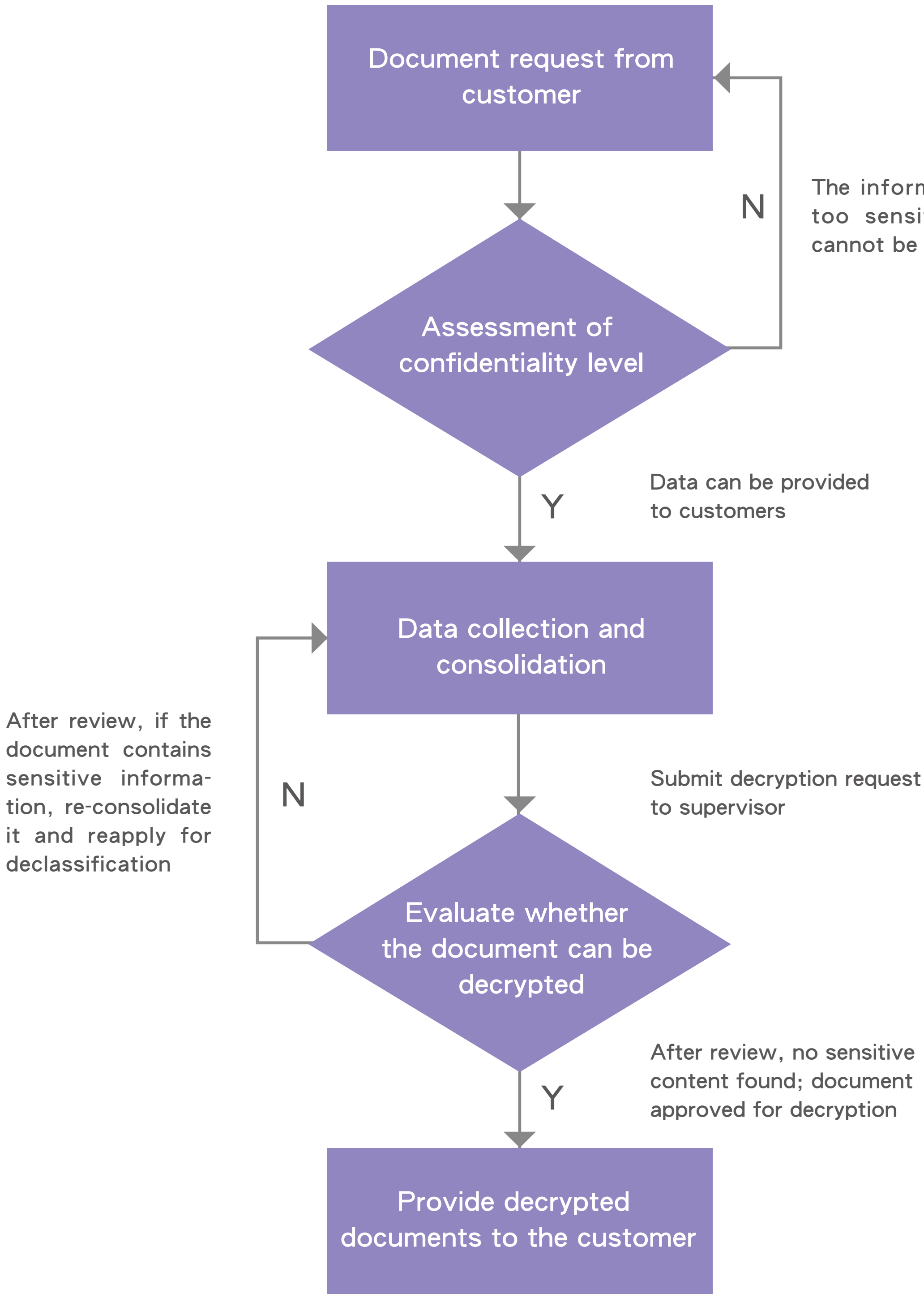
2.All Cheng Shin documents must be submitted to the designated supervisor for review and decryption.

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/emails against unauthorized access of 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 investigate and analyze abnormal behaviors. Meanwhile, the abnormally opened files will also become garbled text to avoid the risk of disclosure of confidential documents.

In 2025, 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 Cheng Shin.

Customer Data Confidentiality Process



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 with a rigorous attitude toward customer feedback, including tread design, handling, quietness, ride comfort, and abrasion resistance, etc., to align technology research and development with market demand based on satisfaction analysis, thereby thoroughly understanding the voice of customers and creating customer value.

Cheng Shin conducts annual customer satisfaction surveys through distributed questionnaires to understand customer needs and ensure satisfaction levels. This helps the Company adjust its strategies to align new product development with market demands. For example - Taiwan Region:

A total of 500 copies of the 2025 Taiwan Consumer Satisfaction Survey were distributed and 485 copies were recovered, with a recovery rate of 97%. The questionnaire utilized a five-point scale, where 5 represented "very satisfied," 4 "satisfied," 3 "neutral," 2 "dissatisfied," and 1 "very dissatisfied." Consumers' overall satisfaction with Maxxis tires stayed positive with average rating being above neutral.

The survey results showed that consumers highly commended Maxxis tires for their safety performance, handling stability, and quiet, comfortable ride. Whether on highways, city roads, or in variable road conditions, the tires provide stable grip and excellent handling, enhancing driving safety and driver confidence. At the same time, the products have received unanimous praise from consumers for reducing road noise and enhancing ride comfort. These improvements effectively created a quieter and more pleasant driving experience, demonstrating the value of Maxxis tires in delivering both safety and comfort.

Additionally, Cheng Shin has established a communication channel:

Toll-free information hotline: 0800-092123 Customer Service Center

Service Hours: Mon ~ Fri, 8:00AM ~ 5:00 PM

E-mail:svc@tw.maxxis.com. Professional and enthusiastic information service is provided by dedicated personnel at the Customer Service Center.

Part3

Environmental Sustainability, Loving the Earth

Management Approach for Material Topics

Material Topic: Energy and Greenhouse Gas Management	
Item	**2025 Management Approach**
Policy	Integrate external carbon fee risks into the Company's core strategy, implement the low-carbon transition through an internal carbon pricing mechanism, and conduct greenhouse gas (GHG) inventories across all plant sites.Integration of carbon fee management into the Company's core strategy, implement low-carbon transition through an internal carbon pricing mechanism, and conduct greenhouse gas (GHG) inventories across all plant sites.
Commitment	The "Energy Conservation and Carbon Reduction Committee" resolved to set 2019 as the carbon reduction baseline year. Additionally, a medium-term reduction target has been established to reduce emissions by 22% by 2030 compared to the baseline year, with a long-term goal of achieving net-zero emissions by 2050.
Goals and Targets	The goals are to reduce energy intensity by 1% annually, decrease emissions by 22% by 2030 compared to the baseline year (2019), and achieve a 12% renewable energy ratio by 2030.
Grievance Mechanism	Toll-free service hotline: 0800-092123 and Customer Service Center e-mail svc@tw.maxx-is.com.
Communication Performance	Communication with stakeholders has been effective, with no major concerns or grievances reported.
Specific Actions	For 2025, Scope 1 and 2 greenhouse gas emissions are expected to obtain assurance in the third quarter of 2026 and will be disclosed in the sustainability report. Self-inventory and internal verification will be completed for Scope 3.
Mechanisms for evaluating the management approach	Conduct a thorough inventory of GHG emissions across all scopes, review emission levels, and propose carbon reduction measures for scopes 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.

3.1 Risks and Challenges of Climate Change

3.1.1 Climate Change Governance

Climate Governance Organizational Structure

The Board of Directors at Cheng Shin is responsible for the governance of climate-related risks and opportunities through the Sustainable Development Committee. The functional committees under the Committee are authorized to assist in supervising climate change and other sustainability-related issues. The sustainable management organization chart is provided below.

Development of Skills and Professional Abilities on Climate-related Risks and Opportunities

More than half of the members of the Cheng Shin Board of Directors possess practical experience in sustainability or have completed relevant coursework. In addition to monitoring the progress of climate and sustainable development initiatives through the Sustainable Development Committee, the Company regularly arranges climate change-related training for directors to enhance their expertise and skills in this field. Directors took part in sustainability-related courses on net zero & sustainability, sustainable finance & climate change, and IFRS sustainability standards in 2025. Training totaled 9 hours.

Linking Climate Performance with Remuneration Policy

Regarding performance evaluation and the remuneration system, the Group's remuneration policy is formulated and managed by the Remuneration Committee. The Committee is regularly convened to review and propose amendments to the Company's remuneration regulations, while overseeing the policies, systems, standards, and structures for the performance evaluation and compensation of directors and executive officers. For further details, please refer to Section 1.3.2.

3.1.2 Climate Change Strategy

The major climate-related risks and opportunities identified by Cheng Shin that can reasonably be expected to affect the Company's prospects, along with their potential time horizons, are shown in the table below:

Category	Issue	Potential Impacts		Time Horizon of Impact	Scope of Value Chain	Response Measures	
		Present	Anticipated			Present	Anticipated
Transition Risks	Increase in raw material costs	Rising raw material costs have accelerated the adoption of alternative and sustainable materials. The impact of cost fluctuations on operations and profitability is mitigated by improving raw material utilization efficiency, reducing waste, and optimizing product development. Regarding the value chain, rising raw material prices may bolster the earnings of upstream suppliers in the short term. Furthermore, companies with strong brand equity possess greater price pass-through capabilities, which helps stabilize the income structure of the supply chain.	Moving forward, the Company will develop high-value-added products, optimize product mixes, and strengthen vertical integration and supply chain management to mitigate raw material supply uncertainties and price fluctuation risks. Furthermore, the Company will promote the R&D and adoption of alternative materials to enhance operational resilience and sustainable competitiveness. Regarding the value chain, these efforts are expected to promote import substitution, the use of recycled materials, and the development of the sustainable materials industry, while enhancing supply stability through long-term supplier cooperation.	Short, Medium and Long-term	Upstream, Midstream	The operational impacts of extreme weather and energy disruptions are to be mitigated by strengthening disaster prevention facilities and emergency response mechanisms at plants, as well as promoting solar power generation and energy efficiency management. By adjusting process parameters, reviewing material usage, optimizing product design, and conducting R&D for new energy vehicle (NEV) tires, low rolling resistance tires, TLR tires, and lightweight products, the Company will enhance resource efficiency and reduce raw material consumption. Strengthen supply chain resilience and procurement decision-making quality by collaborating with energy, raw material, and downstream suppliers; developing domestic supply sources and establishing raw material price monitoring and sustainable supplier management mechanisms, thereby strengthening supply chain resilience and procurement decision-making quality. The Company also collaborates with academic and research institutions, upstream and downstream enterprises, and material and equipment suppliers to drive the adoption of innovative formulations and sustainable materials, thereby reducing the environmental impact of its products.	Strengthen collaboration with energy, raw material, and logistics suppliers to mitigate the risks of supply disruptions and delivery delays through diversified sourcing, safety stock management, advance procurement, and seasonal supply planning. Supplier climate resilience, performance, and sustainability risk assessment systems are also introduced. This is to be integrated with supply chain digitization, LCA, ERP connectivity, and raw material tracking systems to enhance supply chain transparency. By establishing flexible delivery and cost-pass-through mechanisms with customers, and leveraging industry cooperation, strategic alliances, long-term logistics contracts, property insurance, and policy funding support, the Company will mitigate the impact of cost fluctuations and bolster resources for transformation.
Physical Risks	Increased severity of extreme weather events	Solar power generation efficiency may increase during the summer when sunlight conditions are optimal, helping to reduce demand for purchased electricity and lowering electricity costs in the short term.	Increased supply chain uncertainty may drive the Company to develop local suppliers, thereby mitigating the risk of raw material procurement delays and enhancing supply resilience.	Short, Medium and Long-term	Upstream, Midstream, Downstream		

Opportunities	Research and development of innovative products or services	The successful development of Grade A/B rolling resistance tires and electric vehicle-related products has driven an increase in production volume and contributed positively to revenue. Simultaneously, the Company collaborated with suppliers to promote the R&D and application of recycled and recovered materials. For instance, MAXXIS has fully integrated discarded fishing net cords into 80% of its bicycle tires, with certain products going even further by incorporating rice husk silica and recycled steel wires. These initiatives demonstrate Cheng Shin's commitment to sustainable manufacturing and environmental protection while driving product innovation and fostering collaborative business opportunities.	The Company continues to promote the mass production of low rolling resistance A/B grade, electric vehicle, fuel-efficient, and recyclable design products to enhance revenue, profitability, and cooperation opportunities with high-end OE customers. Simultaneously, the Company expanded its collaboration with premium suppliers and academic institutions while securing government subsidies to strengthen the application of recycled and recovered materials, thereby enhancing product sustainability and innovation capabilities.	Short, Medium and Long-term	Upstream, Midstream		

Climate Scenario Analysis

In assessing climate-related risks and opportunities, the Group followed the TCFD framework and considered industry-specific operational characteristics and climate change scenarios to identify three material climate issues: developing new products or services through R&D and innovation, rising raw material costs, and the increasing severity of extreme weather events. As the relevant financial impacts are subject to the interplay of external environmental conditions, industry changes, and non-climate factors, they involve a high degree of uncertainty, and the available data is limited at this stage; therefore, a comprehensive quantitative analysis has not been conducted. However, regarding the issue of carbon fees, which has higher identifiability and a clear policy direction, Cheng Shin has incorporated "greenhouse gas cap and emissions trading" into its transition risks. This analysis primarily references authoritative international climate scenarios (such as those from the IPCC and IEA), foreign scientific reports, and domestic policy reports to assess the impact of climate transition risks on the Company. Furthermore, quantitative analysis was conducted under the NZE and STEPS scenarios, the results of which are presented in the table below.

Category	Key Assumptions	Chosen Scenario	Time Interval	Scope of Analysis	Assessment of Impact and Resilience Capability
Transition Risks / GHG Capping and Emissions Trading	1. Estimates for Taiwan's carbon fees were based on the "Carbon Fee Collection Regulations" and the carbon fee rates announced by the Ministry of Environment. It is assumed that starting from 2024, enterprises with annual emissions exceeding 25,000 metric tons are charged NT$300 per metric ton, with the carbon price increasing by 10% annually thereafter. This assessment did not take into account preferential rates or free quotas. Furthermore, assuming the collection threshold is lowered to 10,000 metric tons starting from 2030, the impact of carbon fees will be estimated based on annual emissions. 2. The scope of this assessment is limited to Cheng Shin's Taiwan operations; locations outside of Taiwan will be gradually incorporated into subsequent financial impact assessments, depending on the progress of greenhouse gas inventories and the development of local regulations.	IEA STEPS and IEA NZE scenarios	2030	Taiwan Region	Impact assessment: Financial impact as a percentage of operating revenue based on the results of the scenario analysis: IEA STEPS Scenario: 0.36% IEA NZE Scenario: 2.03% Resilience: When reviewing annual plans, Cheng Shin's Risk Management Committee and Sustainability Committee incorporated the results of the scenario analyses into their evaluations and formulated corresponding response measures.

Note 1: The areas of uncertainty in this climate scenario analysis include policy changes, technological progress, shifts in market demand, environmental changes, and economic factors.

Note 2: The IEA STEPS scenario reflects the trajectory of global and sectoral energy-related policies that were already implemented or being drafted as of the end of August 2023. Under this scenario, enterprises and institutions establish a conservative baseline for quantifying climate-related financial risks and conducting stress tests; the global mean temperature under this scenario is projected to increase by approximately 2.4°C to 2.6°C by 2100.

Note 3: The IEA NZE scenario outlines a pathway for the global energy sector to achieve net zero emissions by 2050. Under this scenario, the energy industry does not rely on external emission reductions to achieve net-zero targets, and there is a more than 50% chance of limiting the global average temperature increase to within 1.5°C by 2100. NZE is aligned with the Paris Agreement's goal of limiting the global temperature increase to within 1.5°C by the end of the century.

Note 4: Estimates for Taiwan's carbon fees were based on the " Regulations Governing the Collection of Carbon Fees" officially announced by Taiwan's Ministry of Environment on August 29, 2024, and the carbon fee rates announced on October 21, 2024. It is assumed that starting from 2024, enterprises with annual emissions exceeding 25,000 metric tons are charged NT$300 per metric ton, with the carbon price increasing by 10% annually thereafter. This assessment did not take into account preferential rates or free allowances. Cheng Shin will re-perform this scenario analysis once the relevant carbon fee collection rules become clearer.

Note 5: 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 25,000 metric tons or more of carbon annually, and with the assumption that the fee threshold is lowered to 10,000 metric tons of carbon in 2030, a carbon fee is levied based on the annual emissions.

3.1.3 Climate Change Risk Management

To meet the requirements for climate-related financial disclosures regarding risk management, Cheng Shin has established relevant risk management policies and procedures to ensure the effectiveness of its risk management policies and to achieve the objective of comprehensive risk management.

Process for Identifying, Assessing, Prioritizing, and Monitoring Climate-related Risks and Opportunities

Cheng Shin has established processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities. The Company has integrated the climate risk assessment and management plan with the Company's risk management framework to ensure that key climate risks and opportunities are effectively controlled. The relevant implementation steps are described below:

1. Collection and Identification: The Company collects information regarding its business operations, future development directions, and relevant international information. By narrowing down the scope based on the consolidated revenue contribution of various business segments and the industry-specific implementation guidance under IFRS S2, and finally considering industry benchmarks and issues of concern to stakeholders, the Company has initially identified a list of climate-related risks and opportunities.
2. Evaluation and Ranking: The IFRS Sustainability Disclosure Standards Group used questionnaires to consolidate risks, opportunities, and response strategies, while defining the likelihood and degree of impact of these risks and opportunities. The identified risks and opportunities are then prioritized to determine the material climate-related risks and opportunities. The financial impacts are compiled and response measures and other relevant information are incorporated into the risk and opportunity management process.
3. Financial Impact Response Strategies: The Company periodically assesses whether to conduct quantitative scenario analyses based on feasibility, using the results to identify climate-related risks and opportunities and to formulate or adjust response strategies.
4. Monitoring and Tracking: The Company monitors and tracks improvements to risk control measures in real time based on the Company's key performance indicators and targets. It regularly reports the progress and performance of various actions to the ESG Committee and the Board of Directors, while continuously driving relevant actions and goals through internal working group meetings held by the IFRS Sustainability Disclosure Standards Group.

Evaluating the Likelihood and Impact of Climate-related Risks and Opportunities

The degree of impact is determined by combining the effects of risks and opportunities on the Company's core business, key resource allocation, operating models, and competitive advantages. This process involves assessing their material impact on financial performance, operational stability, and corporate governance operations. with impacts categorized into five levels based on their scope and severity.

The likelihood of occurrence is assessed primarily based on Cheng Shin's historical data, industry trends, climate science scenario analysis, and changes in the operating environment. These factors are used to evaluate the frequency and probability of each risk, which are categorized into 5 levels.

Integration with the Overall Risk Management Process

Group-wide risk management is executed by the General Manager's Office, which coordinates cross-departmental risk management interactions and communication. The IFRS Sustainability Disclosure Standards Group assesses and manages climate-related risks, while members of the Sustainable Development Committee and various functional departments formulate and implement relevant strategies and management goals. Concurrently, relevant information on climate-related risks and opportunities is reported to the Board of Directors to facilitate oversight of the effectiveness of managing such risks and opportunities.

3.1.4 Climate Change Indicators and Targets

To effectively manage climate-related risks and opportunities, and integrate climate issues into operational decision-making and performance management, Cheng Shin has established climate-related indicators and targets. These serve as the basis for tracking carbon reduction effectiveness, measuring energy usage efficiency, evaluating the progress of transformation actions, and responding to stakeholder expectations. Furthermore, the Company is gradually planning to implement an internal carbon pricing system to strengthen overall operational resilience.

Please refer to 3.3.1 Energy Management and 3.3.2 Greenhouse Gas Management for GHG-related energy conservation and carbon reduction indicators, targets, and performance for the current year. Furthermore, industry-specific metrics have been established; please refer to the SASB Index for details. Strategic targets for managing climate-related risks and opportunities have also been set, as detailed in the table below.

Risks/Opportunities		Strategic Target	Indicator			Base Period	Goal				
Category	Description		Indicator Definition	Unit of Measurement	Indicator Type		Target Purpose	Target Scope	Target Category	Target Period/ Target Set	Milestone/Interim Target
Physical Risks	Increased severity of extreme weather events	Environment	Total Energy Consumption	Gigajoules (GJ)	Quantitative	2024	Improve energy efficiency	Taiwan Region	Absolute Target	2025	Energy conservation target: Reduce energy consumption by 1% annually
			Percentage of Grid Electricity	Percentage (%)							
			Percentage Renewable	Percentage (%)			Increase percentage of renewables used			2030	Reach 12% renewable energy by 2030
Transition Risks	Increase in raw material costs		Total Weight of Waste Generated	Metric Tons (t)	Quantitative	2023	Waste Reduction	Taiwan Region	Absolute Target	2024	4.26% reduction in waste from the Taiwan region in 2025 compared to 2024
			Percentage of Hazardous Waste	Percentage (%)							
			Percentage Recycled	Percentage (%)							
Physical Risks	Increased severity of extreme weather events		Scope 1 and Scope 2 Emissions (tCO_2e)	tCO_2e	Quantitative	2019	Reduction of GHG emissions	Taiwan Region	Absolute Target	By 2030	The target for Scope 1 and Scope 2 GHG emissions is to reduce emissions by 22% by 2030 compared to the base year (2019).
			Scope 3 emissions of relevant categories shall be disclosed	tCO_2e	Quantitative	No target set					
Climate Opportunities	Research and development of innovative products or services	Products and Materials	Number of Vehicles Recalled	Quantity	Quantitative	2025	Increase in Fuel Efficiency	Consolidated Entity	Absolute Target	By 2030	0 cases of major recalls of Cheng Shin products per year
			Revenue from products designed to increase fuel efficiency or reduce emissions	NT$	Quantitative	No target set					
			Description of risk management associated with the use of critical materials	--	Discussion and Analysis						
			Percentage of product sales that can be recycled	Percentage (%)	Qualitative						
			Percentage of input materials from recycled or re-processed content	Percentage (%)	Quantitative						
			Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	NT$	Quantitative	2025	Compliance with laws and regulations	Taiwan Region	Absolute Target	By 2030	Ensure that Cheng Shin avoids regulatory penalties from competent authorities during its operations; maintain zero major incidents of non-compliance with product-related laws and regulations, such as those governing marketing and labeling.

Future Planning of Carbon Pricing Systems

Starting from 2025, Cheng Shin will set an internal carbon price (ICP) of NT$300 per metric ton based on 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. The Company will also encourage employees to propose energy-saving improvement projects to further reduce carbon emissions and improve energy efficiency at all its operating sites.

3.2 Environmental Management

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

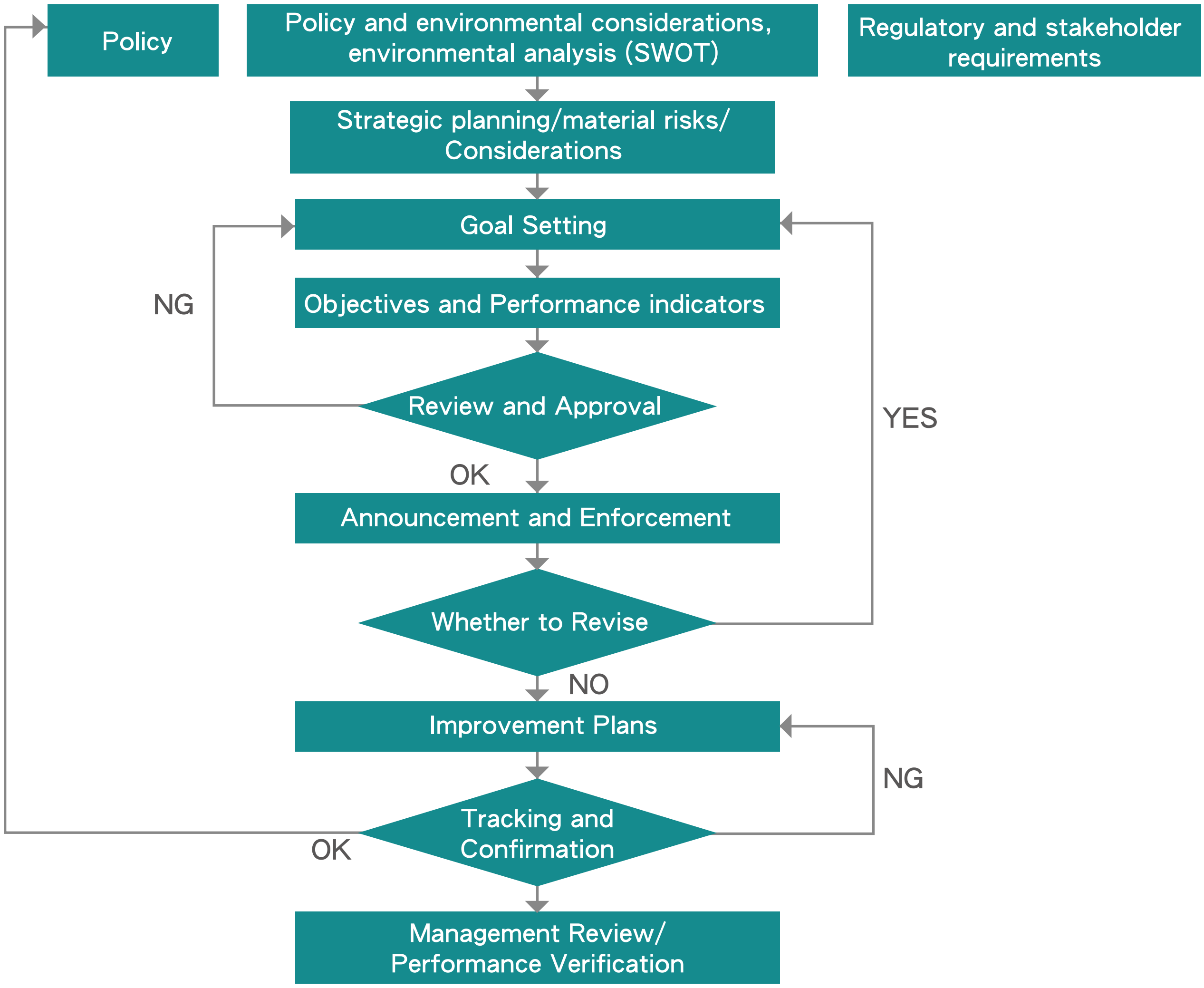
Cheng Shin believes that environmental protection is an indispensable factor in the sustainable operation of its business and has established a corporate environmental management system in line with the global environmental protection philosophy. Cheng Shin is committed to environmentally friendly product design and improving equipment and operating environments to reduce waste gas, wastewater, noise, and waste from processes and save energy, and achieve proper resource recycling and reuse. Cheng Shin also strengthens the promotion of industrial safety and continues to carry out various pollution prevention and control measures to enhance its operational resilience, enabling harmonious coexistence between the enterprise and the environment to achieve endless sustainability.

Cheng Shin's commitment to the environment is:

- Comply with all work safety and environmental laws, regulations, and related requirements.
- In considering product lifecycles, Cheng Shin is committed to continuous improvements in technology and methods across all stages—including design, raw materials, manufacturing, storage, transportation, usage, and waste disposal—to reduce environmental impacts and enhance safety.
- Establish sound internal and external communication channels and promote environmental protection concepts to contractors and partner suppliers.
- Continue to promote industrial waste reduction, resource recycling and reuse, and pollution prevention.
- Continue to promote environmental education and establish a complete and effective environmental management system.
- Cheng Shin publicly commits to refraining from investing in any fossil fuel-related industries, prioritizing resources for renewable energy, low-carbon technology, and sustainable development projects to achieve long-term environmental responsibility and climate goals.
- Cheng Shin has selected the "Net Zero Emissions by 2050 Scenario (NZE)" to evaluate financial and operational impacts on the organization. This initiative actively aligns with the government's 2050 net-zero carbon emissions policy as the Company steadily progresses toward achieving net-zero carbon emissions.

ISO14001:2015 Certificate
Valid until November 13, 2026

3.2.1 Environmental Management System



Environmental Management System Flowchart

In terms of environmental management policy, Cheng Shin´s Taiwan operations renewed their ISO 14001:2015 certification in 2023. Certificate 5XWE001-09 is valid through November 13, 2026. Continuous improvement is pursued through the "Plan-Do-Check-Act" model of the ISO 14001 environmental management system. Annual targets are set for energy saving, water saving, waste reduction, and resource conservation, with environmental performance systematically reviewed, tracked, and managed by the ESH Committee to effectively enhance overall environmental performance.
In addition, to align with the national promotion of energy conservation and carbon reduction, the industry is moving toward green industries, in line with international environmental trends and promoting sustainable industrial development.

Capital Allocation for Environmental Protection

Capital Allocation Items	Description
Rainwater pumping stations, flood control works, drainage ditches, and floodgate monitoring systems were installed to enhance climate adaptation capabilities and mitigate flooding risks.	Construction costs for the rainwater pumping stations, flood control works, drainage ditches, and floodgate monitoring systems amounted to NT$121,585 thousand, representing approximately 0.09% of total annual assets.
Electric vehicles were purchased to reduce GHG emissions from operations.	Capital invested in the purchase of electric vehicles: NT$3,848 thousand, accounting for less than 0.01% of total annual assets.

3.2.2 Environmental Compliance

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 functioning 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 review each update to determine the applicable requirements and implement them accordingly. An annual assessment of regulatory compliance is conducted to ensure adherence to legal requirements. One environmental violation nevertheless took place at the Zhongzhuang Plant in Taiwan in 2025. In response to the violation, Cheng Shin immediately corrected the non-compliance and formulated improvement measures to prevent recurrence.

Violation of Environmental Laws

Region	Name of Laws or Regulations Violated	Causes/Circumstances of Violation	Amount of Fines Imposed	Improvement Plan
Taiwan	Article 20, Paragraph 1 of the Air Pollution Control Act	Non-compliant exhaust emissions	NT$ 120,000	Short-term action: Improve operating procedures to reduce pollutant volatilization; long-term action: Seek alternative materials.
Subsidiaries	There were no related violations			

Environmental Communication

Effective environmental communication and dialogue with stakeholders can enable them to understand Cheng Shin's emphasis on and management of environmental protection. In accordance with the "Environmental Communication Procedure" operating principles under the ISO 14001 environmental management system, Each plant periodically establishes clear communication channels with local residents by participating in community and neighborhood activities near the facilities. Furthermore, Cheng Shin provides telephone hotlines for residents and external stakeholders to voice concerns regarding any potential environmental impacts arising from 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 any improvement measures are required, the competent and responsible unit will implement the necessary improvements based on the content of the complaint and the environmental management department will track the progress.

Record of Important Cheng Shin External Communications in 2025

Region	External Agencies	Communication / Summary	Internal Handling Situation
TaiwanRegion	No related complaints in 2025.		
Subsidiaries			

3.3 Energy Resources and Greenhouse Gas Management

3.3.1 Energy Management

Cheng Shin adheres to the energy policy of "Energy Conservation, Carbon Reduction, and Efficiency Enhancement." Cheng Shin has always attached great importance to energy usage and regards the implementation of 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 encouraged to actively implement energy-saving technology upgrades, thereby progressively advancing energy conservation and carbon reduction.

2025 Green Energy and Carbon Reduction Performance:

Taiwan Region: Photovoltaic systems in Taiwan supplied 4,195,600 kWh of green electricity in 2025, reducing GHG emissions by approximately 1,955.16 tCO_2e

Overseas Subsidiaries: The continued purchase of green power by overseas subsidiaries reduced total emissions by 3,871.55 tCO_2e in 2025.

Professional System and International Recognition: All energy management personnel have been trained in the requirements of the ISO 50001 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 obtained third-party certification of its management system, and the Kunshan Plant has received the "Energy Efficiency Star" Level 3 energy award.

In response to the global trend toward a green economy, Cheng Shin began implementing the ISO energy management system in 2014 and has obtained ISO 50001 certification. The validity periods of certificates are: Cheng Shin Xiamen (2024/1/8 - 2027/1/17), Xiamen Petrel (2025/6/16 - 2028/7/28), Cheng Shin Industry (2025/6/19 - 2028/7/17), Cheng Shin Zhangzhou (2026/6/26 - 2029/6/25), and Cheng Shin China (2024/12/25 - 2026/12/01). Through effective improvements in energy efficiency, Cheng Shin implements its green operations policy.

ISO 50001 Certificates of Mainland China Plants

Regarding energy usage, Cheng Shin primarily utilizes electricity, gasoline, diesel, and natural gas. In 2025, energy consumption in the Taiwan Region and subsidiaries was 1,096,120.92 GJ and 7,045,657.88 GJ, respectively. The energy intensity in the Taiwan Region was 12.69 GJ per metric ton, while that of subsidiaries was 9.96 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	2023	2024	2025
Taiwan Region	11.67	11.47	12.69
Subsidiaries	NA	10.17	9.96

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

Energy Consumption Status

Taiwan Region

Energy		Unit	2023	2024	2025
Electricity	Self-generated renewable energy for self-use	Million kWh	4.30	4.29	4.20
		GJ	15,466.53	15,439.50	15,104.26
	Purchased renewable energy	Million kWh	0	0	0
		GJ	0	0	0
	Purchased non-renewable energy	Million kWh	160.14	157.44	137.01
		GJ	576,499.57	566,769.55	493,219.63
Natural gas		m^3	19,398,050.00	17,782,257.00	15,502,400.00
		GJ	649,291.53	595,207.71	566,115.90
Gasoline		kiloliter (kL)	109.69	98.48	99.48
		GJ	3,579.63	3,213.77	3,157.33
Diesel fuel		kiloliter (kL)	503.87	533.85	512.66
		GJ	17,708.96	18,762.34	18,523.80

Energy	Unit	2023	2024	2025
Total Renewable Energy Consumption	GJ	15,466.53	15,439.50	15,104.26
Total Non-Renewable Energy Consumption	GJ	1,247,079.69	1,183,953.37	1,081,016.66
Total Energy Consumption	GJ	1,262,546.22	1,199,392.87	1,096,120.92
Percentage of Purchased Electricity	%	45.66	47.25	45.00
Renewable Energy Utilization Rate	%	1.23	1.29	1.38

Note 1: The calorific value coefficients for electricity are based on the Energy Statistics Handbook of the Energy Administration, Ministry of Economic Affairs (updated June 30,2026); the calorific value coefficients for natural gas, gasoline, and diesel fuel are based on the values announced by the Ministry of Environment on February 10,2026.
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.

Subsidiaries

Energy		Unit	2024	2025
Electricity	Self-generated renewable energy for self-use	Million kWh	0.00	0.00
		GJ	0.00	0.00
	Purchased renewable energy	Million kWh	47.72	89.86
		GJ	171,802.00	323,510.52
	Purchased non-renewable energy	Million kWh	909.86	743.87
		GJ	3,275,095.81	2,678,260.52
Natural gas		m^3	NA	7,911,335.08
		GJ	NA	306,869.02
Purchased steam		Thousand metric tons	1,334.34	1,285.87
		GJ	3,623,873.36	3,477,830.39
Gasoline		kiloliter (kL)	136.59	118.78
		GJ	4,471.59	3,642.02
Diesel fuel		kiloliter (kL)	847.57	6,793.43
		GJ	30,442.59	255,545.41
Total Renewable Energy Consumption		GJ	171,802.00	323,510.52
Total Non-Renewable Energy Consumption		GJ	7,105,685.35	6,722,147.36
Total Energy Consumption		GJ	7,277,487.35	7,045,657.88
Percentage of Purchased Electricity		%	48.51%	42.60%
Renewable Energy Utilization Rate		%	2.42%	4.59%

Note 1:The energy category of each subsidiary was counted based on the energy supervision items stipulated by local laws and regulations.
Correction: The percentage of purchased electricity for subsidiaries in 2024 was incorrectly reported as 100%; the correct value is 48.51%, and is hereby corrected.

Energy Saving and Carbon Reduction Measures

Cheng Shin's energy reduction targets reference the "Regulations Governing the Formulation of Energy Conservation Targets and Implementation Plans by Energy Users" issued by the Energy Administration, Ministry of Economic Affairs, Taiwan. The annual electricity saving rate and average annual electricity saving rate should reach at least 1%; energy intensity should be reduced by 1% annually.

This electricity saving calculation excludes energy reductions resulting from changes in production capacity or production outsourcing. Since 2009, various Cheng Shin plants have successively implemented multiple energy-saving initiatives. In 2025, energy-saving efforts focused primarily on process/utility equipment optimization, equipment replacement, and energy conservation control and management.

Direct measurement and integration of the implemented energy conservation plans in 2025 effectively reduced GHG emissions. Taiwan operations and subsidiaries reduced emissions by 1,343.60 and 29,274.04 metric tons of CO_2e respectively, for a total reduction of 30,617.64 metric tons of CO_2e.

Cheng Shin's Representative Energy Saving Initiatives

Region	Category	Description	Annual Energy Saving Performance		Annual Carbon Reduction Performance (tCO_2e)
Taiwan Region	Equipment Upgrades and Optimization	Modifying equipment operation or upgrading equipment to achieve carbon reduction.	178.10 MWh	641.13GJ	82.99
	Equipment Replacement	Replacing outdated equipment with more energy-efficient alternatives.	931.20 MWh	3,352.32 GJ	433.94
	Technical Optimization	Applying production technologies or technical equipment modifications to reduce carbon emissions.	482.80 MWh	1,737.94 GJ	224.97
	Renewable Energy Adoption	Solar power system installation	1,291.20 MWh	4,648.32GJ	601.70
				Subtotal	1,343.60
Subsidiaries	Equipment Upgrades and Optimization	Modifying equipment operation or upgrading equipment to achieve carbon reduction.	2,300.00 MWh	84,245.41GJ	22,657.1
	Equipment Replacement	Replacing outdated equipment with more energy-efficient alternatives.	1,400.00 MWh	5,040.00 GJ	589.54
	Technical Optimization	Upgrading production technologies or technical equipment modifications to reduce carbon emissions.	996.00 MWh	7,364.35 GJ	2,155.85
	Renewable Energy Adoption	Purchasing green power.	9,194.00 MWh	33,098.04GJ	3,871.55
				Subtotal	29,274.04
				Total	30,617.64

Note 1: The baseline for calculating energy consumption reduction is derived with reference to the electricity consumption of existing equipment.

Note 2: Carbon dioxide emissions for Taiwan operations apply the 2025 electricity emission factor announced by the Energy Administration, Ministry of Economic Affairs on June 2, 2026.

Note 3: Carbon dioxide conversion factors for Mainland China operations are based on data reported in the 2024 "Template for Greenhouse Gas Accounting and Reporting in Other Industrial Sectors." Steam emission factor:0.11 tCO_2e/GJ;Electricity emission factor:5.978 10,000 kWh (or 0.5978 tCO_2e/MWh).

3.3.2 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 corporate responsibility for environmental protection, Cheng Shin is 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 referenced ISO 14064-1:2006 for organizational greenhouse gas inventory procedures and the Ministry of Environment´s guidelines for greenhouse gas inventory reporting. Cheng Shin voluntarily discloses greenhouse gas emissions annually. In 2022, Taiwan operations formally adopted the ISO 14064-1:2018 standard to conduct an inventory of seven major greenhouse gases (carbon dioxide (CO_2), nitrous oxide (N_2O), methane (CH_4), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3)). In accordance with the "Sustainable Development Roadmap for Listed Companies" issued by the Financial Supervisory Commission in March 2022, Cheng Shin is planning the schedule for the group´s greenhouse gas inventory and verification, with an inventory being conducted across all plants. Although 2023 was originally set as the baseline year for energy conservation and carbon reduction, the Cheng Shin Energy Conservation and Carbon Reduction Committee later moved this date forward to 2019. The reduction target is to achieve a 22% decrease in emissions by 2030 compared to the base year. In 2025, the total Scope 1 and Scope 2 greenhouse gas emissions for Taiwan operations and subsidiaries were 1,019,377.139 and 972,149.573 tCO_2e,respectively.Cheng Shin has seen a year-on-year downward trend in direct emissions, which is presumed to be attributable to ongoing energy-saving improvements at various plants, resulting in significant reductions in direct emissions.

Three-Year GHG Emissions

Unit:tCO_2e

<table>
<tr><th>Region</th><th>Item</th><th>2023</th><th>2024</th><th>2025</th></tr>
<tr><td rowspan="5">Taiwan Region</td><td>Scope 1: Direct Emissions</td><td>42,670.504</td><td>39,423.413</td><td>36,115.952</td></tr>
<tr><td>Scope 2: Energy Indirect Emissions
Location based</td><td rowspan="2">79,131.433</td><td rowspan="2">74,613.388</td><td>65,800.242</td></tr>
<tr><td>Scope 2: Energy Indirect Emissions
Market based</td><td>63,845.080</td></tr>
<tr><td>Total
Location based</td><td rowspan="2">121,801.937</td><td rowspan="2">114,036.801</td><td>101,916.194</td></tr>
<tr><td>Total
Market based</td><td>99,961.032</td></tr>
<tr><td rowspan="6">Subsidiaries</td><td>Scope 1: Direct Emissions</td><td>NA</td><td>33,565.545</td><td>24,081.721</td></tr>
<tr><td>Scope 2: Energy Indirect Emissions
Location based</td><td>NA</td><td>867,418.193</td><td>893,379.224</td></tr>
<tr><td>Scope 2: Energy Indirect Emissions
Market based</td><td>NA</td><td>NA</td><td>848,106.820</td></tr>
<tr><td>Total
Location based</td><td>NA</td><td>900,983.738</td><td>917,460.945</td></tr>
<tr><td>Total
Market based</td><td>NA</td><td>NA</td><td>872,188.541</td></tr>
<tr><td>Scope 3 Other indirect emissions</td><td>NA</td><td>NA</td><td>NA</td></tr>
<tr><td colspan="2">Total (Scope 1 + 2) Location based</td><td rowspan="2">121,801.937</td><td rowspan="2">1,015,020.539</td><td>1,019,377.139</td></tr>
<tr><td colspan="2">Total (Scope 1 + 2) Market based</td><td>972,149.573</td></tr>
<tr><td colspan="2">Taiwan Region
Scope 3 Other indirect emissions</td><td>306,173.638</td><td>294,140.778</td><td>392,649.108</td></tr>
</table>

Note 1: For the Taiwan region, calculations were based on the "Greenhouse Gas Emission Factors" announced by the Ministry of Environment on February 5, 2024.
Note 2: The organizational boundary was defined using the operational control approach.
Note 3: GWP values for greenhouse gases were based on the IPCC Sixth Assessment Report (2021).
Note 4: The electricity emission factor was sourced from the 2024 electricity emission factor announced by the Energy Administration on April 14, 2025.
Note 5: The data of subsidiaries for 2023 and 2024 only discloses Mainland China information.
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 emission intensity

Unit: tCO_2e/metric ton of product

Region	Calculation Method	2023	2024	2025
Taiwan Region	Location based	1.120	1.090	1.180
	Market based			1.157
Subsidiaries	Location based	NA	1.259	1.374
	Market based			1.441

Note: GHG emission intensity = (Scope 1 + Scope 2 GHG emissions) (tCO_2e)/total product weight (metric tons)

3.3.3 Climate-related Information

3.3.3.1 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 regarding 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 impact likelihood and degree of various risks and opportunities based on materiality criteria. Eight climate change risks and opportunities have been identified, establishing short, medium, and long-term objectives to enhance climate resilience and foster an environmentally sustainable culture.
2. Describe how the identified climate risks and opportunities impact the business, strategy, and finances of the Company over the short, medium, and long term.
Implementation status:

Category	Potential Risks and Opportunities	Financial Impact on Cheng Shin	Response Strategy and Transition Actions
Climate-related Transition Risks	Increase in aw material costs	Short, medium, and long-term: · The inability to pass on costs forces Cheng Shin to absorb them internally, resulting in higher operating costs and reduced profit margins. · Product price increases lead to reduced competitiveness and a decrease in orders, resulting in a decline in revenue and profit. · Inventory pressure necessitates the early procurement of raw materials, leading to increased operating costs, while the tie-up of funds may adversely affect cash flow.	Short, Medium and Long-term: · Procurement management: Enhance raw material procurement flexibility by utilizing futures and short-term contracts for hedging, establishing procurement strategies (such as batch purchasing), and optimizing inventory management to mitigate the impact of price fluctuations. · Inventory strategy: Accelerate inventory turnover and utilize low-cost raw materials to reduce costs. · Operational efficiency: Purchase new equipment, optimize scheduling and logistics, and implement systems to reduce material waste and enhance production efficiency.

Category	Potential Risks and Opportunities	Financial impact on Cheng Shin	Response strategy and transformation action
			Short, Medium and Long-term: · Pricing strategy: Establish a customer cost pass-through mechanism and adjust the selling prices of certain products. · Price negotiation: Reach short-term price adjustment agreements (such as floating prices and cost-plus pricing) with key customers to share risks. · Information sharing: Establish a platform for real-time market information sharing to enhance forecasting and response speed. · Inventory adjustment: Adjust safety stock levels to prevent excessive stockpiling or the risk of material shortages. · Supply chain digitization: Introduce a supply chain management system (e.g. integration of supplier barcodes with the plant ERP system) to improve transparency and operational efficiency. · Supplier evaluation: Implement a supplier performance evaluation system to strengthen strategic partnerships. · Process management: Partner with suppliers to optimize production processes and introduce high-efficiency, energy-saving equipment to reduce energy consumption and defect rates, leveraging production line potential to support lean production.
			Medium-term: · Product strategy: Focus on high value-added products (e.g. electric vehicle tires, energy-saving tires) to satisfy customer and social expectations. · Brand management: Enhance brand value and reduce consumer price sensitivity. · Technology upgrades: Introduce automated equipment and smart manufacturing systems to optimize production processes, improve raw material utilization efficiency, and reduce waste, · while adopting new technologies to enhance production efficiency. · Long-term contracts: Strengthen cooperation with major suppliers and establish medium- to long-term contracts to ensure supply stability and price protection. · Sustainable supply chain: Collaborate with suppliers to promote ESG goals, such as carbon emissions management and the use of recycled materials. · Supply chain strategy: Diversify supply sources, and implement regional procurement and localized production.
			Long-term: · Industry-academia collaboration: Partner with academic and research institutions to drive innovation in materials and processes, while engaging in high-level exchanges with upstream and downstream enterprises to share R&D data and mitigate transition risks. · Product optimization: Adjust product specifications and develop alternative materials that do not compromise product quality to effectively reduce raw material consumption. · Industry alliances: Participate in industry associations or alliances to collectively address raw

Category	Potential Risks and Opportunities	Financial impact on Cheng Shin	Response strategy and transformation action
			material market fluctuations and policy changes. · Global footprint optimization: Adjust global supply chain configuration and strategic partnerships based on geopolitical factors and raw material sources. · Supplier evaluation: Conduct supplier sustainability risk assessments to ensure stable procurement and sales capabilities, and adjust the Company's procurement plans based on the results.
Climate-related Physical Risks	Increased severity of extreme weather events	Short, medium, and long-term: · Damage to production, energy supply, and fire protection facilities hinders the Company's normal operations or its emergency response capabilities. This results in increased repair costs and asset impairment; furthermore, potential delivery delays may lead to liquidated damages for breach of contract or damage to the Company's reputation. · Damage to raw materials, supply chain disruptions, or logistical anomalies may hinder shipments, resulting in increased procurement costs. Furthermore, delayed deliveries may lead to penalty payments for breach of contract or jeopardize the company's reputation. · Accidents resulting in employee injuries or fatalities are recognized as occupational accidents, necessitating the provision of medical and wage · Flooding may lead to storage pit overflows or power outages that trigger increased exhaust emissions, resulting in violations of environmental regulations and potential fines.	Short-term: · Equipment maintenance: Strengthen equipment maintenance, along with regular inspection of drainage systems and building structures. · Safety management: Establish a spare parts inventory for automated firefighting, safety, and environmental protection facilities to ensure immediate repair in the event of equipment damage. · Disaster preparedness: Monitor extreme weather forecasts and take precautionary measures in advance. · Energy management: Strengthen the management and control of compressed air, steam, and nitrogen leaks in vulcanizing machines. · Supplier collaboration: Communicate regularly with electricity, steam, and nitrogen suppliers; share material plans with suppliers, strengthen awareness of safety stock and crisis management capabilities, and develop seasonal plans with key suppliers. · Order management: Coordinate with customers on a regular basis to ensure effective order control. · Supplier sourcing: Increase the number of suppliers to enhance supply coordination. · Raw material reserves: Stock up on raw materials in advance and increase warehouse capacity at delivery locations.
			Medium-term: · Disaster response management: Establish disaster response mechanisms and a comprehensive organizational structure, and conduct regular heatstroke emergency drills. · Facility renovation: Renovate low-lying workshops vulnerable to flooding. · Supplier collaboration: Communicate with electricity, steam, and nitrogen suppliers as necessary. · Supplier risk management: Formulate supplier risk management measures to ensure a sufficient supply of raw materials and safety stock. · Procurement management: Ensure diversification of raw material supply to safeguard production stability. · Supplier sourcing: Increase the number of suppliers to enhance supply coordination. · Delivery adjustment: Coordinate with downstream customers to adjust delivery schedules. · Flood prevention measures: Suppliers are required to develop measures to mitigate delivery delays caused by flooding.
			Long-term: · System evaluation: Re-evaluate and inspect drainage systems and cooling measures.

Category	Potential Risks and Opportunities	Financial impact on Cheng Shin	Response strategy and transformation action
			· Government collaboration: Seek local government support to improve surrounding drainage facilities. · Supplier collaboration: Continue to communicate with electricity, steam, and nitrogen suppliers as necessary. · Regional risk management: Collaborate with major suppliers to develop regional risk maps to properly evaluate procurement plans. · Supplier evaluation: Implement a supplier climate adaptation scoring system that covers flood risk, emissions, and continuity planning. · Establish a medium-to-long-term customer order management system to flexibly adjust production to meet demand. · Supplier sourcing: Increase the number of suppliers to enhance supply coordination. · Delivery adjustment: Coordinate with downstream customers to adjust delivery schedules. · Flood prevention measures: Continue to require suppliers to develop measures to mitigate delivery delays caused by flooding.
Climate-related Opportunities	Research and development of innovative products or services	Short, medium, and long-term: · Developing low-carbon, recyclable, and renewable sustainable materials to meet customer expectations and enhance competitiveness will increase R&D expenses and revenue growth while reducing procurement costs and carbon tax expenditures. · Recycling and reusing residual materials will increase R&D expenses and reduce procurement costs.	Short-term: · R&D and Innovation: Develop solid tires for EVs, as well as dedicated tires for electric buses and electric heavy trucks, to meet the needs of EV customers. · Recycled materials: Increase the use of recycled materials, such as rice husk silica, and collaborate with raw material suppliers to explore other suitable recycled materials. · Mass production of existing products: Commence large-scale manufacturing of successfully developed electric vehicle tires and sustainable recycled products. · Vulcanization technology: Expand the use of electric heating vulcanization systems. · Collaborative development: Collaborate with material and equipment suppliers to strengthen research and development of recyclable steel and recycled rubber. · Technical exchange: Conduct technical exchanges with existing customers on electric vehicle (EV) products.
			Medium-term: · Product optimization: Conduct research on low-rolling-resistance optimization materials for high-market-share products to enhance product performance. · Process improvement: Optimize the processing media for certain products. · Recycled materials: Introduce recycled carbon black, recycled rubber, and sustainable processing agents to continue increasing the variety and proportion of recycled materials in some products. · Smart technology: Invest in the development of smart tires. · Energy transition: Switch the energy source for certain processes from electricity to natural gas. · Market promotion: Promote products with a strong reputation to potential customers among other well-known domestic brands. · Standard setting: Jointly establish testing specifications and standards for certain products in partnership with benchmark enterprises and

Category	Potential Risks and Opportunities	Financial impact on Cheng Shin	Response strategy and transformation action
			collaborate with third-party institutions for regular verification.
			Long-term: · Product optimization: Adjust raw material composition and increase the scale of mass production to reduce R&D costs and enhance product cost-effectiveness. · Recycled materials: Introduce sustainable synthetic rubber and replace primary raw materials with sustainable alternatives. · Market promotion: Promote products with a strong reputation to potential customers among other well-known domestic brands. · Industry-academia collaboration: Partner with academic and research institutions to drive innovation in materials and processes.

3. Describe the financial impact of extreme climate events and transition actions.
To address the impact of extreme weather events on the Group's operations, Cheng Shin has integrated climate risks into its overall risk management framework and formulated the corresponding transition actions; please refer to the description in (2) for details.

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 assign responsibilities across relevant departments → (2) Identify and list the main risks and opportunities of Cheng Shin, and discuss their relevance to the Company → (3) Assess the urgency and probability of the identified 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 mitigation costs are proportionate to their benefits → (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 establish standardized procedures for related impacts to reduce the response time.

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 disclosure practices of international peers;For the parameters, assumptions, analysis factors and main financial impact used in the aforementioned scenario analysis, please refer to Section 3.1 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 carbon levy mechanism will force Cheng Shin to accelerate its 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. Cheng Shin has passed third-party certification for ISO 14001:2015 environmental management systems. By effectively implementing its environmental policy, Cheng Shin integrates climate risks and opportunities based on its dependencies and impacts, putting its 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) The renewable energy target was set by Cheng Shin in August 2024: 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, Cheng Shin has 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", Cheng Shin has installed a solar photovoltaic system, which provided 4,195,600 kWh of electricity in 2025, reducing CO_2e emissions by approximately 1,955.16 metric tons.
In terms of resource planning, Cheng Shin will take measures to obtain the necessary resources, including R&D investment, capital arrangement, talent cultivation, and supply chain management. Through these measures, Cheng Shin is committed to achieving its sustainable development goals and maintaining competitiveness in the global market. In terms of indicators and targets, Cheng Shin has established energy use indicators and targets – 13.05 Energy Use (GJ)/ Total Product Weight (metric tons) – to control the energy use of production sites and address the transition 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: The basis for estimating Cheng Shin's carbon fee is derived from the "Carbon Fee Collection Regulations" officially promulgated by the Ministry of Environment on August 29, 2024, and the carbon fee rates released on October 21 of the same year. It is implemented starting in fiscal year 2024 for enterprises with emissions exceeding 25,000 metric tons, at a rate of NT$300 per metric ton, assuming an annual carbon price increase of 10%, and without considering preferential rates or free allowances.

8. If climate-related targets have been set, please provide information about the covered activities, scope of greenhouse gas (GHG) emissions, planning schedule, and annual progress achieved. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these targets, please explain the source and quantity of the offset carbon credits or the number of RECs used.
Implementation: Cheng Shin has set 2019 as the base year for GHG reduction, and the reduction target is to reduce emissions by 22% by 2030 compared to the base year. The scope of GHG emissions covers tire production activities at each plant, including Scope 1 (direct emissions from burning fossil fuels) and Scope 2 (indirect emissions from energy use). To further reduce GHG emissions, Cheng Shin actively responds to the government's renewable energy policies by promoting the use of green power and the adoption of RECs. In 2025, the total green power consumption reached 4,195,600 kWh, and the Company applied to the National Renewable Energy Certificate Center for 1,580 Taiwan Renewable Energy Certificates (T-RECs), with certificate numbers 23SP0406-B025000001~1580. Cheng Shin's group-wide carbon emission intensity in 2025 was 1.23 metric tons of CO_2e per ton of tires, a 19.08% reduction from 1.52 metric tons of CO_2e per ton of tires in the 2019 base year, continuing toward the 2030 carbon reduction target.

9. Greenhouse gas inventory and assurance status, as well as reduction goals, strategies, and concrete action plans (provided in 3.3.3.2.2 and 3.3.3.2.3 separately).

3.3.3.2 GHG Inventory and Assurance in the Last 2 Years

3.3.3.2.1 Greenhouse Gas Inventory Information

Describe the greenhouse gas emission volume (metric $tCO_{2}e$), intensity (metric $tCO_{2}e$/NTD million), and data coverage for the most recent two years.

Year		2024 (Taiwan Region has achieved third-party assurance)		2025 (Taiwan Region has achieved third-party assurance)	
Item (Unit)		Emissions (metric tons of $CO_{2}e$)	Intensity (metric tons of $CO_{2}e$/NTD million of revenue)	Emissions (metric tons of $CO_{2}e$)	Intensity (metric tons of $CO_{2}e$/ NTD million of revenue)
Taiwan Region	Scope 1	39,423.413	NA	36,115.952	NA
	Scope 2 Location based	74,613.388		65,800.242	
	Scope 2 Market based	NA		63,845.080	
	Subtotal Location based	114,036.801		101,916.194	
	Subtotal Market based	NA		99,961.032	
All subsidiaries included in the consolidated financial statements	Scope 1	33,565.545		24,081.721	
	Scope 2 Location based	867,418.193		893,379.224	
	Scope 2 Market based	NA		848,106.820	
	Subtotal Location based	900,983.738		917,460.945	
	Subtotal Market based	NA		872,188.541	
Total - Location based		1,015,020.539	10.546	1,019,377.139	11.229
Total - Market based				972,149.573	10.709
Taiwan Region	Scope 3	294,140.777	17.528	392,649.108	27.928

Data coverage: All plants in Taiwan (including Headquarter Plant, Plant II, Plant III, Zhongzhuang Plant, Xizhou Plant, and Douliu Plants I, II and V ,Taipei Office) and all subsidiaries in the consolidated financial statements.

The 2025 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.

3.3.3.2.2 Greenhouse Gas Assurance Information

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

For the annual emissions data for 2024, inventory inspection and external verification were performed according to the ISO14064-1:2018 version.

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 2025, 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: PwC Taiwan Sustainability Services Co., Ltd. Was commissioned to carry out the external verification and the greenhouse gas verification report has been obtained.
Assurance opinions: The Company expects to obtain a GHG Verification Report in August 2025.

3.3.3.2.3 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, Cheng Shin 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 compared to the base year.
According to the inventory results, Cheng Shin´s group-wide carbon emission intensity in 2025 was 1.23 metric tons of CO_2e per ton of tires, a 19.08% reduction from 1.52 metric tons of CO_2e per ton of tires in the 2019 base year, continuing toward the 2030 carbon reduction target.
Reduction action plans are divided into three major aspects: A. Equipment replacement and upgrading; B. Equipment improvement (such as energy leakage control); C. Process improvement.
Direct measurements from energy conservation plans implemented in 2025 were compiled and found to have reduced GHG emissions. Taiwan operations and subsidiaries reduced emissions by 1,343.60 and 29,274.04 tCO_2e respectively, for a total reduction of 30,617.64 tCO_2e.

3.4 Water Resources Management

3.4.1 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" have been listed as one of the five global risks. Amidst the difficult conditions of poor water resources, the stability of water supply is a key 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 recycled back into the cooling water system to avoid water waste.The water sources used by Cheng Shin include tap water and groundwater. Cheng Shin holds water rights certificates issued by competent authorities for all groundwater extraction wells and uses water within the authorized limits. In 2025, water consumption by Cheng Shin Taiwan and its subsidiaries amounted to 684.941 million liters and 1,532.423 million liters respectively. Thanks to production adjustments and increased employee awareness of water conservation, Taiwan´s water consumption decreased by 12.5% compared to 2024.

Water withdrawal Over the Past Three Years

Unit: million liters

Region	Item	2023	2024	2025
Taiwan Region	Tap water	212.235	177.937	181.867
	Groundwater	474.850	461.340	379.225
	Third-Party Park Water Supply	141.447	143.656	123.849
	Total	828.532	782.933	684.941
Subsidiaries	Tap water	950.736	1,055.760	1,080.619
	Groundwater	0.000	0.000	0.000
	Third-Party Park Water Supply	370.754	485.875	451.804
	Total	1,321.490	1,541.635	1,532.423

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, eliminating water leakage and waste, improving industrial water reuse, and reducing wastewater discharge, and has been recognized as a "Water-Saving Enterprise" in China.

Kunshan Plant in China - Certified "Water-Saving Enterprise"

3.4.2 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 effluent is within the limits of the "Effluent Standards".In order to reduce wastewater discharge, boiler water at Cheng Shin's Taiwan operations was replaced with RO pure water so that residual water can be recycled for process use, and backwash water from processes was also recovered for reuse. In addition, a water recovery facility has been set up in the Xizhou Plant to recycle about 35% of the wastewater for irrigation and flushing toilets to reduce effluent discharge. At the same time, the production configurations of each plant were consolidated to make effective use of space and water supplies. All plant pipelines were also inventoried to separate wastewater and rainwater flows. Main pipelines were consolidated with leaking, damaged, or redundant pipelines removed. This improvement plan will effectively reduce wastewater discharge.
In 2025, Cheng Shin's Taiwan operations and subsidiaries generated 271.449 and 871.999 million liters of wastewater, respectively.

Wastewater Discharge over the Past Three Years

Unit: million liters

Region	Wastewater characteristics	2023	2024	2025
Taiwan Region	Mainly consists of domestic wastewater and cooling wastewater	327.060	316.035	271.449
Subsidiaries	Mainly domestic wastewater, industrial wastewater, and cooling wastewater.	722.776	890.152	871.999
Total		1,049.836	1,206.187	1,143.448

Note 1: At Cheng Shin's Taiwan operations, 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	2023	2024	2025
Taiwan Region	Mainly consists of domestic wastewater and cooling wastewater	501.472	466.898	413.492
Subsidiaries	Mainly domestic wastewater, industrial wastewater, and cooling wastewater.	227.960	651.483	660.424
Total		729.432	1,118.381	1,073.916

Wastewater Discharge Basin and Environmentally Sensitive Areas

The wastewater from Cheng Shin's main plant and sub-plants is first treated internally before being discharged to the Yangzaicuo River and the Jhuoshuei River respectively, while the wastewater from each sub-plant in Douliou is discharged to the Huwei River after being treated by the wastewater treatment plant in the Yunlin Industrial Park (Zhuweizi Zone). None of the above-mentioned discharge river sections are located in particularly sensitive water bodies, wetlands, or other nature reserves.

Region	Treatment Unit	Water Source	Discharge Basin	Whether flowing through particularly sensitive water bodies, wetlands or other nature reserves	Discharge Point	Is it a water-stressed region	Discharge into water-stressed region	Reduction targets related to water resource management
Changhua Plant	Self-treatment	Groundwater	Yangzaicuo River	No	Taiwan Strait	No	Not a water-stressed region	Not high risk
Changhua Plant 2	Self-treatment	Groundwater	Yangzaicuo River	No	Taiwan Strait	No	Not a water-stressed region	Not high risk
Changhua Plant 3	Self-treatment	Groundwater	Yangzaicuo River	No	Taiwan Strait	No	Not a water-stressed region	Not high risk
Changhua Zhongzhuang Plant	Self-treatment	Groundwater, Taiwan Water Company	Yangzaicuo River	No	Taiwan Strait	No	Not a water-stressed region	Not high risk
Changhua Xizhou Plant	Self-treatment	Groundwater, Taiwan Water Company	Jhuoshuei River	No	Taiwan Strait	No	Not a water-stressed region	Not high risk
Douliou Plant 1	Yunlin Technology-based Industrial Park (Zhuweizi Section) Sewage Treatment Plant	Taiwan Water Company	Huwei River	No	Taiwan Strait	No	Not a water-stressed region	Not high risk
Douliou Plant 2	Yunlin Technology-based Industrial Park (Zhuweizi Section) Sewage Treatment Plant	Taiwan Water Company	Huwei River	No	Taiwan Strait	No	Not a water-stressed region	Not high risk
Douliou Plant 5	Yunlin Technology-based Industrial Park (Zhuweizi Section) Sewage Treatment Plant	Taiwan Water Company	Huwei River	No	Taiwan Strait	No	Not a water-stressed region	Not high risk

In response to the regional nature of effluent discharge, water quality standard requirements differ between Taiwan and Mainland China. In Taiwan, standards are further subdivided into those for general areas and industrial areas, as detailed in the following table. Wastewater from general areas is treated by internal wastewater facilities and can only be discharged after meeting effluent standards. Wastewater from industrial areas is treated by internal treatment facilities and centrally discharged to the wastewater treatment plants of the industrial parks; consequently, its water quality and quantity standards differ from those of general areas. For water quality and quantity exceeding the industrial area's discharge standards, additional treatment fees must be paid, and the facilities are subject to regular water quality and quantity spot checks by the industrial park.

Cheng Shin adheres to local testing and reporting regulations. Taking Cheng Shin's Taiwan operations as an example, water quality testing is conducted semi-annually to facilitate reporting, and all water quality tests conducted by Cheng Shin in 2025 met the wastewater discharge standards.

Taiwan Region

Water Quality Item	Taiwan Effluent Standards		Effluent Testing at Main Plant (General local standards apply)	Effluent Testing of Douliou Plant 1 (Industrial zone standards apply)
	General area	Industrial area	Effluents	Effluents
Water temperature (℃)	May-September 38℃ October-April 35℃	45	22.3	30.5
Suspended solids (mg/L)	30	320	13.1	6.7
Biochemical oxygen demand (mg/L)	30	320	1.5	0.3
Chemical oxygen demand (mg/L)	100	480	38.0	N.D.
pH	6-9	5-9	7.2	7.0
Oil and grease (mg/L)	10	10	5.2	<1.5

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).

3.5 Waste Management, Recycling and Reuse

Cheng Shin currently manages its waste disposal according to "Business Waste Cleanup Plans" approved by local environmental authorities. The Company follows the regulations outlined in the "Regulations Governing Administration of Joint Industrial Waste Removal and Disposal Organizations" 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 verify 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 (scrap) includes waste rubber, metal waste, waste plastic, waste pallets, and waste paper/cartons, etc., which are sorted and collected by qualified local recyclers for recycling to enhance the life cycle of resource recycling.CCheng Shin also announces the waste items and containers designated for recycling, and has properly established a sorting and recycling system to strengthen resource recycling awareness among all personnel. In addition to compliance with waste disposal regulations, Cheng Shin also adopts the following practices to minimize waste generation:

- Classifying and recycling waste to reduce the types and quantities of waste for disposal.
- Implementing independent Level 1 to 3 maintenance to extend the service life of items through regular maintenance, while gradually introducing eco-friendly consumables and raw materials.
- Entrusting reuse institutions to handle the Company´s recyclable (scrap) waste materials in accordance with regulations governing industrial waste reuse operations.
- Reducing the use of disposable tableware by providing employees with personal tableware and using reusable stainless steel tableware in cafeterias.

In 2025, waste categories generated by Cheng Shin included domestic waste, general industrial waste, and hazardous industrial waste, with a total waste generation volume of 18,284.71 metric tons.

Waste generation and treatment statistics

Unit: metric tons

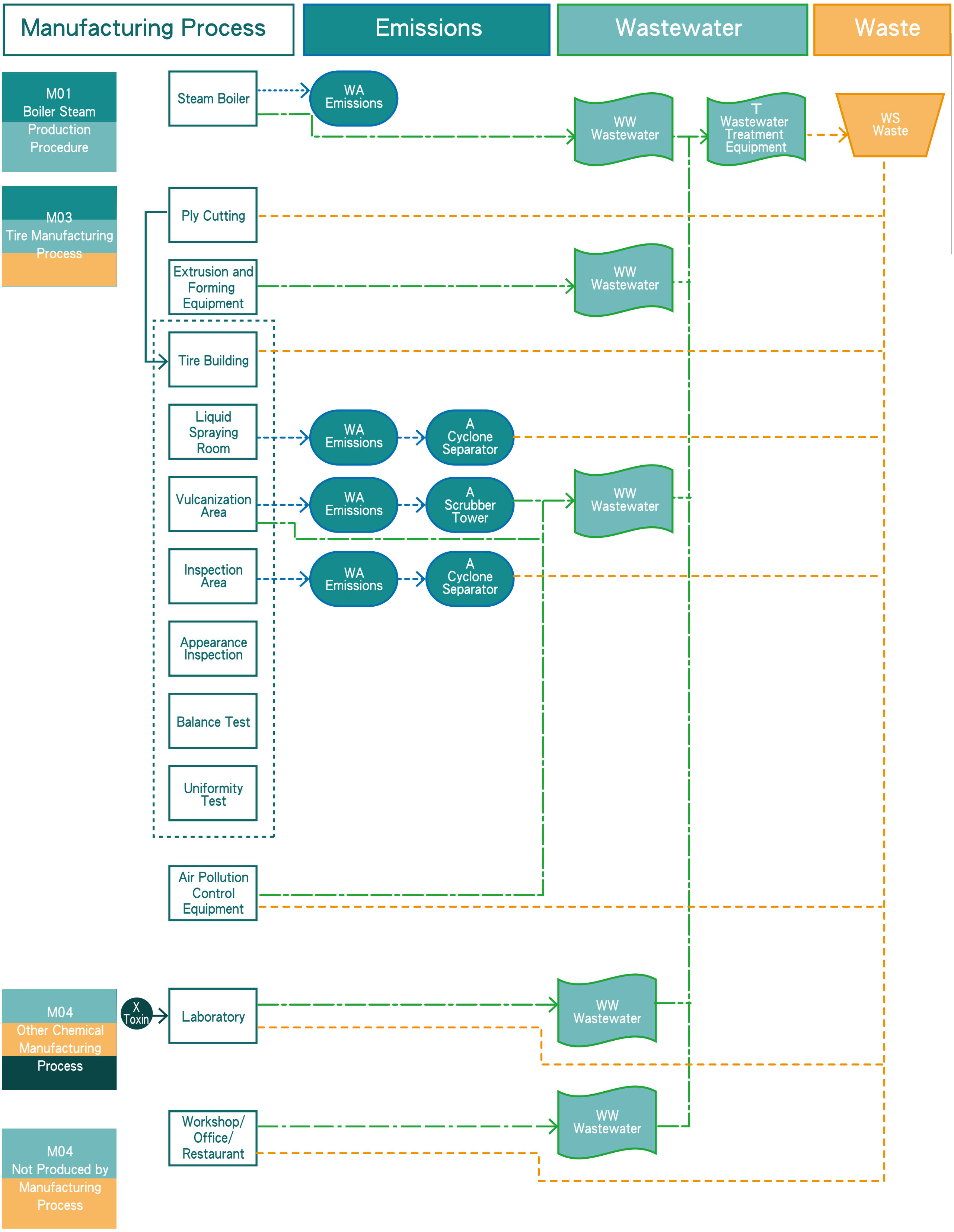
Region	2023	2024	2025
Taiwan Region	2,931.508	2,705.820	2,590.63
Subsidiaries	14,663.404	20,105.010	15,694.08
Total	17,594.912	22,810.830	18,284.71

Note 1: The above data has been cross-referenced with the government's waste transport triplicate forms and confirmed to be consistent.
Note 2: 2025 disclosures cover plants China, Indonesia, India, Vietnam, and Thailand.

Region	Waste type		Disposal Method (Unit: metric tons)				Total	%
			Incineration	Landfill	Recycling			
					Reuse Preparation	Reclamation and Reuse		
Taiwan Region	Domestic waste		208.09	0.00	0.00	0.00	208.09	8.03%
	General Business Waste	Inorganic sludge	0.00	0.00	55.26	0.00	55.26	2.13%
		Non-hazardous waste dust or mixtures thereof	0.00	9.35	11.24	0.00	20.59	0.79%
		Waste rubber mixtures	84.60	0.00	1,954.34	0.00	2,038.94	78.71%
		Others	46.72	0.00	220.82	0.00	267.54	10.33%
	Hazardous Business Waste	Chemical mixtures or discarded containers	0.21	0.00	0	0.00	0.21	0.01%
		Others	0.00	0.00	0.00	0.00	0.00	0.00%
	Total		339.62	9.35	2,241.66	0.00	2,590.63	100.00%
Subsidiary	Domestic waste		243.40	445.00	37.86	208.07	934.33	5.95%
	General Business Waste	Inorganic sludge	194.76	0.00	0.00	0.00	194.76	1.24%
		Non-hazardous waste dust or mixtures thereof	228.85	0.00	0.00	1,301.64	1,530.49	9.75%
		Waste rubber mixtures	0.00	0.00	0.00	4,986.05	4,986.05	31.77%
		Others	0.00	0.00	70.55	5,255.24	5,325.79	33.94%
	Hazardous Business Waste	Chemical mixtures or discarded containers	1,581.51	144.03	52.11	368.17	2,145.82	13.67%
		Others	334,54	30.77	0.00	211.53	576.84	3.68%
	Total		2,583.06	619.80	160.52	12,330.70	15,694.08	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 23.20% for Cheng Shin overall, and was 0% for its Taiwan Region.

Waste Generation Process Diagram



3.6 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 funding in optimizing and upgrading exhaust gas treatment equipment. For the treatment of VOCs and odors in Cheng Shin's Taiwan operations, 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. Cheng Shin's Taiwan operations have shown a decreasing trend in air pollution emissions over the years, 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	Pollutant Type	2023	2024	2025
Taiwan Region	Sulfur Oxides (SOx)	0	0	0
	Nitrogen Oxides	32,680	33,732	28,104
	Volatile Organic Compounds	122,020	107,658	102,575
	Particulates	896	818	714
	Total	155,596	142,208	131,393
Subsidiaries	Sulfur Oxides (SOx)	0	143	99
	Nitrogen Oxides	0	452	413
	Volatile Organic Compounds	96,726	12,610	102,659
	Particulates	18,750	7,953	27,521
	Hydrogen Sulfide (H_2S)	317	103	128
	Total	115,793	21,261	130,820

Note 1: Statistics were compiled based on major pollutants regulated by local laws and regulations.
Note 2: The emission factors used in this table are as follows.
SOx: NIEA A413.76C, NOx: 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.

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:

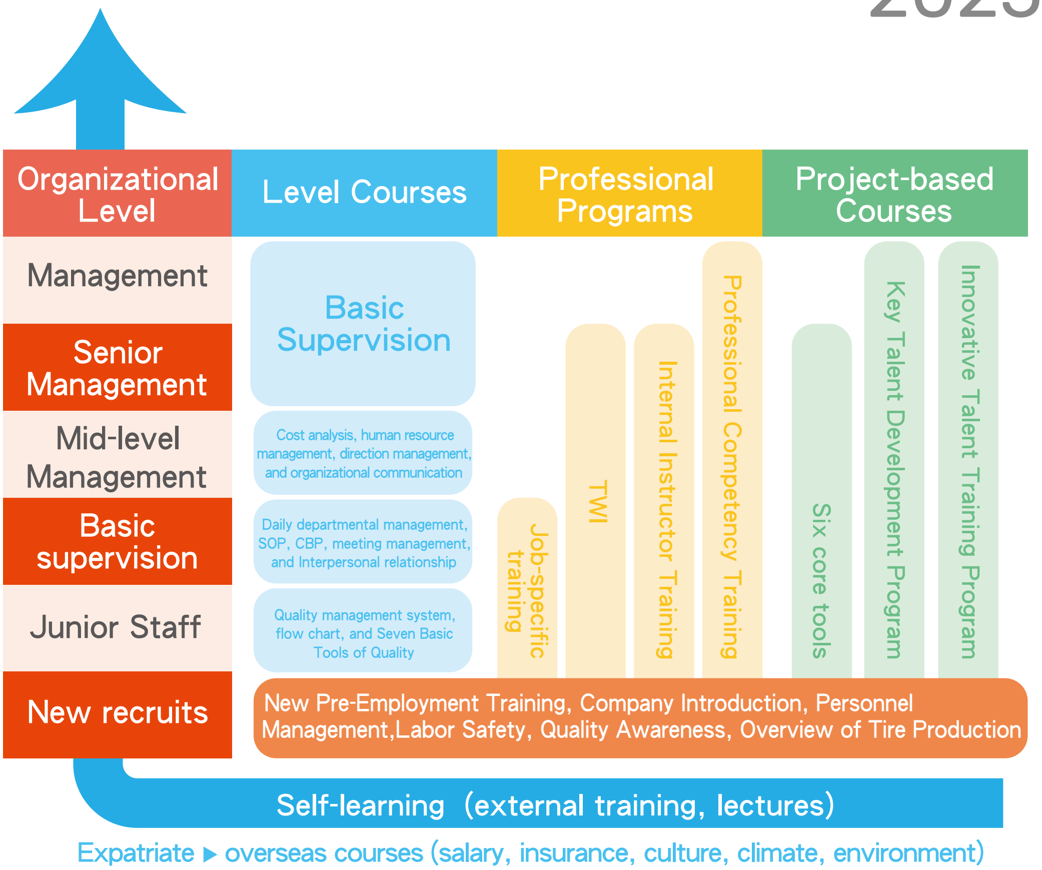
Cheng Shin designs specialized courses for different job positions to ensure employees receive comprehensive training at every career stage. During initial onboarding, position-specific training is offered based on the knowledge and skills required for each role. Additionally, professional competence 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.

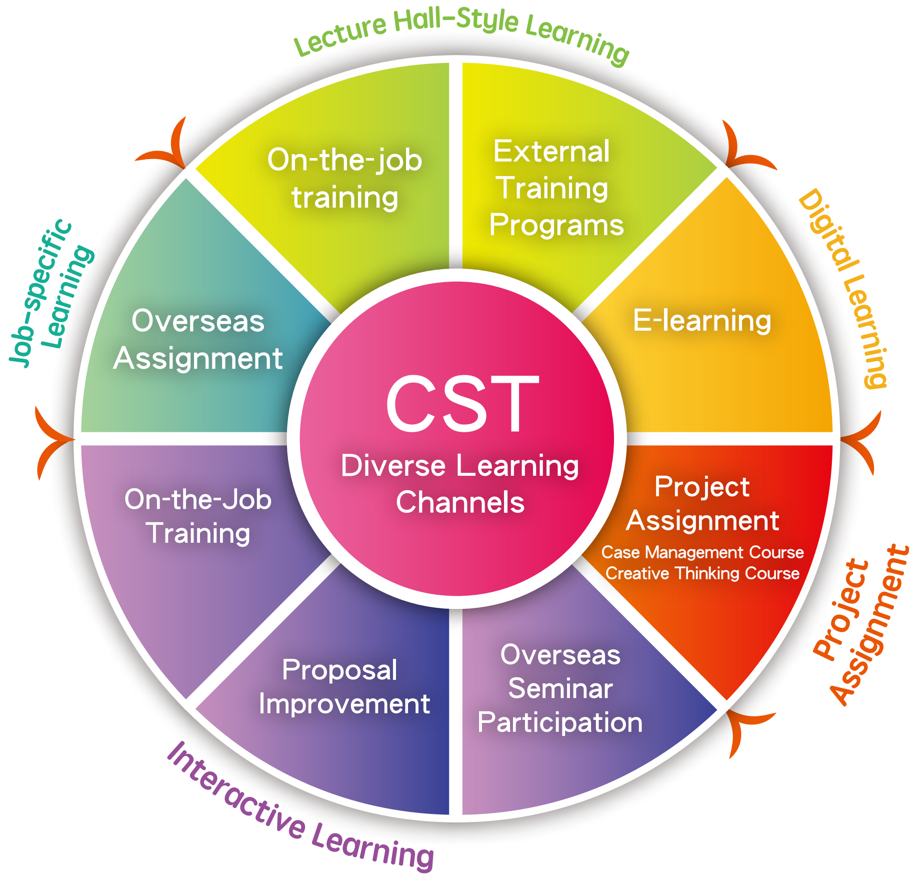
Self-Directed Learning:

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 unionizedemployees	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@malil.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

1.List all operational steps

↓

2.Identify possible hazards and consequences

↓

3.Confirm existing protective measures

↓

4.Conduct occupational safety and health risk identification and assessment

↓

5.Based on the risk assessment results (unacceptable risk), plan and carry out risk mitigation and control measures

↓

6. Conduct safety and health risk assessments after the implementation of control measures

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 : Number of severe occupational accidents x 1,000,000 / total number of working hours.
Recordable work-related injury rate : Number of recordable work-related injuries x 1,000,000 / total number of working hours.
FR : Number of severe occupational accidents per million working hours. FR=Number of severe occupational accidents x 1,000,000 / total number of hours worked.
SR : Total number of lost days due to severe occupational accidents per million working hours. SR=Total number of lost days due to severe occupational accidents x 1,000,000 / total number of hours worked.

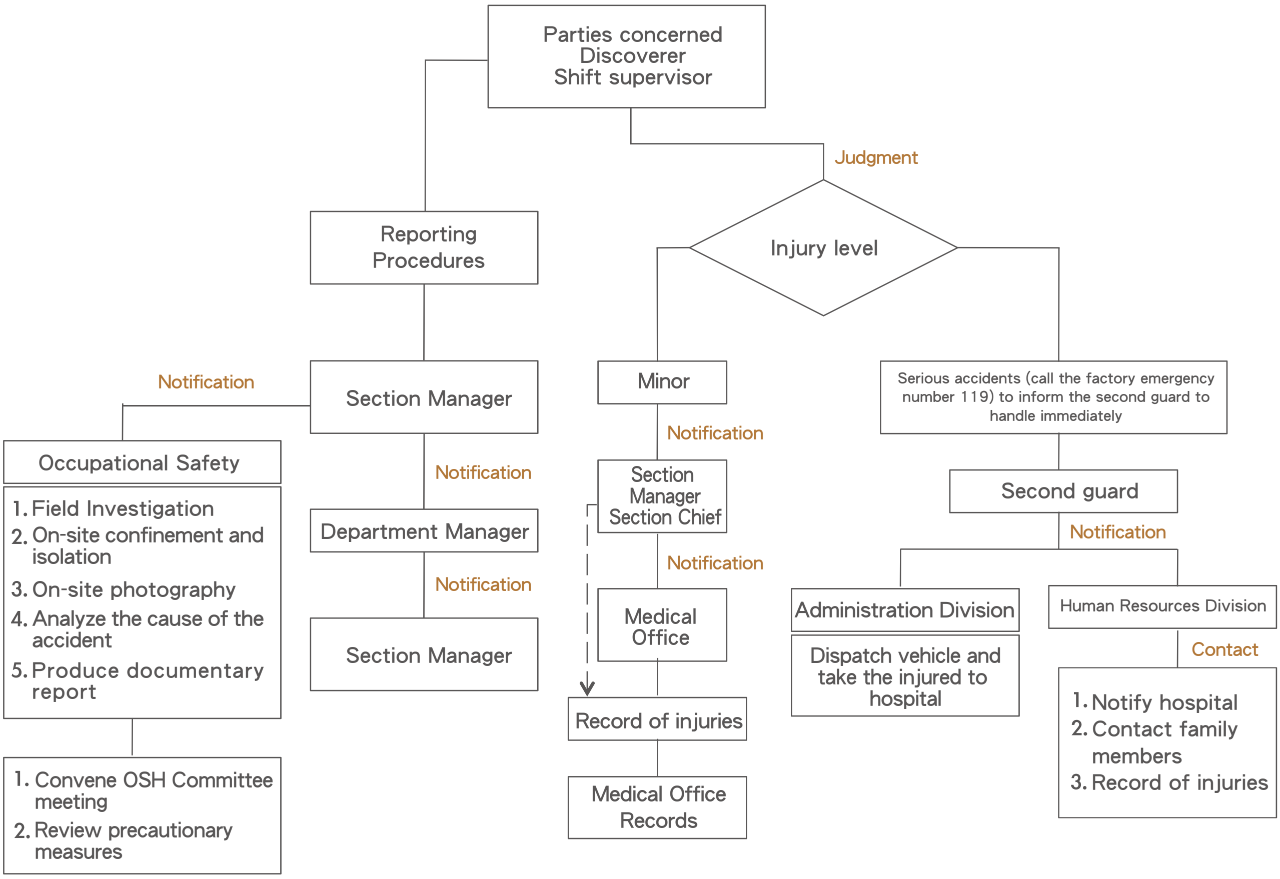
Types of occupational accidents in 2025

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.

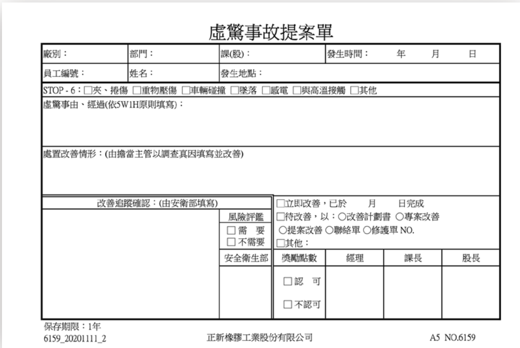
On-site Hazard Identification Activities

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 injurie and create a comfortable, safe working environment. If the proposal is approved, the proposer will be rewarded with points.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：□夾、捲傷 □重物壓傷 □車輛碰撞 □墜落 □感電 □與高溫接觸 □其他

虛驚事由、經過(依5W1H原則填寫)：

處置改善情形：(由擔當主管以調查真因填寫並改善)

改善追蹤確認：(由安衛部填寫)

風險評鑑 □需 要 □不需要

□立即改善，已於 月 日完成
□待改善，以：○改善計劃書 ○專案改善 ○提案改善 ○聯絡單 ○修護單 NO.
□其他：

安全衛生部	獎勵點數	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 A5 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

Number of special health checkups in 2025

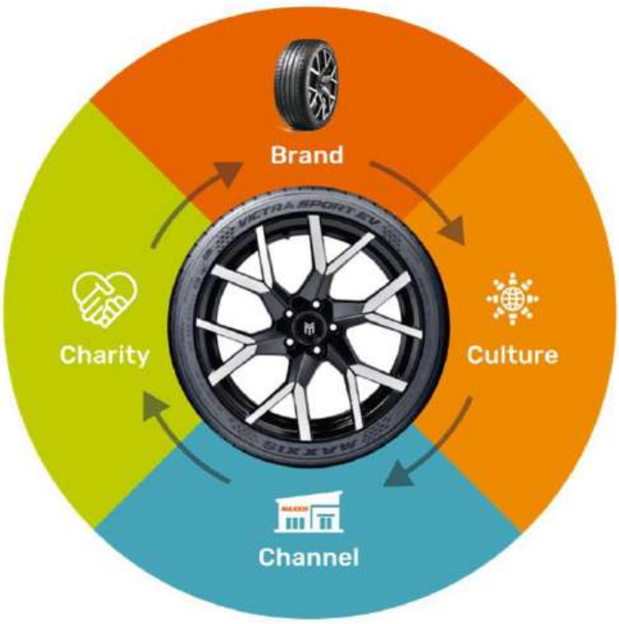
Region/number of employees	Number of employees receiving health checkups	Number of employees under follow-up
Taiwan Region	811	19
Subsidiaries	5,609	1,301
Total	6,420	1,320

Part5

Corporate Social Responsibility and Social Good

5.1 Social Harmony and Prosperity

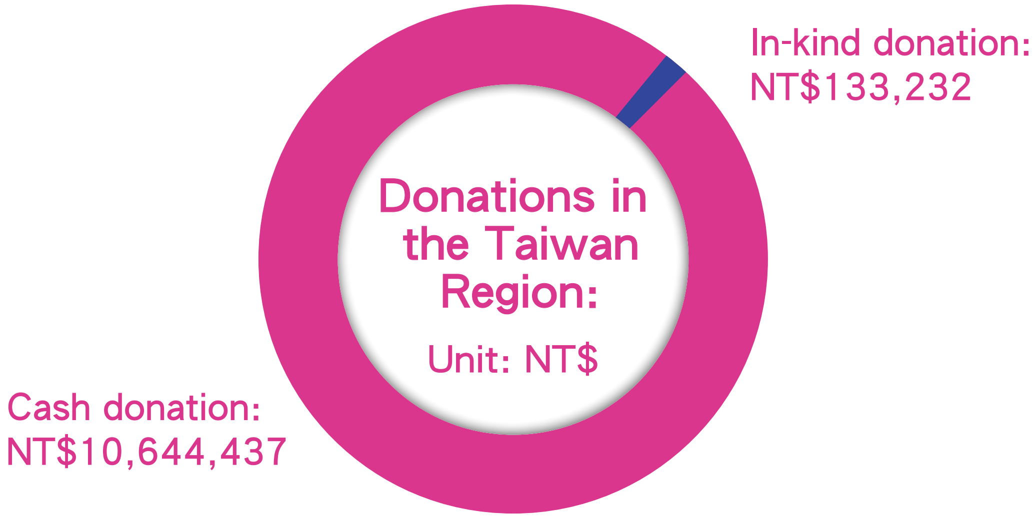
With the Maxxis brand at its core, Cheng Shin is actively promoting and implementing a corporate culture of "100% quality, 100% service, and 100% trust," ensuring it is deeply rooted in the daily work and values of every family partner. At the same time, through a diverse network of channels in over 180 countries worldwide, the Company extend the brand spirit globally. By integrating charitable initiatives, the Company puts the concept of sustainable social contribution into practice, comprehensively establishing Brand, Culture, Channel, and Charity (B3C) as the core of the Company's 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.

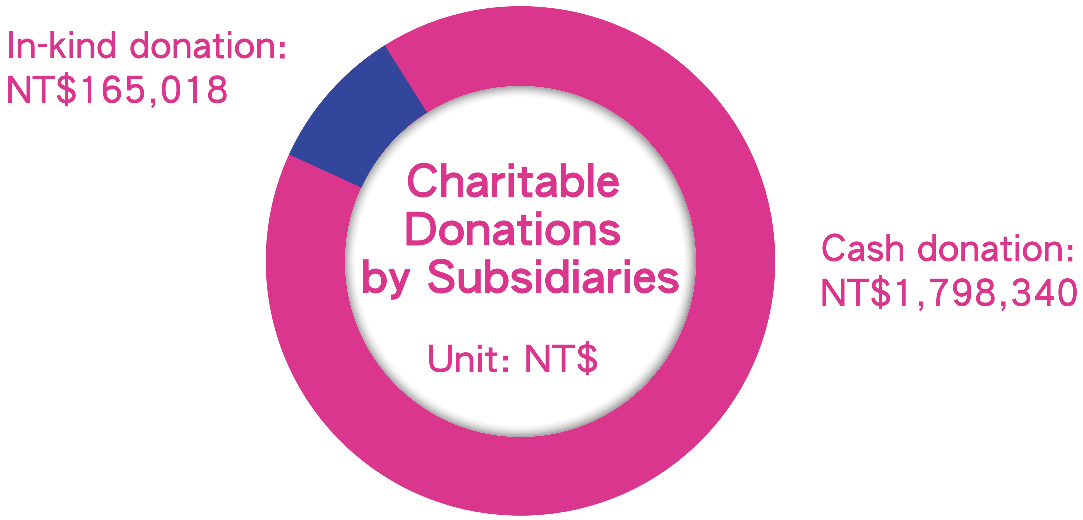


Cheng Shin adheres to the philosophy of "giving back to society" by actively engaging in charitable initiatives, assisting disadvantaged groups, and participating in social welfare activities. By mobilizing internal and external resources, the Company strives to fulfill its corporate social responsibility. Cheng Shin has diversified its social welfare efforts through "industry-academia collaboration," "educational support," "community engagement," "sports activities," and "arts and culture promotion," fulfilling its core corporate value of giving back to society and driving positive change in Taiwan. The Company aims to support more vulnerable groups through local care and social contribution, raising awareness of critical community issues and the challenges faced by marginalized populations. By fostering an atmosphere of mutual benefit and inclusion, the Company strives to shape a better and more positive society.

Annual Investments in Social Engagement and Care

In 2025, the Taiwan Region donated NT$10,777,669 to charities in Taiwan and Subsidiaries donated NT$1,963,358 to charities, including both in-kind and cash donations.





Note: The total amount of donations in 2025 is as reported in the ESG report

5.2 Social Engagement and Contribution

5.2.1 Sustainable Talent Empowerment

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 initiatives and activities, continuing to make long-term contributions through educational support and community engagement initiatives.

Industry-Academia Cooperation

Taiwan Region:

In 2025, Cheng Shin launched a campus recruitment drive and held four campus recruitment events in an active search for new talent. At the same time, Cheng Shin sponsored the NTHU Racing Team to support the research and development of student formula racing cars and their participation in international competitions, demonstrating its commitment to education and innovative technologies.

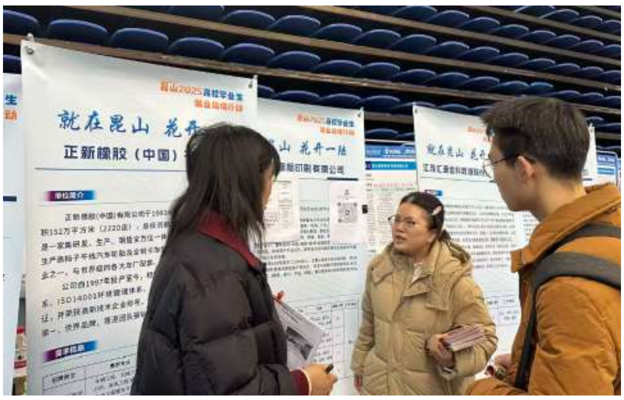
Sponsoring the Formula Student Taiwan

Formula Student Taiwan (FST), founded in 2019, is a student engineering competition that allows students to design and build their own "Formula Student Race Cars" and apply their engineering knowledge. The 2024-2025 season consisted of three events: a track day, a technical showcase, and the main race.Cheng Shin provides professional competition venues to help young engineering talents realize their dreams of building cars, contributing to the education of high-level talents in Taiwan.

Subsidiaries:

With the progress of society and the development of Cheng Shin, 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

In 2025, Kunshan Cheng Shin entered schools to carry out the "MAXXIS University Recruitment Tour", participating in a total of 19 recruitment events, bringing new vitality to Cheng Shin´s talent needs and establishing a good foundation for university cooperation.



Educational Support

Taiwan Region:

The total amount of educational support in the Taiwan Region, including in-kind donations and cash was approximately NT$2,876,475. Beneficiaries included 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 provided the team with a set of training and competition tires and equipment, demonstrating its commitment to actively supporting the school's cycling endeavors. In 2025, Cheng Shin continued to sponsor the team's road bike tires and inner tubes, and provided Maxxis banners, track ropes and stickers for use in the events.

Sponsorship of Xizhou Elementary School New Student Gifts

Adjusting to a new school environment and meeting new people can be a challenge for first-grade students. The Cheng Shin Douliou Plant hoped to encourage these newcomers to embrace this new stage of learning with confidence and courage by presenting them with exquisite gifts. Through this gesture, the plant aimed to inspire the children to strive for excellence and enjoy their educational journey.

Sponsoring Scholarships for Elementary Schools

Cheng Shin have sponsored scholarships for elementary and junior high schools local to its plants every year since 2012. This initiative covers more than 10 schools, including Huannan Elementary School near the Cheng Shin Zhongzhuang Plant and Dacun Elementary School near the Cheng Shin Dacun Plant. Through these practical actions, Cheng Shin has supported children's growth, helping them focus on their education while rewarding academic excellence, with the hope of creating a brighter future for both the children and the nation.

Sponsorship of the NTHU Racing Team

Cheng Shin sponsored the NTHU Racing Team to support the research and development of student formula racing cars and their participation in international competitions, demonstrating its 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) Student aid activities
In 2025, Cheng Shin Rubber (Xiamen) Ind., Ltd. actively fulfilled its corporate social responsibility by maintaining its charitable education assistance programs, demonstrating its commitment to supporting educational development and the well-being of young people. In February, the Company visited the Baitao Experimental School affiliated with the Jimei District Teachers' Training School in Xiamen to conduct a charitable education assistance activity, providing care and support to students and warming their educational journeys through practical actions. In August, the Company collaborated with the Houxi Erlong Community to launch a special student aid initiative program for outstanding graduates within the jurisdiction, providing encouragement and assistance to exemplary students to foster a positive culture of diligent study and benevolence. These student aid initiatives effectively bridged the gap between schools, enterprises, and social organizations through charitable collaboration. Together, they demonstrate the Company's commitment to improving people's livelihoods, giving back to local communities, and involvement in public welfare.

(2) Little Migratory Birds Summer Camp During the summer vacation, the children of Cheng Shin's employees came to Kunshan to spend a short time with their parents. Cheng Shin China took this opportunity to launch the Little migratory birds Summer Camp to enhance parent-child communication and interaction, and to support the growth of these left-behind children.

(3) Hosting Student Study Groups
Cheng Shin China invited children from Kunshan Hefeng Dongfang Kindergarten to visit its R&D center and testing ground to learn about tire production processes and various automotive brand markings. This study tour combined education with entertainment, transforming industrial manufacturing into a real-life classroom that broadened children´s horizons and stimulated their curiosity. Furthermore, it demonstrated that while focusing on its own development, Cheng Shin China is also committed to fulfilling its corporate social responsibility.

5.2.2 Local Prosperity and Social Good Giving Back to the Community

Taiwan Region

Streetlight Donation

Since 2013, Cheng Shin´s Douliou and Xizhou plants have adopted 28 street lights in Douliou City and 50 street lights from the Xizhou Township Office at an annual cost of NT$46,800. These efforts have lit up the community[1] at night, enhancing night-time road safety while improving local public security and traffic conditions.

[1] Community refers to the local community adjacent to the factory area.

Adoption of airport luggage trolleys from 2019 onwards

Cheng Shin has long supported improvements to the quality of domestic transportation services by sponsoring passenger luggage trolleys at various airports and ports, including Taipei Songshan Airport, Kinmen Airport, Lienchiang County Harbor Bureau, Nangan Airport, and Magong Port in Penghu. In addition to donating brand new trolleys, the Company also regularly replaces old trolleys to ensure the quality and quantity of trolleys at at these locations, enhancing convenience for domestic and international passengers and business travelers

Cheng Shin has continued to promote luggage trolley adoption programs at airports and ports. Through donation and replacement mechanisms, the Company helped provide passengers with a safer and more convenient user experience by maintaining the quality of public facilities. As of the end of 2025, over 2,700 trolleys have been adopted at a cost of NT$16.5 million, fulfilling the corporate responsibility of giving back to society and fostering a user-friendly public environment.

Employee Blood Donation Drives

Cheng Shin organized two blood donation drives in 2025, with a total of 82 employees participating and donating their blood. These efforts resulted in the collection of 132 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) holds annual blood drives in Yuanlin City and invites Cheng Shin to participate every year. In 2025, four blood drives were organized, with 530 blood bags collected in total. Through these practical actions, Cheng Shin turns compassion into lifesaving blood donations.

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, the event aimed to unite more local forces and promote community wellbeing. A total of 224 bags of blood were successfully collected in 2025, helping to replenish low blood stocks at blood banks in central and southern Taiwan.

Maxxis Mountain Clean-up

Cheng Shin-Maxxis organized mountain clean-up events at Tengshan Trail with employees and their families invited to promote community well-being. In 2025, one event was held with a total of 150 participants, all contributing to the preservation and cleanliness of the forest environment.

Charity Lunch Boxes

In 2025, the Cheng Shin Dacun and Xizhou plants supplied more than 200 charity lunch boxes daily to neighboring communities, totaling over 60,000 lunch boxes for the year with a value of NT$2,770,000. The local village leaders and borough chiefs personally delivered these meals to residents in need, including elderly people living alone, elderly people with limited mobility, and middle-low-income households. This heartwarming effort brings sustenance and warmth to every corner of the community, aiming to make society a warmer and more compassionate place with Cheng Shin's modest contributions.

Sponsoring Senior Canteens

Cheng Shin Douliou Plant sponsors two "Seniors Canteens" in Chang' an Village promoted by Douliou City Office every month. In 2025, a total of NT$144,000 was donated, providing meals for 53 seniors, including those with impaired mobility. This sponsorship aims to enhance the proper care of the elderly, allowing them to enjoy nutritious and healthy meals together in the community. It also encourages seniors to step out of their homes and participate in community activities, fostering interaction among the elderly and promoting their overall wellbeing.

Subsidiary

Care for Special Groups

(1) On the eve of the Spring Festival, Cheng Shin China launched an outreach initiative for underprivileged groups in nearby communities to help them celebrate the holiday.

(2) Donations were made to charitable funds to support poverty alleviation and help the disabled and vulnerable, including targeted donations of RMB 50,000 to the Disabled Persons' Welfare Foundation and RMB 50,000 to the Lujia Hefeng Community.

(3) To mark the Lantern Festival, employees at Cheng Shin China organized a "Heat-Warming Glutinous Rice Ball Soup" event in local communities. Hand-made glutinous rice balls were distributed to sanitation workers and delivery couriers as a tribute to these "Guardians of the City."

(4) During the Double Ninth Festival, employees from Cheng Shin China organized a senior care event in a nearby community. In addition to hand-making traditional Double Ninth cakes, they prepared customized "mugwort mallet and pillow" wellness gift boxes for the local elderly.

Blood Donation Drive

Cheng Shin Xiamen Blood Donation Program
The blood donation drive was held on March 25,2025.34 people from Cheng Shin Xiamen employees donated 10,100 ml of blood.

Donation of Necessities to the Poor in Central Vietnam

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

Promotion of Arts and Culture

Cheng Shin sponsored a number of art and cultural activities in 2025. Sponsorships totaled NT$3,025,000

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

Cheng Shin collaborated with the National Yunlin University of Science and Technology (YunTech) Performance Hall to organize various art exhibitions and performances in Yunlin County in 2025. By supporting artists´ performances as well as sponsoring hardware and software resources, the Company aims to enhance the visibility of domestic artists, with total participation expected to exceed 20,000 people.

Sponsorship of the Yuanlin Senior High School Wind Ensemble´s 75th Achievement Presentation

Cheng Shin collaborated with the Yuan-Lin Senior High School Wind Ensemble to host the "75th Music Achievement Presentation" in 2025. The event was held in Yuanlin City, Changhua County, and was attended by more than 500 people. Hardware and software resources were also sponsored by Cheng Shin so that the community to enjoy the student ensemble performance up close.

Sponsoring Hu Sheng Music Center

Cheng Shin collaborated with the Hu Sheng Music Arts Center to organize the "Hu Sheng Music Arts Exhibition" across Taiwan in 2025. By sponsoring hardware and software resources and hosting wind instrument performances, the Company increased the visibility of domestic artists, and attracted more than 30,000 participants.

Sponsorship of the Paper Windmill Theatre

In 2025, Cheng Shin collaborated with the Paper Windmill Theatre to organize the "Paper Windmill Theatre Arts Performance" across Taiwan. With children´s theater as the central theme, we invested in both hardware and software resources to cultivate cultural literacy among the public, and to enhance the visibility of domestic theater troupes through themed performances. The total number of participants reached 73,400.

Sports Activities

Cheng Shin took part in 17 cycling events throughout Taiwan in 2025. Sponsorships totaled NT$ 1,584,250 and the number of competitors was estimated to have exceeded 30,000 people.

Changhua Classic 100K

Cheng Shin sponsored the "2025 Merida Mega Bank Changhua Classic 100K" long-distance cycling self-challenge event, held on April 12, 2025. 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 112 kilometers. Participants were required to complete the ride within 5.5 hours, making it a highly challenging endeavor.

Changhua Cycling Carnival

We sponsored the "Changhua Cycling Carnival" around the Bagua Mountain, held on November 23,2025, 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

Cheng Shin, in collaboration with GIOS and FTL, hosted the "Kaohsiung Zhongliao Mountain Joint Ride" on October 25, 2025. The "3rd Kaohsiung Joint Ride" event drew over 150 enthusiastic cyclists and concluded as a resounding success under the Kaohsiung sunshine! Beginning at the Agongdian Reservoir, riders conquered the Moon World, and tackled Zhongliao Mountain before finally converging at Beiji Temple. The route was about more than just steep climbs; it was filled with laughter, sweat, and camaraderie.

Sponsorship of the Chinese Professional Baseball League - CTBC Brothers

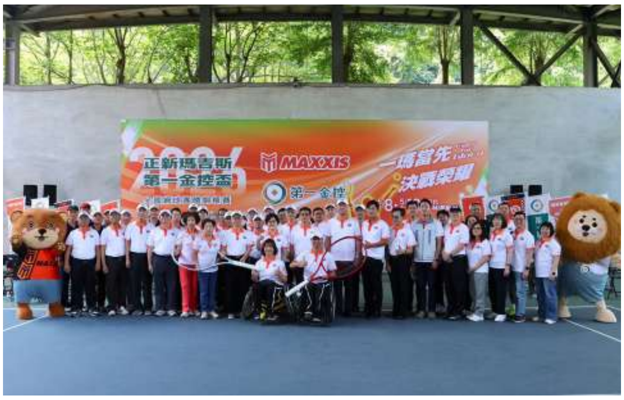
Since 2024, Cheng Shin Tire has sponsored the Chinese Professional Baseball League (CPBL) -CTBC Brothers, with an average of 6,000 spectators attending home games. In addition, we also set up "flash sales" on holidays to interact with fans at the stadium to promote the Company's corporate brand and tire 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 the regular season and playoffs, the Company organized a "Year of the Snake" corporate theme day to interact closely with fans, strengthening the connection between Cheng Shin and the sport of 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 14 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.



Sponsorship of the National Table Tennis Championships - Taiwan Cooperative Financial Holding Maxxis Cup

We have joined forces with Taiwan Cooperative Financial Holding to hold the National Table Tennis Championships for 12 consecutive years as of 2025, 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

(1) On May 10, 2025, Cheng Shin China organized its employees to participate in the 2nd Kunshan Charity Run and "Double Special" Care Campaign as the Maxxis Running Team. While promoting a healthy and green lifestyle, the event helped fulfill children´s wishes and spread the torch of social charity through running.social charity through running.

(2) On November 30, 2025, Cheng Shin China sponsored the Kunshan City Amateur League 10km Road Race (Zhoushi Station). The Maxxis Running Team participated in the event, advocating a green, positive, and sustainable lifestyle with a vibrant, healthy spirit and a unified pace.

Appendix: GRI Index

Statement of Use: Cheng Shin Rubber Industry Co., Ltd. has followed the GRI Standards for reporting for the period January 1, 2025 to December 31, 2025.
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
GRI 2 General Disclosures 2021				
2-1	Organizational details	19	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	76		2024 Subsidiary's Percentage of Electricity Purchased Externally have been corrected.
2-5	External assurance	138	Third-party assurance report	
2-6	Activities, value chain and other business relationships	54 63	2.1 Safe and Reliable Cheng Shin Tire 2.2 Protecting Customer Privacy	
2-7	Employees	94	4.1.1 Employee Care Policy	
2-8	Workers who are not employees	94	4.1.1 Employee Care Policy	
2-9	Governance structure and composition	22	1.3.1 Corporate Governance Framework	
2-10	Nomination and selection of the highest governance body	22	1.3.1 Corporate Governance Framework	
2-11	Chair of the highest governance body	22	1.3.1 Corporate Governance Framework	
2-12	Role of the highest governance body in overseeing the management of impacts	22	1.3.1 Corporate Governance Framework	
2-13	Delegation of responsibility for managing impacts	22~25	1.3.1 Corporate Governance Framework	
2-14	Role of the highest governance body in sustainability reporting	11	1.1 Sustainable Cheng Shin	
2-15	Conflicts of interest	27~29	1.3.3 Integrity and Anti-Corruption	
2-16	Communication of critical concerns	6~7 8~9 22	Identification of Material Topics Stakeholder Engagement 1.3 Corporate Governance	
2-17	Collective knowledge of the highest governance body	22~25	1.3.1 Corporate Governance Structure	
2-18	Evaluation of the performance of the highest governance body	26	1.3.2Performance evaluation and compensation system for management	
2-19	Remuneration policies	26	1.3.2Performance evaluation and compensation system for management	
2-20	Process for determining remuneration	26	1.3.2Performance evaluation and compensation system for management	
2-21	Annual total compensation ratio	99	4.1.2 Employee Welfare and Care	
2-22	Statement on sustainable development strategy	4~5 11	Message from the Chairman 1.1 Sustainable Cheng Shin	
2-23	Policy Commitments	44~48 107~108	1.5.2 Sustainable supply chain management policy 4.2 Human Rights Policy and Labor-Management Relations	

Indicator	Disclosure Items	Page	Corresponding Chapter	Supplementary Notes
2-24	Embedding policy commitments	45~48	1.5.2 Supply Chain Management Policies of Cheng Shin	
		107~108	4.2 Human Rights Policy and Labor-Management Relations	
2-25	Processes to remediate negative impacts	8	Management of Material Topics	
2-26	Mechanisms for seeking advice and raising concerns	8	Management of Material Topics	
2-27	Compliance with laws and regulations	27	Integrity and Anti-Corruption	
		71	Environmental Compliance	
2-28	Membership associations	19	1.2 About Cheng Shin	
2-29	Approach to stakeholder engagement	8	Stakeholder Engagement	
		6~7	Identification of Material Topics	
2-30	Collective bargaining agreements	107~108	4.2 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	6~7	Identification of Material Topic	
3-2	List of Material Topics	6~7	Identification of Material Topic	
3-3	Management of Material Topics	6~7	Identification of Material Topic	
Material Topics				
Economic Indicators				
GRI 205: Anti-corruption 2016				
205-1	Operations assessed for risks related to corruption	27	1.3.3 Integrity and Anti-corruption	
205-2	Communication and training about anti-corruption policies and procedures	27	1.3.3 Integrity and Anti-corruption	
205-3	Confirmed incidents of corruption and actions taken	27	1.3.3 Integrity and Anti-corruption	
Operational Performance		29		
GRI 201 Economic Performance 2016				
201-4	Financial assistance received from government	19	1.2 About Cheng Shin	
Environmental Indicators				
Energy Resources and Greenhouse Gas Management				
GRI 305 Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	78	3.3.2 Greenhouse Gas Management	
305-2	Energy indirect (Scope 2) GHG emissions	78	3.3.2 Greenhouse Gas Management	
305-3	Other indirect (Scope 3) GHG emissions	78	3.3.2 Greenhouse Gas Management	
305-4	GHG emissions intensity	78	3.3.2 Greenhouse Gas Management	
305-5	Reduction of GHG emissions	74	3.3.1 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	92	3.6 Air Pollution Prevention	
Social Indicators				
Talent Development and Cultivation				
GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee	103	4.1.3 Career Development and Evaluation	
404-2	Programs for upgrading employee skills and transition assistance programs	104~106	4.1.3 Career Development and Evaluation	
404-3	Percentage of employees receiving regular performance and career development reviews	106	4.1.3 Career Development and Evaluation	
Occupational Safety and Health				
GRI 403: Occupational Health and Safety 2018				
403-1	Occupational health and safety management system (OSHMS)	109	4.3 Safe and Healthy Workplace	
403-2	Hazard identification, risk assessment, and incident investigation	110~112	4.3 Safe and Healthy Workplace	
403-3	Occupational health services	115~116	4.3 Safe and Healthy Workplace	
403-4	Worker participation, consultation, and communication on occupational health and safety	109	4.3 Safe and Healthy Workplace	
403-5	Worker training on occupational health and safety	113~115	4.3 Safe and Healthy Workplace	
403-6	Promotion of worker health	115~116	4.3 Safe and Healthy Workplace	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	115~116	4.3 Safe and Healthy Workplace	
403-8	Workers covered by an occupational health and safety management system	109	4.3 Safe and Healthy Workplace	
403-9	Work-related injuries	111	4.3 Safe and Healthy Workplace	
403-10	Work-related ill health	116	4.3 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	59~60	2.1.2 Product Quality Management	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	59~60	2.1.2 Product Quality Management	No such event occurred during the period covered by this
GRI 417: Marketing and Labeling 2016				
417-1	Requirements for product and service information and labeling	61~62	2.1.3 Clear product labeling	

Indicator	Disclosure Items	Page	Corresponding Chapter	Supplementary Notes
417-2	Incidents of non-compliance concerning product and service information and labeling	61~62	2.1.3 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	63	2.2 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	74	3.3.1 Resource Management	
GRI 302: Energy 2016				
302-1	Energy consumption within the organization	74	3.3 Energy and Greenhouse Gas Management	
302-3	Energy intensity	75	3.3 Energy 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	77	3.3 Energy and Greenhouse Gas Management	
GRI 303: Water and Effluents 2018				
303-1	Interactions with water as a shared resource	86	3.4 Water Resources Management	
303-2	Management of water discharge-related impacts	86	3.4 Water Resources Management	
303-3	Water withdrawal	86	3.4 Water Resources Management	
303-4	Water discharge	87	3.4 Water Resources Management	
303-5	Water Consumption	87	3.4 Water Resources Management	
GRI 306: Waste 2020				
306-2	Management of significant waste-related impacts	89	3.5 Waste Management, Recycling and Reuse	
306-3	Waste generated	89	3.5 Waste Management, Recycling and Reuse	
306-4	Waste diverted from disposal	91	3.5 Waste Management, Recycling and Reuse	
306-5	Waste directed to disposal	91	3.5 Waste Management, Recycling and Reuse	
GRI 308: Supplier Environmental Assessment 2016				
308-1	New suppliers that were screened using environmental criteria	45~47	1.5.2 Supply Chain Management Policies of Cheng Shin	
308-2	Negative environmental impacts in the supply chain and actions taken	49	1.5.3 Supplier on-site audit and review results of Cheng Shin	

Indicator	Disclosure Items	Page	Corresponding Chapter	Supplementary Notes
Social Indicators				
GRI 401: Employment 2016				
401-1	New employee hires and employee turnover	94	4.1.1 Employee Care Policy	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	99~102	4.1.2 Employee Welfare and Care	
401-3	Parental leave	100-101	4.1.2 Employee Welfare and Care	
GRI 402: Labor/Management Relations 2016				
402-1	Minimum notice periods regarding operational changes	107-108	4.2 Human Rights Policy and Labor-Management Relations	
GRI 405: Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	94~97	4.1.1 Employee Care Policy	
GRI 406: Non-discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken	107-108	4.2 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	107-108	4.2 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	107-108	4.2 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	72~74	3.2 Environmental Management	
GRI 414: Supplier Social Assessment				
414-1	New suppliers that were screened using social criteria	45~47	1.5.2 Supply Chain Management Policies of Cheng Shin	
414-2	Negative social impacts in the supply chain, and actions taken	48~50	1.5.3 Supplier on-site audit and review results 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) 8,141,778.80 (2) 42.93% (3) 4.16%	3.3.1 Energy Management	Quantitative	TR-AP-130a.1
Waste Management	(1) Total amount of waste from manufacturing, (2) percentage hazardous, (3) percentage recycled (%)	(1) 18,284.71 tons (2) 14.89% (3) 80.57%	3.5 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$1,000): NT$15,451,604 Revenue from products that reduce emissions (NT$1,000): NT$13,057,006		Quantitative	TR-AP-410a.1
Materials Sourcing	Description of the management of risks associated with the use of critical materials		1.5 Supply Chain Partners, Growing with Cheng Shin	Discussion and Analysis	R-AP-440a.1
Materials Efficiency	Percentage of products sold that are recyclable	100% The products manufactured by Cheng Shin are tire products, primarily using raw materials such as natural rubber, synthetic rubber, carbon black, and steel wires. After tire usage, they can be directly converted into energy through fuel conversion or transformed into other reusable resources using various technologies.		Quantitative	TR-AP-440b.1
	Percentage of input materials from recycled or re-processed content (Note 2)	Percentage of products sold that are recyclable: 92.80% Percentage of recycled/re-manufactured materials (%): 19.13 %		Quantitative	TR-AP-440b.2
Competitive Behaviour	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations (note 3)	NT$ 0	No such event occurred during the period covered by this report.	Quantitative	TR-AP-520a.1
Number of parts produced	Production volume	280,558,999		Quantitative	TR-AP-000.A
Weight of parts produced (t)	Production weight Unit: metric tons	440,262,609 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.	4,640,059.55 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.	107
	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.	45~47
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.	107
	Prohibition of All Forms of Forced and Compulsory Labor	Cheng Shin's Prohibition of All Forms of Forced and Compulsory Labor	107
	Effectively prohibit child labor	Cheng Shin strictly prohibits child labor. For details, refer to Cheng Shin's "Work Rules"	107
Environment	Elimination of discrimination in employment and occupation	Cheng Shin's Elimination of discrimination in employment and occupation	107
	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.	68
	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.	42~44
	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.	56~58
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.	27~29

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 2025 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.

Subject Matter Information and Applicable Criteria

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 "Boundaries and Scope" 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.

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.

Wang, Yu-Chuan

For and on behalf of PricewaterhouseCoopers, Taiwan
August 19, 2026

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

<table>
<tr><th>No.</th><th>Information on Assurance Targets</th><th>Page No.</th><th>Corresponding Chapters</th><th>Applicable Standards</th></tr>
<tr><td>1</td><td><table>
<tr><th>Target Indicators</th><th>Unit</th><th>The Taiwan region for the year 2025</th></tr>
<tr><td>Total Energy Consumption</td><td>GJ</td><td>1,096,120.92</td></tr>
<tr><td>Percentage of Purchased Electricity</td><td>%</td><td>45.00</td></tr>
<tr><td>Renewable Energy Utilization Rate</td><td>%</td><td>1.38</td></tr>
<tr><td>Total Renewable Energy Consumption</td><td>GJ</td><td>15,104.26</td></tr>
</table></td><td>P.76</td><td>3.3.1 Energy Management</td><td>"Total Energy Consumption" refers to the total amount of renewable and non-renewable energy consumed by the organization in Taiwan from January 1, 2025, to December 31, 2025.
"Percentage of Purchased Electricity" is calculated as the total amount of purchased non-renewable energy in Taiwan divided by the total energy consumption.
"Renewable Energy Utilization Rate" is calculated as the total renewable energy consumption divided by the total energy consumption.
"Total Renewable Energy Consumption" refers to the total amount of renewable energy consumed by the organization in Taiwan from January 1, 2025, to December 31, 2025.
Note: "Taiwan region" refers to the scope covered by the parent company Cheng Shin Rubber Ind. Co., Ltd.</td></tr>
<tr><td>2</td><td>Unit:million liters<table>
<tr><th>Target Indicators</th><th>The Taiwan region for the year 2025</th></tr>
<tr><td>Water Withdrawal</td><td>684.941</td></tr>
<tr><td>Water Consumption</td><td>413.492</td></tr>
<tr><td>Wastewater Discharge</td><td>271.449</td></tr>
</table></td><td>P.86-P.87</td><td>3.4.1. Water Use Management
3.4.2. Wastewater Management</td><td>"Total Water Withdrawal" refers to the total amount of water withdrawn by the organization in the Taiwan region from January 1, 2025, to December 31, 2025.
"Total Water Consumption" is the amount calculated by subtracting the total amount of discharged water from the total water withdrawal over the same period.
"Total Wastewater Discharge" refers to the total amount of wastewater discharged by the organization in the Taiwan region from January 1, 2025, to December 31, 2025.
Note: "Taiwan region" refers to the scope covered by the parent company Cheng Shin Rubber Ind. Co., Ltd.</td></tr>
<tr><td>3</td><td>The weight and percentage of Hazardous Business Waste generated in the Taiwan region for the year 2025 are 0.21 metric tons and 0.01%, respectively.</td><td>P.90</td><td>3.5. Waste Management, Recycling and Reuse</td><td>"The weight of hazardous business 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, 2025, to December 31, 2025.
"Percentage of Hazardous business 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.</td></tr>
<tr><td>4</td><td>The Number and Rate of Occupational Accidents in the Taiwan region for the year 2025:
(1) Severe Occupational Accidents：9, 1.12
(2) Recordable work-related injury cases：74, 9.17
(3) Death and Mortality rate：0, 0.00</td><td>P.111</td><td>4.3.2 Occupational Health and Safety Management</td><td>"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 Safety and Health Act.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Information on Assurance Targets</th><th>Page No.</th><th>Corresponding Chapters</th><th>Applicable Standards</th></tr>
<tr><td></td><td></td><td></td><td></td><td>Note: "Taiwan region" refers to the scope covered by the parent company Cheng Shin Rubber Ind. Co., Ltd.</td></tr>
<tr><td>5</td><td>The number and percentage of New Employee Hires in the Taiwan region for the year 2025, categorized by age group and gender, are as follows:
<table>
<tr><th></th><th>Under 29 years old</th><th>30-50 years old</th><th>51 and above (inclusive)</th><th>%</th></tr>
<tr><td>Female</td><td>19</td><td>19</td><td>0</td><td>14.56%</td></tr>
<tr><td>Male</td><td>141</td><td>81</td><td>1</td><td>85.44%</td></tr>
<tr><td>%</td><td>61.30%</td><td>38.32%</td><td>0.38%</td><td>100.00%</td></tr>
</table>
The number and percentage of Employee Turnover in the Taiwan region for the year 2025, categorized by age group and gender, are as follows:
<table>
<tr><th></th><th>Under 29 years old</th><th>30-50 years old</th><th>51 and above (inclusive)</th><th>%</th></tr>
<tr><td>Female</td><td>11</td><td>27</td><td>10</td><td>12.90%</td></tr>
<tr><td>Male</td><td>77</td><td>212</td><td>35</td><td>87.10%</td></tr>
<tr><td>%</td><td>23.65%</td><td>64.25%</td><td>12.10%</td><td>100.00%</td></tr>
</table></td><td>P.98</td><td>4.1.1 Employee Care Policy</td><td>"The number and percentage of New Employee Hires and Employee Turnover categorized by age and gender" are calculated based on data from the payroll system of the organization in the Taiwan region.
The percentage by gender 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.
The percentage by age 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.
Note: "Taiwan region" refers to the scope covered by the parent company Cheng Shin Rubber Ind. Co., Ltd.</td></tr>
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