



KENDA RUBBER IND., CO., LTD.

2024 Sustainability Report

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About the Sustainability Report

Reporting Standards

KENDA RUBBER IND. CO., LTD. (hereinafter referred to as the “Company”) follows the GRI Universal Standards 2021, the Task Force on Climate-related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB), “Sustainable Development Best Practice Principles for TWSE/TPEX -Listed Companies” and “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies.” It also corresponds to the United Nations Sustainable Development Goals (SDGs). The Company aims to communicate with stakeholders through this report and share its strategies and concrete achievements across all ESG dimensions. In line with the amendments to relevant Operational Regulations, this report has been renamed the “ESG Report” since 2021. In addition, to ensure the quality of information disclosure, the Company has proactively engaged Ernst & Young to perform limited assurance procedures on the Taiwan region data presented in the report, in accordance with Assurance Standard No. 3000. The limited assurance report issued by Ernst & Young is included in the report. Based on the procedures performed, nothing has come to the auditors’ attention that causes them to believe the report does not present a true and fair view.



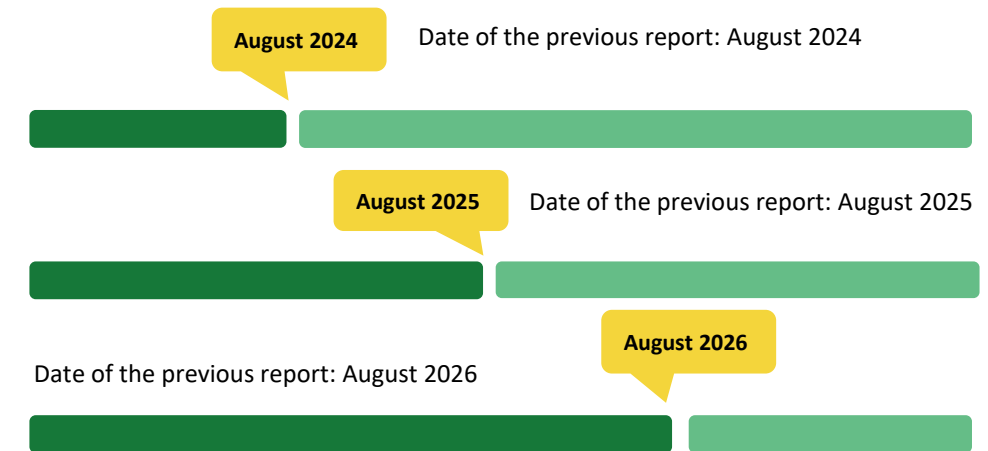
Scope of the Report

This report covers the operations of the Kenda Group. The reporting scope encompasses the Company's facilities and offices located in Taiwan, China, Southeast Asia, Europe, and the United States, as detailed in the table next page.



Report Publication

The “ESG Report” is published annually by the Company, and this report is the eighth ESG report. The disclosure period is for the year 2024 (from January 1, 2024 to December 31, 2024).”



Contact Information

Should you have any questions, comments or suggestions regarding this report, please contact us.

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- Fax: 04-8361276
- E-mail : kenda@kenda.com.tw
- Website : <https://www.esg.kenda.com.tw>



A Message from the Management

The global economy remained stable in 2024, maintaining an estimated growth rate of 3.2% (IMF). The World Bank's "Global Economic Prospects" released in 2025 continued to hold a positive outlook for the global economy. Especially with the significant easing of inflation and the support of loose monetary policy from various countries, investment activities across economies were expected to be more stable. Due to the continued easing of inflation worldwide, the Company's costs remained stable in 2024, leading to an increase in gross profit margin to 22%, and the EPS also rising from 0.95 in 2023 to 1.30 in 2024, demonstrating the results of our agility and collaborative team efforts.

We continue to embed sustainability thinking into our operational decisions. In 2024, we focused on four key areas: sustainable material development, carbon reduction and energy efficiency improvement, breakthroughs in electric vehicle tire technology, and the co-creation of a sustainable supply chain. These strategies not only respond to global sustainability trends but also serve as key drivers of corporate growth.

1. Customers and Partners: Honesty as our Foundation, Co-creating a Green Value Chain.

In supply chain management, we uphold the principle of "Honesty" by enforcing stringent selection standards. These standards ensure that all partners fully comply with international environmental regulations, including PAHs and RoHS, thereby effectively eliminating hazards at the source.

For product R&D and manufacturing, we incorporate eco-friendly raw materials and optimize our designs and production processes. This allows us to deliver lightweight, low-rolling-resistance, and non-polluting eco-tires. These innovations effectively reduce raw material consumption and transportation energy use, which in turn lowers greenhouse gas emissions.

Our products are distributed globally and fully comply with the most stringent local regulations. This ensures effective prevention of customer complaints and returns due to excessive restricted substances. Our commitment has earned us the profound trust of our clients.

Furthermore, we have entered into energy-saving and carbon-reduction agreements with our suppliers, forging a partnership that promotes sustainable development across the entire industry value chain. Our unwavering commitment to sustainable innovation has been recognized with prestigious accolades such as the TAIPEI CYCLE d&i Awards and the Taiwan Excellence Award.

2. Sustainable Environment: Committed to Green Production and Protecting Our Planet.

In response to the challenge of climate change, we have set a clear target: "Carbon reduction by 3% per year and by 25% in total by 2030." We are actively pursuing this goal through a series of strategic initiatives. In 2024, we successfully completed an organizational greenhouse gas inventory (ISO 14064-1) and continued to maintain our energy management system (ISO 50001), resulting in a reduction of approximately 9,000 metric tons of CO₂e emissions.

Regarding renewable energy usage in 2024, Tianjin Factory sources 84.93% of its total electricity consumption from green power, while our Kunshan factory has reached 33.48%. Furthermore, the energy savings rate in Taiwan has increased from 1.41% to 1.47%, exceeding the Bureau of Energy's annual target of over 1%.

We actively promote packaging reduction, inner tube recycling, and the development of specialized tires for electric vehicles. Through the implementation of the ISO 14001 Environmental Management System and adopting circular economy practices, we comprehensively fulfill our sustainability commitments. These impactful initiatives have led to significant recognition, including being honored with:

- The Bronze Award at both the 3rd and 4th National Enterprise Environmental Protection Awards
- The Best Practice Award for Manufacturing Quality in the 26th National Quality Awards
- Recognition as a Green Procurement Excellent Unit by Changhua County.

3. Happy Enterprise: People-Centered Approach to Building a Safe and Healthy Work Environment

Employees are the most valuable asset of the Company. We are dedicated to creating a safe and healthy workplace by continually enhancing our occupational health and safety management systems. The Company maintains ISO 45001 certification and has successfully passed the validation as an Authorized Economic Operator (AEO), demonstrating excellence in safety standards. Our production processes are undergoing continuous green transformation, and we strengthen employee safety awareness through training programs. Through collaboration with our partners in the “**Kenda Safety and Health Family**,” we are committed to fostering a workplace culture that is safe, hygienic, and filled with human warmth.

These people-centered initiatives have earned widespread recognition, reflecting our commitment to workplace excellence. Notable honors include:

- The Safety and Health Register as a Core Family Business Award from the Ministry of Labor.
- The Occupational Safety and Health Excellent Unit in Changhua County, awarded to both organizations and employees.
- The TTQS Gold Medal.
- The prestigious National Talent Development Award.

We will continue to place people at the core of our operations, building a joyful workplace and advancing toward a new milestone in sustainable enterprise development.

4. Social Prosperity: Taking from the Community, Giving Back to Society

Guided by our founder’s belief in “Taking from the Community, Giving Back to Society,” we are dedicated to supporting our communities through a variety of philanthropic initiatives. In the field of education, we not only offer scholarships for employees’ children, but also support the Kenda Cultural and Educational Foundation. This foundation offers scholarships to students in Changhua, Yunlin, and Taichung, ensuring consistent and meaningful support for local education.

Through the “Jin Yu Award,” we honor outstanding young researchers, having granted millions of scholarships to date in support of academic innovation. We also support sports development by sponsoring talented local athletes to compete on the international stage and by hosting world-class tournaments. These events bring elite athletes to Taiwan for cultural exchange and help drive the sustainable development of local sports communities.

These philanthropic initiatives embody our core values of being people-centered and giving back to society. They also reflect our deep commitment to the sustainable development of education, culture, and sports. Looking ahead, we will continue to take concrete actions to foster social harmony and environmental prosperity, advancing toward a more impactful and sustainable enterprise vision.

Conclusion

Looking ahead, we remain committed to the founder’s core values of “Honesty, Quality, Service, and Innovation,” and earnestly implement our management strategies of “Green Production, Safety and Health, and Sustainable Operations.” Together with all stakeholders, we aim to build Kenda into a sustainable and people-centered enterprise, contributing wholeheartedly to social prosperity and a better future.



Sustainability Highlights in 2024

Environmental (E)

Awarded the 21st National Brand Yushan Award- Best Product Category / Airless Tire.
Awarded the Taiwan Excellence Award for 17 consecutive years from 2008 to 2024, with a total of 66 winning products.
New Eco-Product Launched: 4 Times The Air Retention Airolution Bicycle Tube.
Commercially Available Inner Tube Reuse Project. – 600 Tubes Recycled in 2024.
New Eco-Product Launched: Electric Vehicle Tire KR616EV.
Packaging Material Reduction Initiative – Label Size Optimization.
Increase in Renewable Electricity Usage (Solar PV + Green Power Purchase + Green Certificate Purchase): 33.48% at Kunshan Factory, 84.93% at Tianjin Factory.
Result of Group Energy Conservation and Carbon Reduction Plan : Annual Reduction of 9,099 Metric Tons CO ₂ e.
Taiwan Region Average Electricity Saving Rate Increased from 1.41% to 1.47% in 2024
Awarded as a Green Procurement Excellent Unit by Changhua County from 2021 to 2024.
The Group's total waste generation in 2024 decreased by approximately 6% compared to 2023.
Awarded the “Forward-Looking Award” in the 1st Yunlin Industrial Excellence Awards.
In late 2024, the Company secured a government subsidy of NT\$19.399 million under the “1+N Subsidy for Low-Carbon and Intelligent Upgrading and Transformation of Large Enterprises Supporting Small Enterprises,” which supports large enterprises in leading small and medium-sized manufacturers toward sustainable transformation.
Through industry-academia collaboration, the Company engaged with the Taiwan Design Research Institute, the Industrial Development Administration, Ministry of Economic Affairs, academic institutions, and student teams to advance sustainable design initiatives.

Social (S)

Awarded the “Outstanding Operational Performance Supplier Award” by Sanyang Motor.
Awarded the “Outstanding Rubber Supplier Award” by KYMCO (Kwang Yang Motor Co., Ltd.).
Tianjin Factory is awarded as a Harmonious Labor Relations Enterprise by Jinghai District, Tianjin.
In 2024, the Company was approved for a government subsidy under the “2024 Upskilling Program for Enterprises,” aimed at supporting on-the-job training initiatives

Governance (G)

Among the 11 members of the Board of Directors, three are female, accounting for 27% of the board composition—reflecting the Company's commitment to gender diversity in leadership.
Earnings per Share (EPS) increased from 0.92 in 2023 to 1.30 in 2024.

“Design and Quality” Award



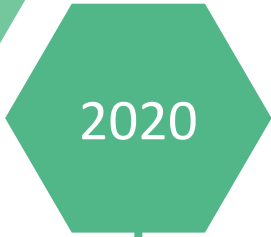
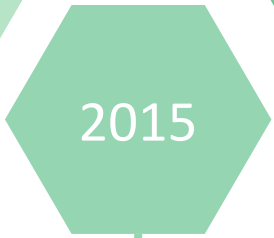
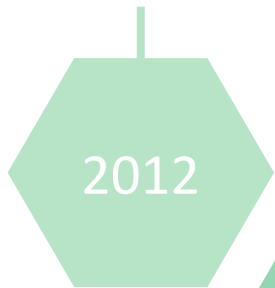
● The Silver Award: Taiwan Excellence Award - Road Bike Tires K1160X

- Chicago Athenaeum's Good Design Award: AGC Technology, NRF Technology, KR607
- International Design Awards: STS Technology, KR607
- Taipei Cycle d&i Awards: Ultra Lite Bike Tubes
- Taiwan Excellence Awards: Light Truck Tire KR100, All-Terrain Vehicle Tire K3211, All-Terrain/ Motorcycle Tire K6025, Noise Reduction Foam (NRF) Technology KR400, Ultra Lite Bike Tubes, Advanced Gravity Casing Technology (AGC) Technology

- International Design Awards: Radial Golf Car Tires Morpheus K3013R, Sport Touring Tire KM1, XC Mountain Bike Tire RUSH K1245, KADENCE EVO K1268
- Taiwan Excellence Awards: XC Mountain Bike Tire K1245, E-BIKE Bicycle Tube, Asymmetric Sedan Tire KR210, Sport Touring Radial Motorcycle Tire KM1/KM001

- The National Brand Yushan Award: NPT Airless Tire
- International Design Awards: MX TIRE -WASHOUGAL III K7102/F, All-Weather Road Tires 4TITUDE K1225, Airolution Bicycle Tube
- Taipei Cycle d&i Awards: All-Weather Road Tires 4TITUDE K1225, Airolution Bicycle Tube
- Golden Pin Design Award: All-Weather Road Tires 4TITUDE K1225, Airolution Bicycle Tube

● TAIPEI CYCLE d&i Awards: SCT Technology



● The Silver Award: Taiwan Excellence Award - Mountain Bike Tires K1127B



- International Design Awards: NRF Technology
- Taipei Cycle d&i Awards: AGC Technology
- Taiwan Excellence Awards: All Terrain / Utility Vehicle Tire K590, XC Mountain Bike Tire K1227 Dual compound Motorcycle Tire K6022, Sport Utility Vehicle Tire KR52, Airless Tires K3003/K3004

- IF Design Award: All-Terrain Tire KLEVER AT KR608
- Chicago Athenaeum's Good Design Award: Ultra Lite Bike Tubes
- International Design Awards: EMERA SUV605 KR605, XAIL-Terrain Tire (AT) KR608, Ultra Lite Bike Tubes
- Taipei Cycle d&i Awards: TPSH Thickened Puncture Resistance Tube (Gold Award), Off-Road Bicycle Tire KARMA2 PRO K1237
- Golden Pin Design Award: Off-Road Bicycles Tire K1237, TPSH Thickened Puncture Resistance Tube
- Taiwan Prime Award Selection (Gold Award) by the Overseas Community Affairs Council-NPT Airless Tire
- Taiwan Excellence Awards: XC Mountain Bike Tire K1237, Turf/Utility Tire K3012, TPSH Thickened Puncture Resistance Tube, Scooter Racing Tire K6030/KD2, Asymmetric Sedan/SUV Tire KR201

● Taiwan Excellence Awards: Airolution Bicycle Tube, Off-Road Motorcycle Tire K7102/F, All Terrain / Utility Vehicle Tire K3213, Asymmetric CUV&SUV Tire KR606, Downhill Bike Tire K1265

Other Awards and Honors



Our Yunlin Factory was honored with the “Forward-Looking Award” at the inaugural Yunlin Industrial Excellence Awards hosted by the Yunlin County. This prestigious recognition celebrates the exceptional achievements by local enterprises in areas such as energy conservation, carbon reduction, environmental sustainability, industrial innovation, and forward-looking development. The company received unanimous praise from the judging panel for its long-standing commitment to fulfilling SDGs and ESG objectives. Through continuous improvements, we have significantly reduced energy consumption and carbon emissions. Additionally, we have actively implemented circular economic practices by reprocessing waste materials into reusable inputs for production. These efforts reflect our dedication to ongoing progress and tangible results in sustainable development.

- TTQS Gold Medal Award by Workforce Development Agency, Ministry of Labor
- Directory of Excellent Exporters/Importers, Ministry of Economic Affairs
- Occupational Safety and Health Excellent Unit and Personnel Award by Yunlin County
- Core Enterprise Award (Yuanlin Plant): Safety and Health Certificated Family by the Occupational Safety and Health Administration, Ministry of Labor

- The 26th National Quality Award: Manufacturing Quality Award by the Ministry of Economic Affairs.
- The 3rd National Enterprise Environmental Protection Award: The Bronze Award by the Ministry of Environment
- Safety and Health Certificated: Family Core Enterprise Award by the Occupational Safety and Health Administration, Ministry of Labor
- Awarded as an Occupational Safety and Health Excellent Unit and Staff Award by Changhua County



- TTQS Gold Medal Award (extension) certificate of Talent Development Quality Management System Evaluation Grade
- Awarded as a Green Procurement Excellent Unit by Changhua County



- The championship of Changhua County Labor Management Games for 5 consecutive years

- The 16th National Brand Yushan Award
- 2019 National Talent Development Awards by the Ministry of Labor



- TWAEO certificate by Customs Administration, Ministry of Finance
- National Occupational Safety and Health Awards: Traditional Industry Investment Special
- Award by the Occupational Safety and Health Administration, Ministry of Labor
- The 4th National Enterprise Environmental Protection Award: The Bronze Award the Ministry of Environment
- Awarded as an Occupational Safety and Health Excellent Unit by Changhua County
- Awarded as a Green Procurement Excellent Unit by Changhua County

- The 1st Yunlin Industrial Excellence Awards: Forward-Looking Award
- Awarded as a Green Procurement Excellent Unit by Changhua County





About KENDA

Company Profile

The Company was founded in 1962 as a manufacturer of bicycle tubes and tires. The main products include tubes and tires of bicycles, motorcycles, agricultural vehicles, light trucks, and passenger car tires. The Company is the 2nd largest tire manufacturer in Taiwan and the 28th largest in the world.

The Company upholds the management philosophy of “Honesty, Quality, Service, And Innovation” and carries out the quality policy of “Doing things right the first time and delivering competitive products and services to customers in a timely and correct manner.” The Company is committed to international and diversified development, and markets worldwide with the brand, KENDA, by focusing on our own industry as well as manufacturing and selling tires with good value.

The Company has established its headquarters in Yuanlin, Taiwan, along with the Yunlin, and Douliu factories. In China, it operates manufacturing facilities in Shenzhen, Kunshan, and Tianjin. Additionally, southeast factories have been set up in Vietnam and Indonesia. The Company also has subsidiaries in Germany and the United States. In 2017, the Company acquired STARCO EUROPE A/S, a European wheel manufacturer. In 2024, STARCO was officially renamed KENDA Europe.

In addition, the Company has set up Global Technology Center in Taiwan and set up technology offices in the United States, Europe and China. By leveraging its research and development capabilities across key markets—namely the United States, Europe, and Asia— the Company listens to consumers about their needs, and introducing more high-quality products to meet market demands and exceed expectations.

Item	Company Information
Company Name	Kenda Rubber Industrial Co., Ltd
Address of the Headquarters (Yuanlin Factory)	No. 146, Sec. 1, Zhongshan Rd., Yuanlin City, Changhua County, Taiwan (R.O.C.) Telephone +886 (04)8345171
Date of Establishment	March 30, 1962
Founder	Yang, Chin-Pao
Group Chairman	Yang, Ying-Ming
Chairman	Yang, Chi-Jen
General Manager	Lin, Chien-Liang
Amount of Capital	NT\$9.55 billion
Type of Company	Listed company
Number of Employees	1802 (Group: 11,754)
Scope of Business	Tubes and tires of bicycles, motorcycles, agricultural vehicles, light trucks, and passenger car tires, etc.

Operating Location

Item	Company Information
Taipei Office (Taiwan)	Rm. C, 4F., No. 135, Sec. 3, Minsheng E. Rd., Songshan Dist., Taipei City
Yunlin Factory (Taiwan)	No. 50, Yanping Road, Citong Village, Citong Township, Yunlin County
Douliu Factory (Taiwan)	No. 7, Keban 1st Rd., Douliu City, Yunlin County
Global Technology Center	No. 3, Keban 1st Rd., Douliu City, Yunlin County
Kenfong Industrial Co., Ltd.	No. 2, Section 1, Chungshan Road, Yuanlin City, Changhua County
American Kenda Rubber Ind. Co., Ltd.	7095 Americana Parkway Reynoldsburg, OHIO 43068 USA
Americana Development, Inc.	7095 Americana Parkway Reynoldsburg, OHIO 43068 USA
Kenda Rubber (Vietnam) Co., Ltd.	Cho Chieu Street, Ho Nai 3 Industrial Zone, Trang Bom District, Dong Nai Province, Vietnam Industrial Zone
Pt. Kenda Rubber Indonesia	JL. Raya Cikande Rangkasbitung KM.5, Desakareo, Kec. Jawilan Serang 42177 Banten, Indonesia
Kenda Rubber Industrial Co, Europe GmbH	Greimelstraße 28 83236 Übersee Germany
Kenda Europe A/S	Sintrupvej 71B, st.tv., 8220 Brabrand, Denmark

Item	Company Information
Kenda Rubber (Tianjin) Limited	No. 6/8, Taian Dao, southern area of Jinghai Development Zone, Jinghai District, Tianjin City
Kenda Rubber (China) Co., Ltd.	No. 2, Kun Jia Road, Development Zone, Kunshan City, Jiangsu Province
Kenda Rubber (Shenzhen) Co., Ltd.	No. 343, Longsheng Road, Longsheng Community, Dalang Street, Longhua District, Shenzhen City, Guangdong Province
Kenda Global (China) Investment Co., Ltd.	No. 2, Kun Jia Road, Development Zone, Kunshan City, Jiangsu Province
Kenda Rubber (Hong Kong) Co., Ltd.	No. 51-63, Container Port Road, Kwai Chung, New Territories, Hong Kong Room 613, 6/F, Kwai Shun Industrial Centre
Kenda International Corporation	P.O.Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.
Kenda Global Holding Co., Ltd.	P.O.Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands
Kenda Global Investment Corporation	Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius

History of the Company

- The Company was founded in March 1962 in Yuanlin Township, Changhua County, Taiwan. At that time, the Company specialized in the production and sale of bicycle tubes and tires.

- In 1982, the Company established its second factory in Yunlin County, Taiwan, to expand its operations into the production and sales of tires for motorcycles, agricultural vehicles, and light trucks.
- The Company increased its capital to NT\$800 million.

- In 1990, the Company's shares were listed on the stock exchange.
- In 1990, the Company established its first factory in Shenzhen, China to produce and sell tubes and tires for bicycles and motorcycle.
- In 1991, the Company established subsidiaries in the United States and Hong Kong.

- In 2001, the Company commenced production and sales of radial passenger car tires at its Kunshan facility in China.
- In 2005, the Company established its second factory in Shenzhen, China, to produce and sell agricultural vehicle tires.
- In 2008, the Company established its first factory in Tianjin, China, to produce and sell bicycle and motorcycle tubes and tires.

- In 2012, the Company established its second factory in Tianjin, China, to produce and sell radial passenger car tires.
- In 2013, the Company established its European subsidiary in Germany.
- In 2015, the Company established a technology center in Akron, United States.
- In 2015, the Company established its Indonesia factory in Jakarta, Indonesia.

- In 2021, the Company installed its first six component force tester in the Kenda Global Technology Center.
- In 2022, Kenda Rubber (Shenzhen) Co., Ltd. and Shenzhen Heju Real Estate Co., Ltd. signed the Urban Renewal Project Agreement.
- In 2024, STARCO was renamed to KENDA Europe.

1960's

1970's

1980's

1990's

2000's

2010's

2020's

- In 1973, the Company exported products to the U.S. market.
- The Company produced and sold tubes and tires of motorcycles and agricultural vehicles.
- In 1976, the Company established the US office.

- In 1994, the Company established the Kunshan factory in China, to produce and sell tubes and tires for bicycles, motorcycles, agricultural vehicles, and light trucks.
- In 1996, the Company established its first factory in Southeast Asia, located in Dong Nai, Vietnam, to produce and sell bicycle and motorcycle tubes and tires.

- In 2016, the Company established its second Vietnam factory in Dong Nai, Vietnam, to produce and sell radial passenger car tires.
- In 2017, the Company acquired STARCO EUROPE A/S.
- In 2018, the Company established a technology center in Hamburg, Germany.
- In 2019, the Company established Global Technology Center in the Yunlin Technology Industrial Park.

Product Quality Certification



- Taiwan Commodity Verification Registration

Yuanlin Factory,
Yunlin Factory,
Kunshan Factory

- The Department of Transportation (DOT)

DOT

Yuanlin Factory, Yunlin Factory,
Kunshan Factory, Indonesia Factory,
Vietnam Factory 1, Vietnam Factory 2,
Tianjin Factory 1, Tianjin Factory 2

- China Compulsory Certification (CCC)



Yuanlin Factory, Yunlin Factory,
Kunshan Factory, Indonesia Factory
Vietnam Factory 1, Vietnam Factory 2,
Tianjin Factory 1, Tianjin Factory 2

- GCC Standardization Organization (GSO)



Yunlin Factory, Kunshan Factory,
Vietnam Factory 1, Tianjin Factory 1,
Tianjin Factory 2

- The National Institute of Metrology, Standardization and Industrial Quality (INMETRO)



Yunlin Factory, Kunshan Factory,
Vietnam Factory 2, Tianjin Factory 1,
Tianjin Factory 2, Indonesia Factory



- CNS Mark

Yuanlin Factory,
Yunlin Factory

- UNECE E-mark



Yuanlin Factory, Yunlin Factory,
Kunshan Factory, Indonesia Factory,
Vietnam Factory 1, Vietnam Factory 2,
Tianjin Factory 1, Tianjin Factory 2,

- The Indonesian National Standard (SNI)



Indonesia Factory

- Saudi Arabian Standards Organization (SASO)



Yunlin Factory, Kunshan Factory,
Tianjin Factory 2

Management System Verification



- ISO 9001:2015

Headquarters/Yuanlin Factory,
Yunlin Factory, Kunshan Factory,
Vietnam Factory 1, Vietnam Factory 2,
Tianjin Factory 1, Tianjin Factory 2,
Indonesia Factory



- TWAE0-11100003

Yuanlin Factory, Yunlin Factory,
Taipei Office, Douliu Factory
Global Technology Center



- ISO 45001:2018

Yuanlin Factory, Yunlin Factory,
Douliu Factory, Kunshan Factory,
Global Technology Center,
Tianjin Factory 1, Tianjin Factory 2,
Vietnam Factory 1, Vietnam Factory 2



- ISO 50001:2018

Yuanlin Factory,
Yunlin Factory,
Kunshan Factory



- ISO 14001:2015

Headquarters/Yuanlin Factory,
Yunlin Factory, Douliu Factory,
Global Technology Center, Kunshan Factory,
Tianjin Factory 1, Tianjin Factory 2,
Vietnam Factory 1, Vietnam Factory 2



- IATF 16949:2016

Headquarters/Yuanlin Factory,
Yunlin Factory, Kunshan Factory,
Tianjin Factory 1, Tianjin Factory 2,
Vietnam Factory 2



- CNS 45001:2018&TOSHMS

Yunlin Factory, Yunlin Factory,
Douliu Factory,
Global Technology Center

- ISO 14064-1:2018

Yunlin Factory,
Kunshan Factory



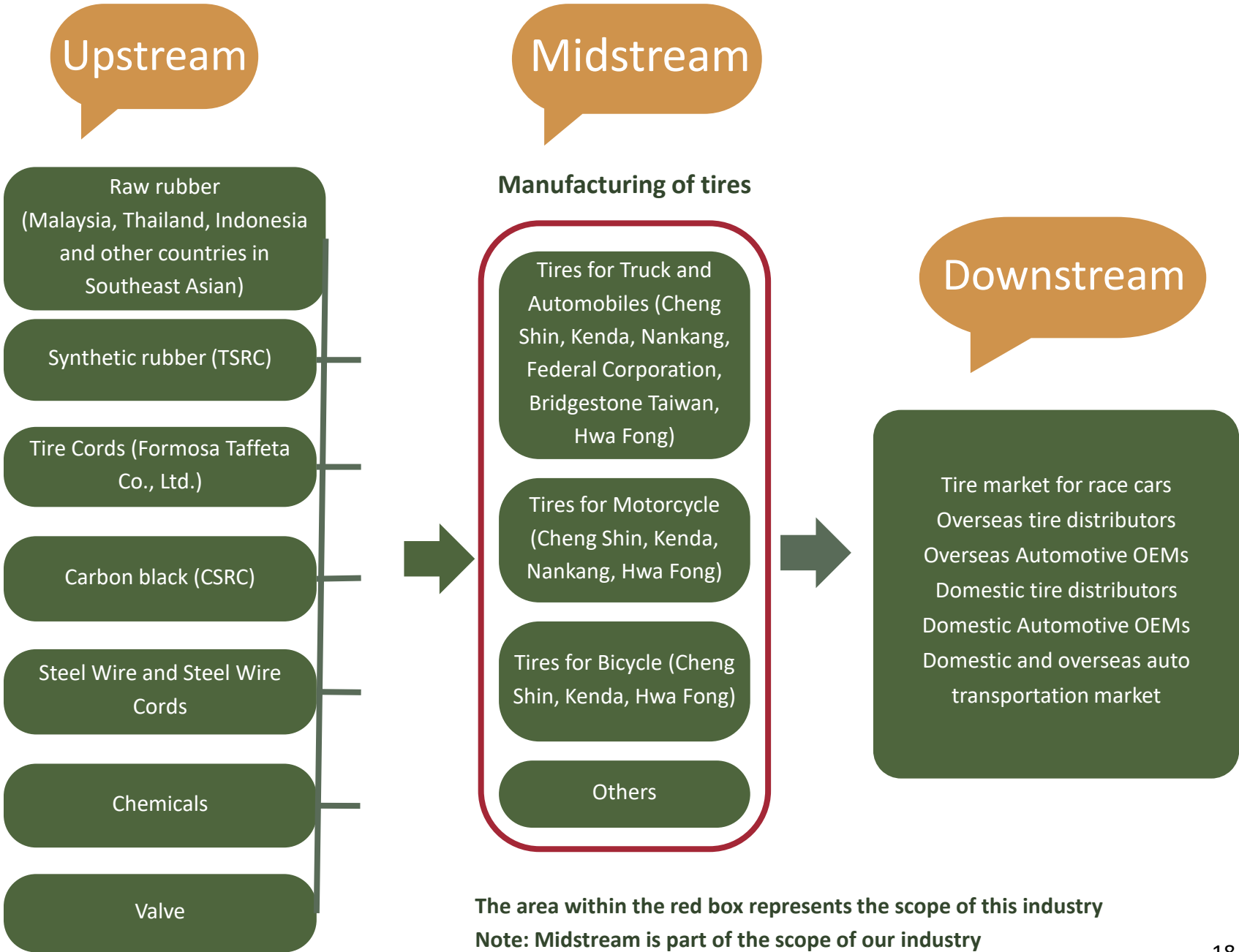
Business Lines

The Company operates in the tire manufacturing industry, serving primarily original equipment (OE) customers – including automobiles, motorcycles and bicycles – as well as aftermarket (AM) customers, which include various agents and dealers. Meanwhile, the Company works with strategic partners, including Kenjou Ind. Co., Ltd. and Total Energies Marketing Taiwan, Ltd. to achieve business performance and deliver value to its shareholders. The Company's products are distributed across global markets. The Company's business includes the following areas:

- ★C804010 Tires Manufacturing
- ★C805070 Reinforced Plastic Products Manufacturing
- ★CB01010 Mechanical Equipment Manufacturing
- ★CD01050 Bicycles and Parts Manufacturing
- ★F401010 International Trade
- ★F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
- ★F114040 Wholesale of Bicycle and Component Parts Thereof
- ★F114050 Wholesale of Tires
- ★F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories
- ★F214040 Retail Sale of Bicycle and Component Parts Thereof
- ★F214050 Retail Sale of Tires
- ★ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval

Upstream, Midstream and Downstream Supply Chains

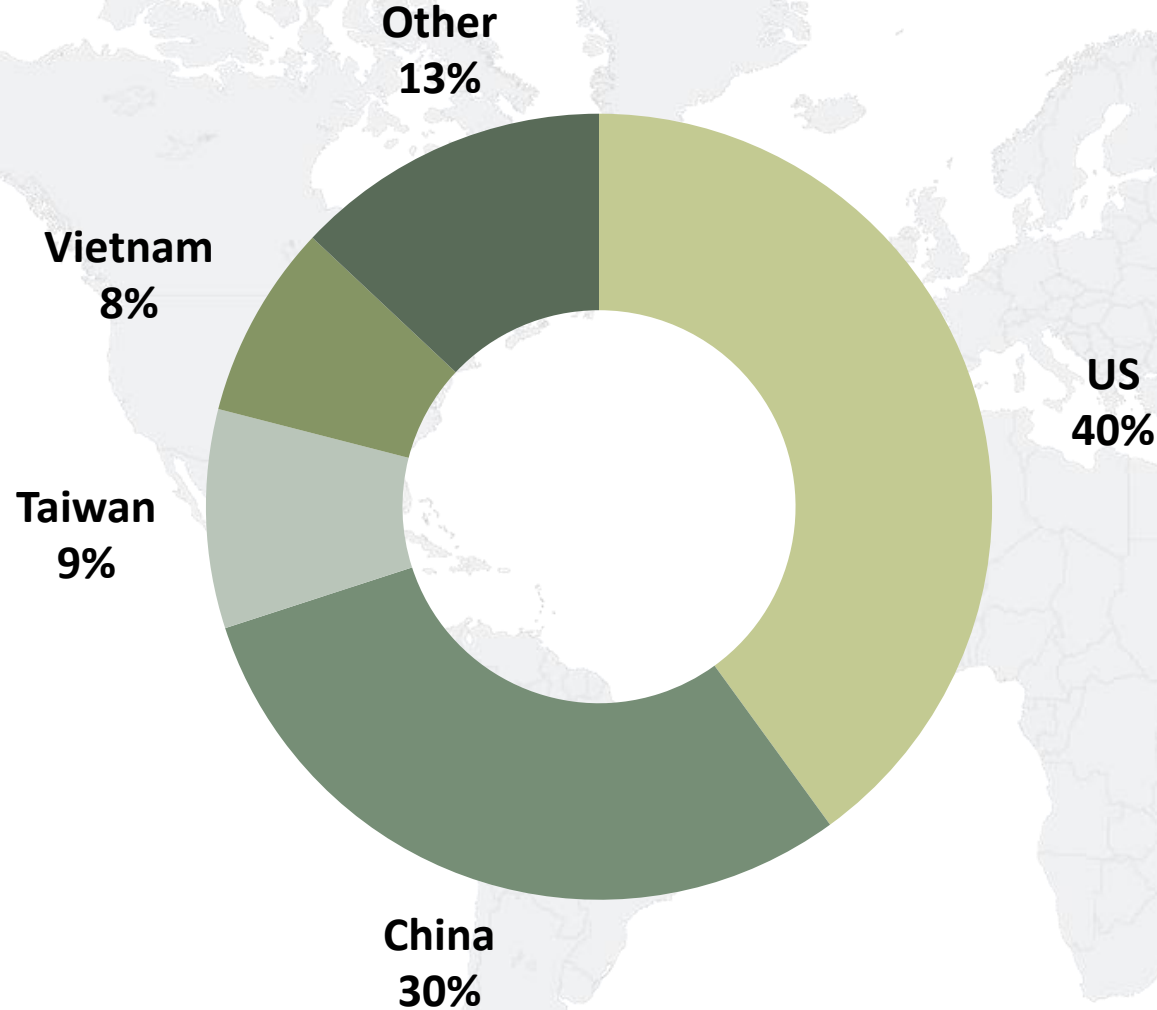
The Company's product / service and sales performance in 2024 :	
Product or Service	Sales Volume (Unit: ten thousand)
Tubes	3,866.6
Tires for motorcycles and other bias tires	3,041.1
Bicycle tires	2,863.1
Radial tires	670.8
Total	10,441.6



Global Production and Sales Locations



Group Sales Proportion - By Region



Sales Area	Sales Ratio (%)
US	40
China	30
Taiwan	9
Vietnam	8
Other	13
Total	100

Participation of External Organization



台灣橡膠暨彈性體
工業同業公會
THE TAIWAN RUBBER & ELASTOMER
INDUSTRIES ASSOCIATION



中華民國全國工業總會
CHINESE NATIONAL FEDERATION OF INDUSTRIES

The Company actively participates in industry associations and local organizations, engaging in dialogue with peers to stay informed of the latest industry developments. Through collaboration across sectors, the Company strives to build a sustainable value chain, prosper the society together, and fulfill social citizen responsibilities. The public associations in which the Company maintains active participation are listed as follows:

Name of Organization	Holding Position
Chinese National Federation Industries	Supervisor
General Chamber of Commerce of the Republic of China	Executive Supervisor
Motorcycle Research and Development Safety Promotion Association of the Republic of China	Director
Taiwan Bicycle Association	Honorary President
Taiwan Transportation Vehicle Manufacturers Association	Executive Director
Taiwan Rubber & Elastomer Industries Association	Honorary President
Taiwan Rubber Research & Testing Center	Honorary Chairman
Resource Reuse Research and Development Foundation	Chairman
National Taiwan University Chemical Engineering Alumni Association	Honorary Consultant
Association of Police Friends of Changhua County, Taiwan	Honorary President
Changhua County Industrial Association	Honorary President
National Taiwan University Alumni Association	Executive Director
International Artificial Intelligence and Law Research Foundation	Vice Chairman
Automobile Safety Association of the Republic of China	Director
The Polymer Society, Taipei	Director
The Red Cross Society of The Republic of China	Director



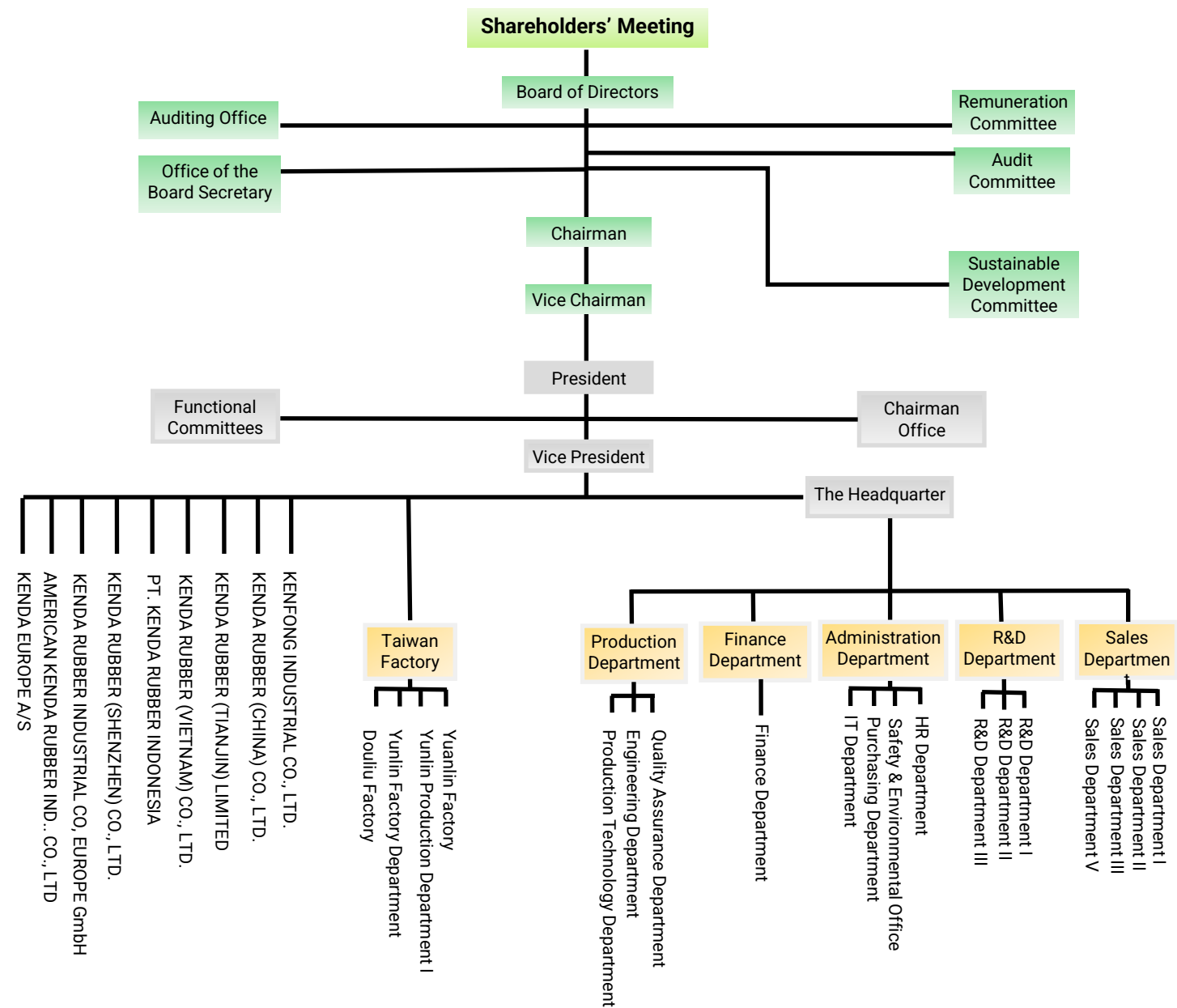
中華民國全國工業總會
CHINESE NATIONAL FEDERATION OF INDUSTRIES

Name of Organization	Holding Position
Sino-Indonesia Cultural and Economic Association	Director, Member
Taiwan Institute of Directors	Member
Yunlin County Industrial Association	Member
Yunlin County Labor and Employment Relations Association	Member
Bicycling Alliance for Sustainability	Director
Chinese Testing and Certification Association	Member
Station of Yunlin County Fire Department	Consultant
Association of Police Friends of Yunlin County, Taiwan	Member
Chinese National Association of Industry and Commerce, Taiwan	Member
National Standards of the Republic of China	Member
Taiwan External Trade Development Council	Member
Management Institute in Taipei	Member
Taiwan Chemical Industry Association	Member
Chinese Institute of Engineers	Member
Chinese Professional Management Association	Member
The Research & Development Institute of Vocational Training Republic of China	Member
Cycling & Health Tech Industry R&D Center	Member
Changhua Disabled Employment Committee	Member
Changhua Honorary Probation Officers Association	Member
Yunlin Technology Industrial Park	Member

Organization Structure

In order to perform the Board of Directors’ functions and improve the Board’s decision-making quality, the Company set up the Audit Committee, Remuneration and ESG Committee under the Board of Directors by authority and function.

The ESG Committee has established the Corporate Governance team, the Environmental, Safety and Health team and Employee Relations and Social Engagement team in accordance with the related business activities. Each team has a leader who shall coordinate the implementation of the team’s tasks. The Chairman's Office is servicing acting as the Bureau of Affairs to take charge of the overall planning on the Committee’s affairs, integrating various functional teams to compile and executing the annual plan, issuing the ESG report and formulating the direction/goals of sustainable development and related management policies.

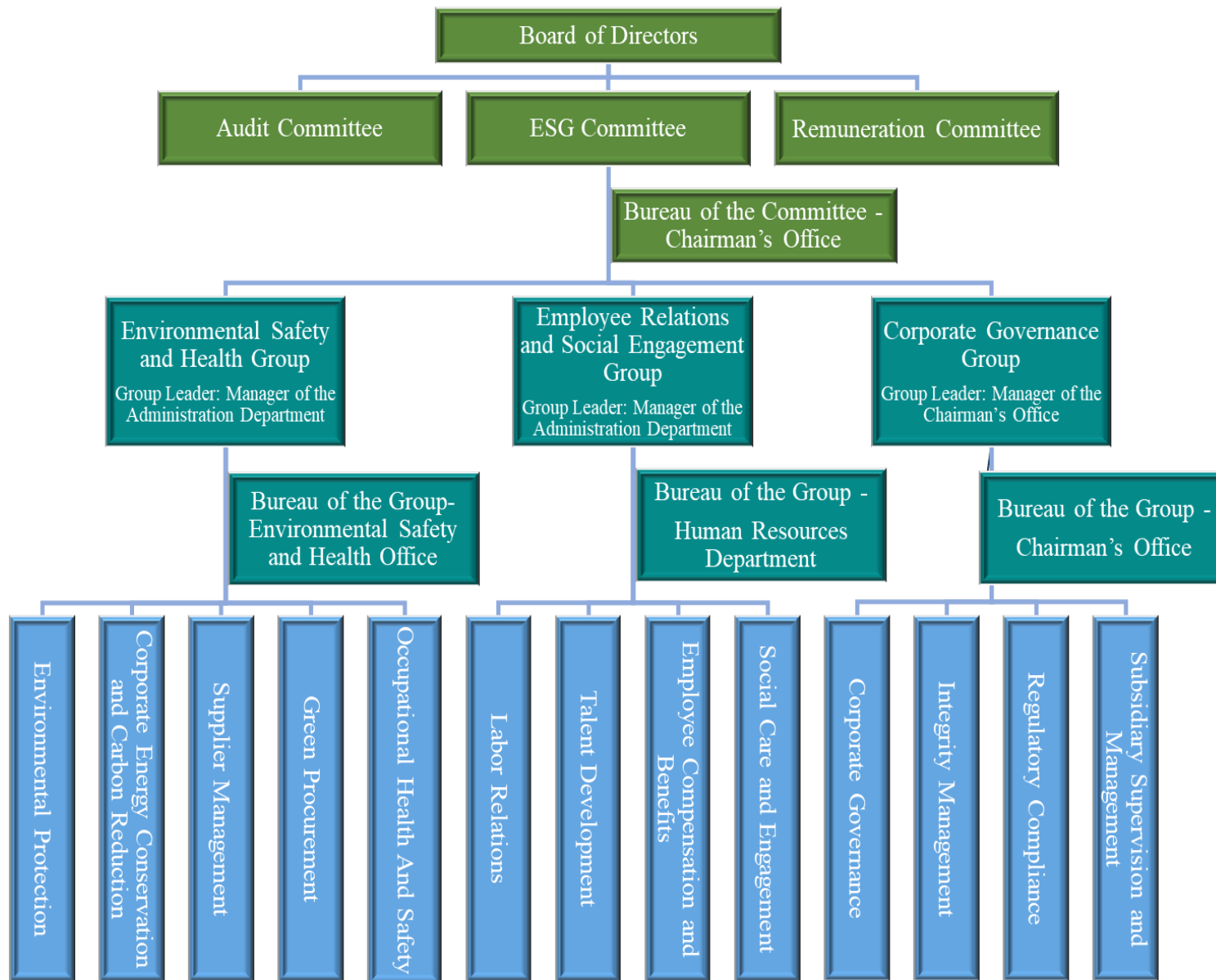


Shareholder Structure

Shareholder Structure		
Closing Date: 2025-03-31		
Shareholder	Number of Shares Held	Shareholding Ratio(%)
Government Agency	305	0.00
Financial Institutions	11,819,779	1.24
Other Juristic Persons	104,136,939	10.91
Foreign Institutions and Foreigners	92,050,990	9.64
Individuals	746,881,987	78.21

A lush, misty jungle scene with vibrant orange flowers in the foreground and butterflies flying in the air. The background is a dense, green forest with hanging vines and a soft, golden light filtering through the canopy.

I. Sustainable Issue Management



1.1 ESG Committee

ESG Committee

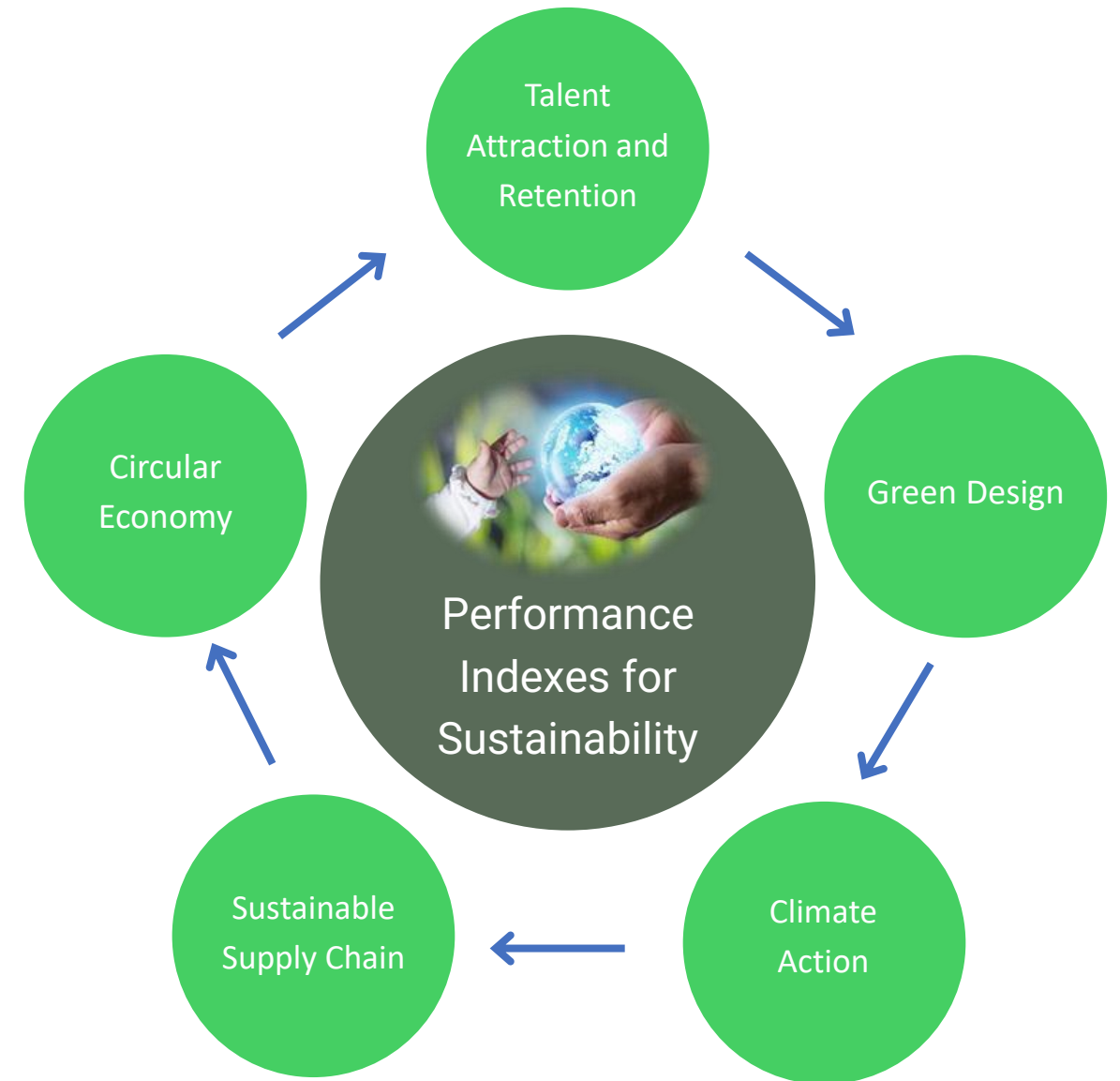
The ESG Committee was established in 2022 to lead the implementation of environmental protection and energy conservation (E), social responsibility and care (S) and corporate governance and risk controls (G) issues. The committee extends the sustainability strategies throughout the group and across the industry and supply chain. While pursuing profits and enhancing international competitiveness, the Company complies with government regulations to bear the liability for environmental protection to mitigate the environmental risk arising from climate change and related social responsibilities to promote sustainability. Finally presents the results in a data-driven manner in the ESG report, so that the stakeholders, including employees, shareholders, investors, suppliers, the government and the public, can better understand the Company's business performance and be more confident in the Company.

Sustainable Performance Indicators

The Committee has set up several functional teams, including the Corporate Governance team, the Environmental Safety and Health team, and the Employee Relations and Community Participation team based on the relevant businesses, and formulates the “Sustainability Practice”, and gradually implements the policy of sustainable development within the Company. The Committee holds regular meetings on a quarterly basis to review the performance indexes for sustainability. At least once a year, the Committee reports to the Board of Directors on the performance results and the work plan for the next year and reviews the annual ESG report. In 2024, a total of 7 meetings were convened, with motions covering the three dimensions of ESG and various sustainability indicators, and on November 8, 2024, the board of directors reported the results of this year's sustainability development and the implementation plan for the next year.



Sustainability Practice



1.2 Stakeholder Communication

Stakeholder Identification

In reference to potential stakeholders in the GRI standards, such as business partners, civil society organizations, consumers, customers, employees and other workers, government agencies, local communities, non-governmental organizations, shareholders and other investors, suppliers, labor unions, disadvantaged groups, financial institutions, academic and industry academe cooperation units and trade associations/unions, etc., as well as the stakeholders in the industry and the Company's 2023 ESG report, the Company ranked the stakeholders based on the sum of the Company's scores of actual negative impact, potential negative impact, actual positive impact, and potential positive impact on the stakeholders, and those with an overall total score of more than 10 were recognized as the Company's important stakeholders in 2024.

In the end, the Company identified eight categories of stakeholders in 2024 include shareholders and other investors, customers/consumers/business associates, employees and other workers, government agencies, government agencies and other stakeholders.



Stakeholder Communication and Effectiveness

Stakeholders	Significance of stakeholders to the Company	Communication Channel and Frequency	Communication Effectiveness
Shareholders and other investors	Shareholders and other investors are supporters of the Company. The Company is committed to protecting its rights and interests, treating all shareholders and other investors fairly, and ensuring that they are fully aware of, participate in, and make decisions on major matters. Through investment and supervision by shareholders and investors, the Company can operate steadily and sustainably.	<ul style="list-style-type: none"> • Convene shareholders' meeting and prepare annual report and Annual General Shareholders' Meeting Handbook (Once/Year). • Disclose Information on the Company website and the Market Observation Post System (Immediately). • Appoint a spokesperson as the communication channel between the Company and public and hold Investors Conference constantly (Immediately). • Investor Relations Contact: Mr. Liu Kuei-Chun. (Email: chun@kenda.com.tw) (Immediately). 	<ul style="list-style-type: none"> • Convened the shareholders' meeting on May 29, 2025. For more information, please refer to the investor relationship (IR) section on the Company's website: https://www.esg.kenda.com.tw/en/%E6%8A%95%E8%B3%87%E4%BA%BA%E5%B0%88%E5%8D%80 • Set up a contacts section on the Company website for communication with investors: https://www.esg.kenda.com.tw/en/%E8%81%AF%E7%B5%A1%E6%88%91%E5%80%91 • Held two Investors Conference: participation in the Yuanta Securities 2024 Q2 Investment Forum and the Cathay Securities 2024 Q4 Industry Forum.
Employees and other workers	Employees are the cornerstone of the Company's sustainable development. The Company is dedicated to understanding and addressing workplace concerns related to compensation, benefits, treatment, and organizational systems, ensuring the Company's long-term development.	<ul style="list-style-type: none"> • Internet and bulletin board (Immediately). • Morning meeting/lecture publicity (From time to time). • Instant messaging, face-to-face communication (Immediately). • Trade Union and labor-management meeting (Once/Quarter). • Supervisory of business labor retirement reserve meeting (Once/Quarter). • Employee welfare committee meeting (Once/Quarter). 	<ul style="list-style-type: none"> • Invited doctors to give 4 health lectures. • Held 5 labor-management meetings, 14 supervisory of business labor retirement reserve meeting, and 2 enterprise trade union meetings. All of the meetings were recorded in writing and were announced through the internet and bulletin boards. • Handle related activities of the Employee Welfare Committee and employee subsidies totaling NT\$6,770,830 and provide a childcare allowance of NT\$470,000.

Stakeholder Communication and Effectiveness

Stakeholders	Significance of stakeholders to the Company	Communication Channel and Frequency	Communication Effectiveness
Customer/ Consumer/ Business partner	Customers, consumers and business partners are the main sources of the Company's revenue and the important drives which the Company relies on. The Company promises to provide customers, consumers and business partners with the best product quality and safety and the most excellent after sale service. Various needs from customers, consumers and business partners for products will also affect the Company's technology research and development and quality management.	<ul style="list-style-type: none"> • E-mail and customer service hotline (0800) (Immediately). • Social media, instant messaging(IM) (Immediately). • Sales call (From time to time). • Customer satisfaction and quality certification survey (Once/Year). • Responses to the C-TPAT security questionnaire (From time to time). • Distributor meeting (Once/ Half a year). • Corporate promotional copywriting/advertising, domestic and international (From time to time). 	<ul style="list-style-type: none"> • Conducted one customer satisfaction survey. • Organized a total of 10 product exhibitions domestically and abroad. • KENDA has 78,000 followers and wins 76,000 likes on Facebook. For the time being, the Company's FB fan pages are mainly operated in North America, Taiwan, and Europe, and have the highest number of followers in North America, followed by Taiwan with 29,000 followers and then Europe with 18,000 followers. • In addition to corresponding services for the existing customers, new customers can contact us on the official website (https://www.kendatire.com/en-us/) and get a quick response.
Local Community	As a company deeply rooted in the local community, the Company is committed to giving back through its philanthropic efforts, aiming to generate greater positive impact for the region.	<ul style="list-style-type: none"> • Field visit or Instant messaging (From time to time or real-time online communication). 	<ul style="list-style-type: none"> • Conducted field visits to community activities • Donated graduation scholarships to Jiouguan Elementary School. • Hosted the 28th Mr. Jin-Bao Yang Memorial Concert - Vox Nativa Choir Taiwan- Encountering Vox Nativa • Hosted environmental education seminars: 3 sessions for junior high schools and 8 sessions for elementary schools.

Stakeholder Communication and Effectiveness

Stakeholders	Significance of stakeholders to the Company	Communication Channel and Frequency	Communication Effectiveness
Government agencies	The government agency supervises and audits the Company's compliance with various laws and regulations in the process of operation and marketing behavior. The Company responds to the regulations applicable in various countries and regions to avoid labor disputes or fines caused by violation of relevant regulations.	<ul style="list-style-type: none"> • Official documents issued by government agencies (From time to time). • Participation in seminars, policy discussions, public hearings, and conferences organized by government agencies (From time to time). • Implementation of fire drill (Twice/Year). • Government agency's website information and reporting system (Regularly). • Audits and visits by government agencies (From time to time). • Instant messaging of government agencies (From time to time). 	<ul style="list-style-type: none"> • Discloses relevant information in accordance with regulations by the MOPS. • Participation in the "1+N Subsidy for Low-Carbon and Intelligent Upgrading and Transformation of Large Enterprises Supporting Small Enterprises," launched by the Ministry of Economic Affairs, and successfully secured a subsidy of NT\$19.399 million by the end of 2024. • Participation in the "Electricity Equipment Maintenance Fee Incentive Program" launched by Taiwan Power Company, and adjusted the contracted capacity within the plant, resulting in a cost saving of NT\$1.75 million in maintenance fees. • The Company actively supported the energy-saving and carbon-reduction policies promoted by the Energy Administration, Ministry of Economic Affairs, by encouraging the use of high-efficiency power equipment and accelerating the replacement of outdated machinery. These efforts aim to enhance industrial productivity and overall energy efficiency and have resulted in the acquisition of relevant government subsidies. • Participation in the "2024 Recharge and Take Off Program – In-Service Training Subsidy for Enterprises" organized by the Central Taiwan Branch of the Workforce Development Agency, Ministry of Labor, and received a subsidy of NT\$541,166. • Provided relevant counseling services for 4 fire drills of the Company by the fire brigade in Taiwan. • The Yunlin County Government's Labor and Youth Affairs Department (Yunlin District) visited Yunlin Factory to conduct policy briefings for foreign employees. • The morning meeting in Yuanlin headquarter for executives invited a tax officer from the Yuanlin Taxation Bureau to give a briefing on the 2023 Individual Income Tax filing. • Relevant environmental permits and occupational safety inspection certificates required for business operations were obtained in accordance with applicable regulations. • A total of 34 occupational safety and environmental protection promotional events organized by the government were attended across Taiwan.

Stakeholder Communication and Effectiveness

Stakeholders	Significance of stakeholders to the Company	Communication Channel and Frequency	Communication Effectiveness
Supplier	Excellent and stable raw materials and supplies lay the foundation of the Company's product quality. The Company maintains positive interactions with suppliers to ensure a stable supply of raw materials, supplies, and services. Meanwhile, the Company and suppliers jointly take measures to create a sustainable supply chain that focuses on the environment, labor rights, safety, health, and social responsibility.	<ul style="list-style-type: none"> • Instant messaging (Immediately). • Supplier complaint channel: E-mail of material department (E-mail: M5100@kenda.com.tw) (Immediately). • Surveys (From time to time) • Platform for contactors' applications for construction work (From time to time). • Contractors' disclosure of hazards, equipment inspection, and qualification review before construction (From time to time). 	<ul style="list-style-type: none"> • Added 55 new suppliers in 2024, signing the sustainability survey and declaration, increasing the total from 1,210 to 1,265 suppliers, with a signing rate of 94%. • The number of visits paid by contractors in Taiwan to the construction site was about 710.
Financial institutions	Financial institutions are considered as the supporters of fund allocation to the Company, enabling the Company to obtain stable and competitive operating capital, ensuring sustainability.	<ul style="list-style-type: none"> • Instant messaging and official documents (Immediately). • Field visit (From time to time). 	<ul style="list-style-type: none"> • Communicates in a timely manner and maintains a good interactive relationship with the immediate supervisor. • Disclosed the financial statements on the Market Observation Post System.

Stakeholder Communication and Effectiveness

Stakeholders	Significance of stakeholders to the Company	Communication Channel and Frequency	Communication Effectiveness
Academic and industry cooperation units	Through industry academia collaboration, scholarships, and organization of various activities, the Company establishes long-term cooperative relationships with colleges and universities and schools at all levels proactively to take root and cultivate industry talents.	<ul style="list-style-type: none"> • Messaging platforms and written documents (Once/Quarter, from time to time or real-time online communication) • Information sessions, launch events, and exhibitions (From time to time) • Field visit (From time to time). 	<ul style="list-style-type: none"> • Through the New Generation Design Industry Academia Collaboration Program, the Company actively engaged with the Taiwan Design Research Institute, the Industrial Development Administration, Ministry of Economic Affairs, academic institutions, and students. In 2024, the Company further partnered with an electric vehicle (EV) enterprise to form collaborative teams. A total of 153 entries were submitted by 27 universities nationwide, fostering three-way interaction among the Design Research Institute, schools, and students. This initiative not only draws innovative ideas but also enhances academic and design communities’ understanding of the Kenda brand culture, promoting joint progress between industry and academia. In the second half of 2024, the Company will implement sustainability-focused design topics, proactively aligning with international trends in ESG and the United Nations Sustainable Development Goals (SDGs). • Awarded scholarships to financially disadvantaged college freshmen (NT\$40,000) and outstanding self-motivated students (NT\$725,000). • Hosted 2 sessions of the Newton Science Camp and 2 sessions of the Dodolon Children's Summer Camp. Organized the “Daren Young” lecture featuring Director Mai Jue-Ming at National Hu-Wei Senior High School. Presented the Mr. Jin-Bao Yang Memorial Award for Outstanding Educators to Associate Professor Lin Ren-Jie of National Taichung University of Education. • Invitation from the Yunlin County Government, the Company organized a “Hello, YunQing” site visit activity to introduce the capabilities of our R&D team, aiming to enhance job seekers’ recognition and affinity toward the Kenda brand. • Participated in the government’s Youth Pre-Employment Program for university students and recruited a recent graduate from the Department of Electrical Engineering at Dayeh University for an internship at our factory.



1.3 Analysis and Identification of Material Topics

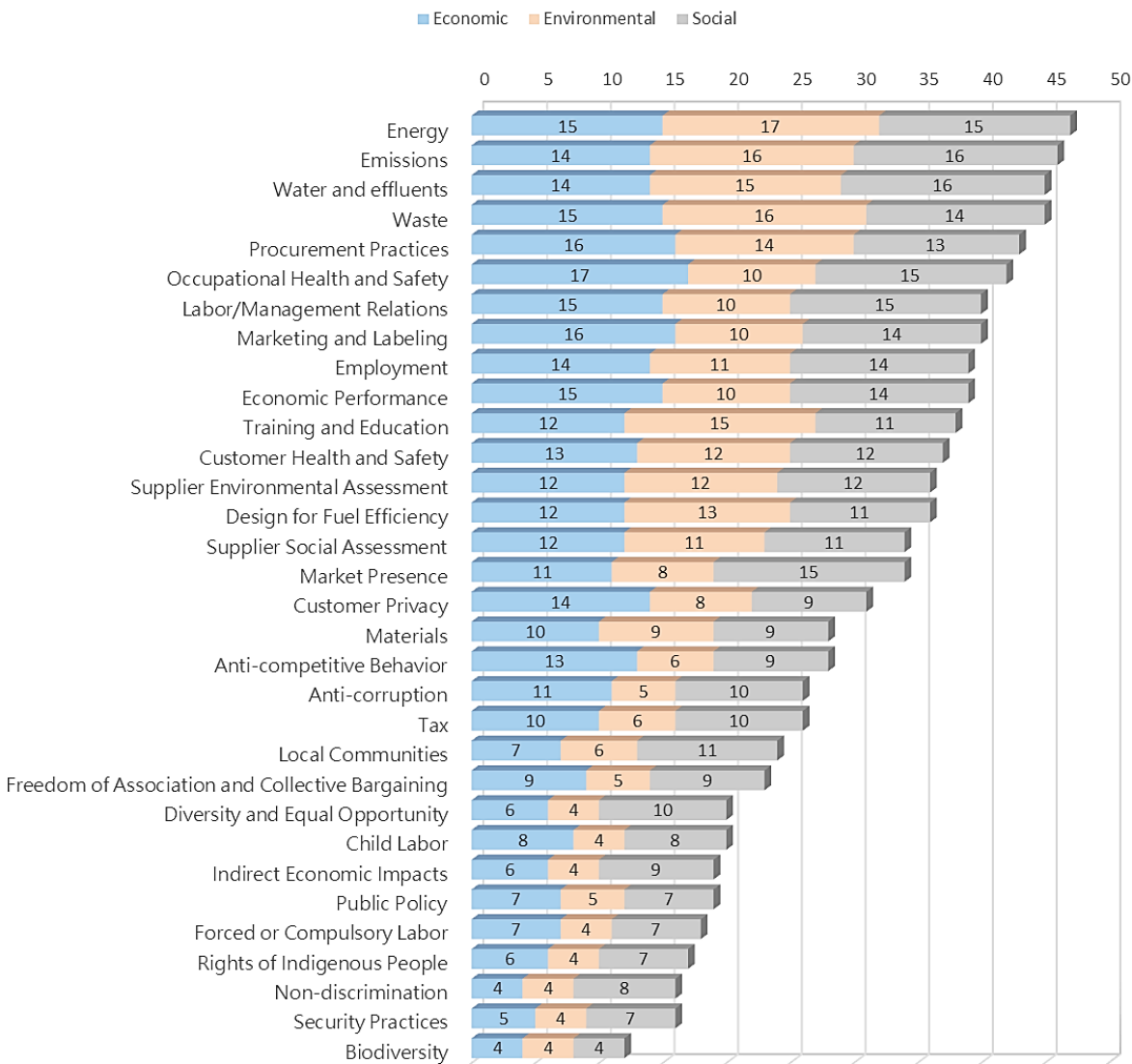
Through the procedure for identification of material topics, the Company analyzed the issues critical to the Company's operating activities, business relations, and sustainable context and identified material topics in 2024. In the management of material topics, the Company responded to issues of concern to various stakeholders.

To make the information disclosed in the ESG report in line with stakeholders' needs, the Company determines the material ESG topics in four steps consisting of "Verification of Organizational Pathway", "Identification of Actual and Potential Impacts Posed by Sustainability Issues", "Assessment on Significance of Impacts" and "Disclosure and Report of Sustainability Issues"

2024 Procedure for Identification of Material Topic		
Item	Explanation	
STEP 1 Verification of Organizational Pathway	To verify the organizational Pathway and search for sustainability issues, with reference to the Material Topics Standards referred to the GRI Standards published by the Global Reporting Initiative (GRI) and the SASB Standards, the Company compiled a total of 32 sustainability issues covering the four sustainability aspects, namely corporate governance, economy, environment and society.	4 major ESG aspects 32 ESG issues
STEP 2 Identification of Actual and Potential Impacts Posed by Sustainability Issues	The external experts rated the Company's sustainability topics in terms of actual or potential negative impacts and positive impacts on the economy, environment or society (human and human right), and summed up the scores of actual negative impact, potential negative impact, actual positive impact and potential positive impact on the economy, environment or society (human and human right) and rank them in order, and those with a total score of more than 30 are considered to be the Company's material issues, provided that the issues listed in the SASB are prioritized to be the Company's material issues.	17 material sustainability issues Consolidated into 11 material topics
STEP 3 Assessment on Significance of Impacts	The scores were authorized upon discussion by the company at the ESG Committee meeting. Based on the experience in business management, the Company analyzed the significance and possibility of the impacts of the issues and determined the Company's 17 material sustainability issues.	
STEP 4 Disclosure and Report of Sustainability Issues	Subject to the analysis results of material sustainability issues and nature of the issues, the comprehensive assessment together with various departments of the Company and categorized the 17 material sustainability issues into 11 material topics. The Company communicated with and responded to stakeholders via the ESG report.	

Material Topics Identification Results

The Degree of Impact of Kenda Material Topics



Material Topics				
1. Energy	2. Emissions	3. Water and effluents	4. Waste	5. Procurement Practices
6. Occupational Health and Safety	7. Labor/ Management Relations	8. Marketing and Labeling	9. Employment	10. Economic Performance
11. Training and Education	12. Customer Health and Safety	13. Supplier Environmental Assessment	14. Design for Fuel Efficiency	15. Supplier Social Assessment
16. Market Presence	17. Customer Privacy			

Secondary Topics				
18. Materials	19 Anti-competitive Behavior	20 Anti-corruption	21. Tax	22. Local Communities
23. Freedom of Association and Collective Bargaining	24. Diversity and Equal Opportunity	25. Child Labor	26. Indirect Economic Impacts	27. Public Policy
28. Forced or Compulsory Labor	29. Rights of Indigenous People	30. Non-discrimination	31. Security Practices	32. Biodiversity

Boundary of Impact of the Material Topics

In 2024, through the analysis and discussion, a total of 17 material sustainability issues were identified, and the value chain was considered as the element of the impact boundary analysis. The Company will continue to strengthen the relevant management and disclose relevant information in the ESG report.

Material Topics	Value Chain Impact Boundary of Material Topics	The Management Approach Corresponding Chapters	Page
Energy and Emissions	<ul style="list-style-type: none"> (caused by) the Company, (directly related to) suppliers, and (facilitated by) the public 	3.2 Energy and Greenhouse Gas Emissions Management	92
Water and Effluents	<ul style="list-style-type: none"> (caused by) the Company, (directly related to) suppliers, and (facilitated by) the public 	3.3 Water Resource Management	103
Waste	<ul style="list-style-type: none"> (caused by) the Company, (directly related to) suppliers, and (facilitated by) the public 	3.4 Waste Management	108
Procurement Practices and Supplier Management (Supplier Environmental Assessment and Supplier Social Assessment)	<ul style="list-style-type: none"> (caused by) the Company, (directly related to) suppliers of supplies and raw materials 	5.1 Supplier Management	138
Customer Health and Safety	(caused by) the Company, (directly related to) suppliers, and (facilitated by) the public	4.1 Green Production	112
Employment, Labor/Management Relations, Training and Education, and Market Presence	(caused by) the Company, (directly related to) employees	6.1 Human Resource Management	149
Occupational Health and Safety	(caused by) the Company, (directly related to) suppliers, and (directly related to) customers	6.3 Occupational Safety and Health	164
Marketing and Labeling	(caused by) the Company, (directly related to) suppliers, (directly related to) customers and (directly related to) consumers	4.2 Product Quality Assurance	124
Economic Performance	(caused by) the Company	2.5 Economic Performance	78
Customer Privacy	(caused by) the Company, and (directly related to) customers	4.3 Customer Service Management	133
Design for Fuel Efficiency	caused by) the Company, (directly related to) customers, and (directly related to) consumers	4.1Green Production	112

List of Material Topics

Material Topics	Descriptions about the Organization's Policies or Commitments Related to Material Topics	Descriptions about the Effects and Impacts	Major Affected Targets	Preventive or Remedial Measures Against Negative Impacts	Goals and Objectives	Corresponding Chapters and Sections
Energy and Emissions	Green production, safety and health, and sustainable operations": Based on the philosophy of corporate social responsibility and sustainable operations, with the goals of energy conservation, carbon reduction, and green production, the Company promotes the energy management system that meets international standards.	<p>Economy and Environment - Potential/Negative Impacts:</p> <ol style="list-style-type: none"> 1. Energy consumption will increase greenhouse gas emissions, and greenhouse gas is the root cause of the increasing temperature on the earth. The rising temperature of the earth might cause drastic changes in climate, increase catastrophic weather events, and cause serious harm to human beings and society. 2. Unlawful emissions result in air pollution, posing adverse impacts to the health of workers and neighbors, and are likely to hurt the Company's reputation. 3. Without effective energy management, the Company's future energy costs will increase significantly. <p>Economy - Potential/Positive Impacts:</p> <p>Well-controlled greenhouse gas emissions can help reduce the global warming speed and mitigate the loss to the Company's assets caused by severe climate disasters.</p>	All stakeholders.	<ol style="list-style-type: none"> 1. Promoted ISO 50001 energy-saving and carbon-reduction initiatives, and improved production processes to enhance energy efficiency per unit of product. 2. Participated in the Ministry of Economic Affairs' 1+N Subsidy for Low-Carbon and Intelligent Upgrading and Transformation of Large Enterprises Supporting Small Enterprises" to strengthen carbon management capabilities and reduce emissions across the supply chain and within the company. 3. The main sources of exhaust emissions from tire manufacturing plants are boiler combustion and process fugitive emissions. Pollutants are collected and treated using optimal pollution control equipment, such as cyclone dust collectors and bag filters, all in compliance with regulatory emission standards. 4. Carbon reduction performance and improvement measures are reviewed through the Occupational Safety, Health, and Environmental Promotion Meeting and related committees, advancing toward established carbon reduction goals. 	<ul style="list-style-type: none"> • Taiwan's energy conservation target for "Annual electricity saving rate by more than 1%." • The carbon reduction target set is "Carbon reduction by 3% per year and by 25% in total by 2030." 	3.2 Energy and Greenhouse Gas Emissions Management

List of Material Topics

Material Topics	Descriptions about the Organization's Policies or Commitments Related to Material Topics	Descriptions about the Effects and Impacts	Major Affected Targets	Preventive or Remedial Measures Against Negative Impacts	Goals and Objectives	Corresponding Chapters and Sections
Water and Effluents	"Green production, safety and health, and sustainable management. "Improvement of recycling water consumption rate, water resource conservation, and compliance with effluent standards.	<p>Economy and Environment - Actual/Positive Impacts:</p> <ol style="list-style-type: none"> 1.Reduce water consumption costs. 2.Mitigate land subsidence. 3.Protect the ecological integrity of river water bodies. <p>Environment - Potential/Negative Impacts:</p> <ol style="list-style-type: none"> 1.Water pollution resulting in catastrophe to the environmental ecological chain. 2.No water available in a dry season as a result of the excessive water resource consumption. 3.Land subsidence 	Shareholders, other investors, local communities, and employees.	The Company reviews the sewage recovery rate each year, plans to reduce the process wastewater emissions and improve the sewage recovery rate through projects. Meanwhile, the Company continues to create the water quality that meets the effluent standards under the Water Pollution Control Act. If the reduction policy achieves the effect less than the expectation, the Company will seek cooperation with related units proactively to achieve the effluent reduction and increase the reuse of recycled effluent.	<p>Short /Mid /Long-Term Goals:</p> <ul style="list-style-type: none"> • The annual water intake is reduced by 10% compared to the previous year's actual consumption. • 0 case for violation of the environmental protection emission standards/laws and regulations sanctioned by the local government. 	3.3 Water Resource Management
Waste	Waste generation, disposal, and storage operations are carried out in accordance with environmental regulations and must comply with the locally approved "Industrial Waste Disposal Plan" (Waste Disposal Document) issued by the competent authority.	<p>Environment - Actual/Positive Impacts:</p> <ol style="list-style-type: none"> 1.Promote waste recycling and reuse to reduce the extraction of virgin resources. 2.Minimize risks of water, soil, and air pollution. <p>Economy and Environment - Potential/Negative Impacts:</p> <ol style="list-style-type: none"> 1.Unlawful disposal of waste might result in environmental pollution and is likely to cause the Company's to suffer sanction by the government agencies. 2.Waste materials, upon natural decomposition, may generate rubber micro-particles that enter the food chain, posing risks to ecological systems and human well-being. 	Shareholders, other investors and local communities.	Through the monthly Occupational Safety, Health, and Environmental Promotion Meeting, the Company reviews the entire waste management results in the monthly EHS promotion meeting and sets forth the waste reduction strategy. Meanwhile, it continues to aim at the recycling rate by 10% to minimize the environmental impact.	<p>Short-term goals:</p> <ul style="list-style-type: none"> • Reduction of the waste output by 10% and achievement of the recycling rate by 10% within 5 years. <p>Mid-term goal:</p> <ul style="list-style-type: none"> • Reduction of the waste output by 15% before 2030. <p>Long-term goals:</p> <ul style="list-style-type: none"> • Achievement of the recycling rate by 20% in 2050. 	3.4 Waste Management

List of Material Topics

Material Topics	Descriptions about the Organization's Policies or Commitments Related to Material Topics	Descriptions about the Effects and Impacts	Major Affected Targets	Preventive or Remedial Measures Against Negative Impacts	Goals and Objectives	Corresponding Chapters and Sections
Occupational Health and Safety	<p>1.0 occupational accidents.</p> <p>2.Compliance with the related requirements under the Occupational Safety and Health Act.</p>	<p>Economic and Society - Actual/Positive Impacts: Mitigation of occupational accidents through the safety education, equipment safety improvement, tour inspection in workplace and regular employee health checkup. Creation of a bright and safe working environment.</p> <p>Economic and Society - Potential/Negative Impacts: Unsafe behaviors and equipment cause occupational accidents to employees, resulting in loss of manpower and production interruptions, as well as the risk of compensation, fines, and damage to the corporate image.</p>	Shareholders, other investors and employees.	<p>1.The safety of new equipment is ensured through the inspection in three steps for safe operation. Check the safety devices of the existing equipment each month to ensure the normal functionality.</p> <p>2.The Company provides each employee with the code of practice on safety and health including various facility safety standards and health guidance and protective gear. Meanwhile, the Company also sets up the safety and health classroom to ensure the employees' awareness toward safety efforts.</p> <p>3.Determine various risk control measures through prior hazard inventory, identification and risk assessment, review their adaptability and effectiveness, record and manage and review and revise according to the risk assessment results.</p> <p>4.Regular safety and health meetings are held to review the implementation of safety and health matters and prevent accidents.</p> <p>5.In the event of an accident or illegal matter, an investigation should be conducted, the cause analyzed, countermeasures to prevent recurrence should be formulated and implemented horizontally.</p>	<ul style="list-style-type: none"> • Compliance with the related requirements under the Occupational Safety and Health Act. • Implementation of the management based on zero occupational accident and occupational accident prevention policy. 	6.3 Occupational Safety and Health

List of Material Topics

Material Topics	Descriptions about the Organization's Policies or Commitments Related to Material Topics	Descriptions about the Effects and Impacts	Major Affected Targets	Preventive or Remedial Measures Against Negative Impacts	Goals and Objectives	Corresponding Chapters and Sections
Customer Health and Safety	The Company develops new products and also completes the test and review required at various stages ranging from product planning, product design, test run and trial production to formal production, in accordance with the IATF 16949 quality management system for car makers, in order to ensure the products in line with the targets set by the product planning and also the product quality and safety.	Economy and Society - Potential/Negative Impacts: If poor product design causes harm to customers' health and safety, the Company will lose customers' support and suffer economic losses. There may also be fines and risk over impairment to corporate identity if products violate the local laws and regulations.	Employees, customers, consumers, business partners.	1.Confirm related laws and regulations and develop the raw materials and product specifications to ensure compliance with product performance. Inclusion/enhancement of the failure mode through the quality committee members' discussion of misconduct to develop control items to ensure that the same problems will not occur again. 2.Tire performance is regularly sampled and tested.	<ul style="list-style-type: none"> • 0 case for violation of the product safety standards/laws and regulations sanctioned by the local government. • All tires must fully comply with the testing requirements set forth by the Bureau of Commodity Inspection. 	<p>4.1 Green Production</p> <p>4.2 Product Quality Assurance</p>
Design for Fuel Efficiency	In response to the booming electric vehicle market, the Company is committed to developing products with fuel efficiency and low rolling resistance that meet the requirements of electric vehicles (including cars, motorcycles and bicycles), to develop the product projects following high specifications and obtain energy conservation certification.	Economy and Environment - Potential/Negative Impacts: 1.If the fuel efficiency of transportation facilities is lowered due to the tire design, the energy burden will increase, and the greenhouse gas emissions also increase accordingly. 2.If it is impossible for the product to comply with local fuel efficiency regulations everywhere, the product cannot be sold locally. 3.Various countries have made fuel-efficiency labels transparent. Low fuel efficiency is obvious and can lead to low product competition easily.	Shareholders, other investors, employees, customers, consumers, business partners.	<p>1.Obtain fuel efficiency certification in accordance with local laws and regulations for product sales.</p> <p>2.Develop products that may achieve the highest level of fuel efficiency.</p>	<ul style="list-style-type: none"> • The level of existing automobile tires is B/B. • The short-term goal for automobile tires is to achieve Level-A for fuel efficiency/Level-B for wet grip by 2025. The med and long-term goals are to achieve Level-A for fuel efficiency/Level-A for wet grip by 2027. • Starting from the base year, 2023, the goal is to reduce fuel efficiency by 5% each year for motorcycle tires. 	<p>4.1 Green Production</p>

List of Material Topics

Material Topics	Descriptions about the Organization’s Policies or Commitments Related to Material Topics	Descriptions about the Effects and Impacts	Major Affected Targets	Preventive or Remedial Measures Against Negative Impacts	Goals and Objectives	Corresponding Chapters and Sections												
Economic Performance	The company grows steadily, maintains good operating performance, and develops sustainably.	<p>Economy - Actual/Positive Impacts: Continue to grow and operate to promote the development of the upstream and downstream of the industrial chain to become the force to stabilize the industry.</p> <p>Economy - Potential/Negative Impacts: If the Company suffers losses due to poor management, the Company’s market price will decline and thereby cause losses to investors. Employees and other stakeholders might also be affected by poor management.</p>	All stakeholders.	Convene the management meeting regularly to review and confirm that the Company is developing stably; if the Company has suffered or is going to suffer losses, it will immediately convene the management meeting and set forth relevant solutions.	<table><tr><th>Year Product Type</th><th>2024 Sales Volume (in thousand units)</th></tr><tr><td>Bicycle tires</td><td>23,751</td></tr><tr><td>Tires for motorcycles and other bias tires</td><td>27,284</td></tr><tr><td>Radial tires</td><td>9,903</td></tr><tr><td>Tube</td><td>35,744</td></tr><tr><td>Total</td><td>96,682</td></tr></table>	Year Product Type	2024 Sales Volume (in thousand units)	Bicycle tires	23,751	Tires for motorcycles and other bias tires	27,284	Radial tires	9,903	Tube	35,744	Total	96,682	2.5 Economic Performance
Year Product Type	2024 Sales Volume (in thousand units)																	
Bicycle tires	23,751																	
Tires for motorcycles and other bias tires	27,284																	
Radial tires	9,903																	
Tube	35,744																	
Total	96,682																	
Customer Privacy (Customer Privacy Control)	The Company strengthens the security management of various information to ensure confidentiality, integrity, and availability of information to meet the business needs.	<p>Society - Actual/Positive Impacts: Strengthen customer trust and enhance brand reputation.</p> <p>Economy - Potential/Negative Impacts: If customer privacy is compromised due to improper management, fraud may occur in the society, causing customers’ finance and personal safety to be affected, and the Company might have to deal with large compensation and fine. There might be risk over impairment to the Company’s corporate image.</p>	Shareholders and other investors, customers, consumers, business partners.	Subject to the requirement and by reviewing the personal data checklist annually, the Company establishes the procedure for handling abnormal conditions. Upon receipt of any whistleblowing case or report of suspected data leakage, the related management department shall be notified for investigation, and the related supervisory unit shall also be informed. If the leakage event is proven, legal action will be handled in accordance with the Company’s policy.	<p>Short-term Goal:</p> <ul style="list-style-type: none">Conduct regular information security training for all employees. <p>Mid-term Goal:</p> <ul style="list-style-type: none">Implement comprehensive encryption for critical customer data. <p>Long-term Goal:</p> <ul style="list-style-type: none">Obtain ISO 27001 certification for Information Security Management Systems (ISMS).	4.3 Customer Service Management												



List of Material Topics

Material Topics	Descriptions about the Organization's Policies or Commitments Related to Material Topics	Descriptions about the Effects and Impacts	Major Affected Targets	Preventive or Remedial Measures Against Negative Impacts	Goals and Objectives	Corresponding Chapters and Sections
Marketing and Labeling	All product labels comply with local labeling laws and regulations and provide consumers with sufficient information to select tires that meet their needs and also the correct method to use the tires.	<p>Economy - Potential/Negative Impacts: Stimulate consumer purchase intent and enhance brand image.</p> <p>Economy and Society - Potential/Negative Impacts: Tire labeling shall comply with local labeling laws and regulations before they can be sold locally. Tire labeling information must be clear enough to enable consumers to select suitable tires correctly. Meanwhile, if the tire is labeled in error, the tire might blow out in the process of assembly and thereby endanger people's lives.</p>	Shareholders and other investors, employees, customers, consumers, business partners and suppliers.	<p>1.The Company sets up the Standards Division to conduct regular inspections on development of laws and regulations in various countries and notifies the R&D Department to ensure that tire labeling design complies with the laws and regulations of various laws and regulations.</p> <p>2.The Company converts the products in line with Kenda product specifications in accordance with the labeling laws and regulations of various countries. The Company tests the fitness of tires and rims and measures the tire size to ensure compliance with the tire labeling.</p>	<ul style="list-style-type: none"> The short-, mid-, and long-term goals for tire sales labeling include compliance with the local labeling laws and regulations, legibility, and avoidance of related disciplinary actions or penalties. 	4.2 Product Quality Assurance
<p>Employment</p> <p>Labor/ Management Relations</p> <p>Training and Education</p> <p>Market Presence</p>	In terms of acquisition and training of human resources, the Company actively constructs systems and channels that are superior to those in the industry to maintain the Company's competitiveness in human resources.	<p>Economy and Human Rights - Actual/Positive Impacts: Maintain good communication with employees and provide employees with excellent benefits to make employees have higher recognition toward the Company, lower the dismissal rate and reduce the turnover rate.</p> <p>Economy - Potential/Negative Impacts: Failure to consider the market and pay level among peers, incomplete continuous improvement plans for employees' abilities, and violations of local labor laws and regulations will reduce employees' identification with the Company and result in the loss of talent, thereby being disadvantageous to operations.</p>	Shareholders, other investors and employees.	<p>1.By reporting the "compensation of non-executive employees" to TWSE each year, the Company continues to review the gap between employee salaries and the pay level of benchmark companies and participates in the TTQS assessment organized by the Ministry of Labor regularly, to confirm that the training results are maintained. Provide grievance system and accept opinions from all employees via labor unions and labor-management meetings regularly.</p> <p>2.Establish a compliance management mechanism, including compliance organizational specifications, systems, etc.</p>	<p>Short-term goals:</p> <ul style="list-style-type: none"> In compliance with the laws and regulations, and to protect employees' interest and rights, compensation adjustments of 1% to 3% will be made annually. <p>Mid-term goals:</p> <ul style="list-style-type: none"> Provide the employees with the opportunities and channels for continuing education, prepare the talent pool system and succession plan to ensure the sustainability. <p>Long-term goals:</p> <ul style="list-style-type: none"> Create the employee stock ownership trust to share business results and achieve coprosperity between the labor and management. 	6.1 Human Resource Management




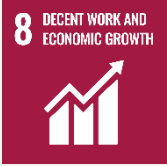
List of Material Topics

Material Topics	Descriptions about the Organization's Policies or Commitments Related to Material Topics	Descriptions about the Effects and Impacts	Major Affected Targets	Preventive or Remedial Measures Against Negative Impacts	Goals and Objectives	Corresponding Chapters and Sections
Procurement Practices Supplier Management (Supplier Environmental Assessment and Supplier Social Assessment)	The supply chain risk management constitutes a part of business competitiveness, so the Company pays close attention to the related risks encountered by the suppliers in the supply chain.	Economy and Society - Actual/Positive Impacts: Manage suppliers adequately and set forth perfect procurement requirements, pay attention to the supplier environment and human rights of their workers, to fulfill the social responsibilities, and develop the supply chain sustainably. Economy and Society - Potential/Negative Impact: The operation and production of suppliers are affected due to international situations (wars and tariff barriers) or major natural disasters (earthquakes, fires and snow damage).	Suppliers and business partners.	The Company asks suppliers to review operational status and manage the risks associated with geographic distribution of production lines, to mitigate the risk over raw materials shortage resulting from extreme climate or international circumstances change in the future. 1.Solicit suppliers from different countries. 2. If there is only one supplier, look for a second or third supplier. 3.Cooperate with R&D department to find eco-friendly raw materials and set forth the procedure to deal with shortage of supply.	Short-term goals: • The Company implements the supplier sustainable development questionnaire and statement for new suppliers. As of 2024, the recycling rate was 94%, and we will continue to promote and improve the recycling rate. Mid- and long-term goals: • Focus on the greenhouse gas inventory and aim to find a supply chain that meets environmental protection and renewable raw materials requirements and is able to develop sustainably.	5.1 Sustainable Supply Chain




1.4 Response to the United Nations Sustainable Development Goals

SDGs Goals	Target Action	Corresponding Chapter
	<ul style="list-style-type: none"> • Provided group health insurance. • Provided doctors with access to the factory for health consultation services, arrange health lectures, plan and arrange special hazards and health checks for employees. • Trained employees on first aid and fire-fighting equipment drills, and emergency response drills to improve employees' resilience. 	6.1 Human Resource Management 6.3 Occupational Safety and Health Management
	<ul style="list-style-type: none"> • Industry-Academia Collaboration with Universities • Awarded scholarships for the education of employees' children. • Discounted agreements for childcare, kindergartens, and provided childcare allowance. • Strengthen employee training programs and apply for government-subsidized courses. • Activities of Kenda Culture and Education Foundation: offered the scholarships – Kenda Outstanding Self-improvement Scholarship, poverty scholarship for college freshmen; donated graduation scholarships to Jiouguan Elementary School; organized of activities including concerts, summer camps, talks with young students, and environmental education seminars, etc. 	1.2 Stakeholder Communication 6.2 Employee Training and Education 6.4 Employee Welfare and Labor Relations 7.1 Social Welfare 7.2 Social Care Activities



SDGs Goals	Target Action	Corresponding Chapter
	<ul style="list-style-type: none"> The proportion of female board directors has reached 27%. Emphasized gender equality, the starting compensation standards and promotion are consistent. The standard compensation for entry-level employees of different genders is approximately equal to the local minimum wage, at a ratio of 1:1. 	2.1 Corporate Governance 6.1 Human Resource Management
	<ul style="list-style-type: none"> The waste (sewage) emissions meet the local laws during the reporting period. In 2024, the Group's water withdrawal decreased by 6%. Continue to implement measures, such as wastewater (sewage) recycling rate, effluent quality monitoring, and water consumption reduction. 	3.3 Water Resource Management
	<ul style="list-style-type: none"> Increase in the use of green electricity (including photovoltaic power, purchased green electricity, and renewable energy certificates): 33.48% at the Kunshan plant and 84.93% at the Tianjin plant. The Company's Energy Conservation and Carbon Reduction Action Plan resulted in an annual reduction of 9,099 metric tons of CO₂e in greenhouse gas emissions. 	3.2 Energy and Greenhouse Gas Emission Management
	<ul style="list-style-type: none"> Earnings per Share (EPS) increased from 0.92 in 2023 to 1.30 in 2024. No child labor is employed, and suppliers are required to sign a sustainable development statement to promise not to employ child labor. Since 2018, the Company has offered a raise of 1%~3% for all employees each year. It provides the employees with opportunities and channels for continuing education, prepare the talent pool mechanism and succession plan. Employed minority or vulnerable groups and provided them with employment opportunities. The Company implements the maternity health protection plan to ensure the work safety of female workers. 	2.5 Economic Performance 5.1 Supplier Management 6.1 Human Resource Management 6.3 Occupational Health and Safety Management

SDGs Goals	Target Action	Corresponding Chapter
	<ul style="list-style-type: none"> The launch of the KR616EV electric vehicle tire contributes to the Group's portfolio of low-carbon transportation products. Developed high-performance bicycle inner tubes with 4 times enhanced air retention and airless tires. 	Awards 4.1 Green Production
	<ul style="list-style-type: none"> The Company establishes its human right policy (including suppliers) in accordance with the internationally recognized human rights standards, such as the "United Nations Global Compact," "United Nations Universal Declaration of Human Rights" and "International Labor Organization Declaration of Fundamental Principles and Rights at Work." Established the "Kenda Industrial Enterprise Union" to uphold employees' legally granted rights to freedom of assembly and association. 	2.2 Ethical and Integrity Corporate Management 6.2 Employee Training and Education
	<ul style="list-style-type: none"> Managed and disposed of waste in accordance with the law and implemented waste reduction activities. Maintained the air pollution prevention equipment in the factory in normal operation and complied with the emission standards. 	3.2 Energy and Greenhouse Gas Emission 3.4 Waste Management

SDGs Goals	Target Action	Corresponding Chapter
	<ul style="list-style-type: none"> • According to the GRI Standards, TFCD, and SASB indicators, the Company continues to compile the sustainable operating results and prepare the ESG report each year. • Kunshan Factory passed the "clean production" audit by Suzhou Environment and Ecology Bureau. • Industrial waste was properly stored and processed in accordance with regulations, and the recycling rate was improved. In 2024, total waste generation decreased by approximately 6% compared to 2023. • The Company continues to promote the recall rate of the supplier sustainability questionnaire and statement to promote sustainable economic development and accountability. • The use of recycled and biomass materials, reduction of packaging materials, and inner tube recycling. 	<p>About the ESG Report 3.4 Waste Management 4.1 Green Production 5.1 Supplier Management 5.2 Supply Management</p>
	<ul style="list-style-type: none"> • Promote the TCFD framework, set governance, strategy, risk, indicators, and goals, and identify climate risks and opportunities. • Carbon reduction targets - Carbon reduction by 3% per year and by 25% in total by 2030. • Promoted organizational-level greenhouse gas inventory operations and established a management system. • Applied for the Ministry of Economic Affairs - Subsidy for Low-Carbon and Intelligent Upgrading and Transformation of Large Enterprises Supporting Small Enterprises. 	<p>3.1 Climate Change Management 3.2 Energy and Greenhouse Gas Emission</p>
	<ul style="list-style-type: none"> • Kenda ESG website has sections of "Sustainable Development," "Corporate Governance" and "Investor Section" where the performance of sustainable development management performance and communication channels for stakeholders are disclosed. • Complete the performance evaluation on the Board of Directors in 2024. • Require new members of the Board of Directors, managers and new employees to sign non-disclosure agreements and letters of undertaking for disclosure of interest and recusal from any conflict of interest, and suppliers and customers to sign the integrity commitment. • The Company has established the "Ethical Management Best Practice," "Code of Ethical Conduct and Regulations Governing Stakeholders' Recusal from Conflict of Interest," and "Regulations on Prevention of Insider Trading." It also established the "Ethical Management Promotion Task Force" to act as a dedicated unit for promoting ethical corporate management, responsible for establishment and supervision of implementation of ethical management policies and prevention programs. There was no anti-corruption/bribery incident in 2024. A total of 211,140 people attended the internal/external education and training related to ethical management. • There was zero data breach from 2018 to 2024. • In 2024, all factories and suppliers of the Company around the world were free from discrimination, violation of human rights, and employment of child labors. 	<p>1.2 Stakeholder Communication 2.1 Corporate Governance 2.2 Ethical and Integrity Corporate 4.3 Customer Service Management 6.1 Human Resource Management</p>

A photograph of a small, vibrant green tree growing out of a discarded black tire. The tire is lying on a patch of dark, rich soil. In the background, a dense forest of tall trees is visible, with sunlight filtering through the leaves, creating a bokeh effect. The overall scene conveys a message of environmental sustainability and the potential for growth from waste.

II. Sustainable Corporate Governance



2.1 Corporate Governance

The Board of Directors

The Company's Board of Directors was established in accordance with the Company Act and other related regulations, and operates in compliance with the Articles of Incorporation to:

- Supervise business performance.
- Prevent conflicts of interest.
- Ensure the Company complies with laws and regulations.

According to the Company Act, the Board of Directors shall appoint directors and independent directors to conduct business and be subject to regular auditing, to ensure business performance and sustainable operation.

The following table shows the information of each Board of Directors and Independent Directors:

Position	Name	Gender	Initial Elected Date	Principal Work Experience and Academic Qualifications	Position(s) Held Concurrently in the Company and other Companies	Industry Experience				Professional Ability		
						Bank	Management	Business Marketing	R&D	Accounting and Financial Analysis	Information Technology	Risk Management
Chairman	Yang, Chi-Jen	Male	1979.05.20	MBA, The City University of New York Vice Chairman, Kenda Rubber Ind., Co., Ltd	Chairman, American Kenda Rubber Ind., Co., Ltd.	V	V	V		V		V
Vice Chairman	Chang, Hong-Der	Male	2003.06.20	Ph.D., Mechanical Engineering, Cornell University President, Kenda Rubber Ind., Co., Ltd.	Vice Chairman, Kenda Rubber Ind., Co., Ltd.		V	V	V	V	V	V
Director	Yang, Ying-Ming	Male	1974.01.01	M.S., Chemical Engineering, Syracuse University Chairman, Kenda Rubber Ind., Co., Ltd.	Group Chairman, Kenda Rubber Ind., Co., Ltd. Chairman, Kenjou Ind., Co., Ltd		V	V	V	V		V
Director	Chen, Chao-Jung	Male	2012.06.13	M.S., Materials Science and Engineering, The Ohio State University President, Kenda Rubber Ind. Co. Ltd			V	V	V	V	V	V
Director	Lin, Chien-Liang	Male	2024.03.01	Associate degree in Business Administration, Tamsui Institute of Business Administration General Manager, Kenda Rubber (China) Ind., Co., Ltd. General Manager, Kenda Rubber (Shenzhen) Ind., Co., Ltd.	President, Kenda Rubber Ind. Co. Ltd.		V	V		V		V
Director	Yang, Chia-Ling	Female	2015.06.23	B.S. degree in Pharmacy, China Medical University President, Kenlight Trading Corp	President, Kenlight Trading Corp.		V	V		V		V
Director	Lin, Tsung-Chi	Male	2012.06.13	M.S., Electrical and Computer Engineering, University of Wisconsin–Madison Deputy Director, Realtek Semiconductor Corp. President, OBERLIN TECH. CO., LTD.	President and Director, OBERLIN TECH. CO., LTD.		V	V		V	V	V
Director	Yang, Ying-Yuan	Female	2009.06.16	MBA, University of Maryland Marketing Assistant Vice President, Kimberly-Clark Corporation Taiwan Branch Brand Director, PepsiCo Foods Taiwan Co., Ltd.	Director, 7th Island Leisure Ltd.		V	V		V		V

The following table shows the information of each Board of Directors and Independent Directors:

Position	Name	Gender	Initial Elected Date	Principal Work Experience and Academic Qualifications	Position(s) Held Concurrently in the Company and other Companies	Industry Experience				Professional Ability		
						Bank	Business Management	Business Marketing	R&D	Accounting and Financial Analysis	Information Technology	Risk Management
Independent Director	Cho, Shih-Chao	Male	2021.08.31	MBA, University of Louisville Director General, Bureau of Foreign Trade; Vice Minister and Deputy Minister, Ministry of Economic Affairs Adjunct Professor, Department of Political Science, National Taiwan University	Independent Director and Convener and Member of Audit Committee, Convener of Remuneration, Kenda Rubber Ind., Co., Ltd. Director, W.C.T. DEVELOPMENT LIMITED Independent Director, Convener of Remuneration Committee, and Member of Audit Committee, Plum-Monix Industry Co., Ltd.		V	V		V		V
Independent Director	Weng, Wen-Chi	Male	2017.06.30	M.S., Investment and Financial Risk Management, City University of London Chairman, Chunghwa Post Co., Ltd. Chairman, Sinopac Financial Holdings Company Limited	Independent Director and Member of the Audit/Remuneration Committee, Kenda Rubber Ind., Co., Ltd. Independent Director and Member of the Audit/ Remuneration Committee, ASE Technology Holding Co., Ltd.	V	V	V		V		V
Independent Director	Yieh, Kaili	Female	2024.05.31	Ph.D., Consumer Science and Retailing, Purdue University Professor, Department of Business Administration; Dean, College of Business Administration and College of Extension Education; and Director, Language Center, National Changhua University of Education	Independent Director and Member of the Audit/Remuneration Committee, Kenda Rubber Ind., Co., Ltd. Professor, Department of Business Administration, National Changhua University of Education					V		V

Note: Except for the director Lin, Tsung-Chi and Yang, Ying-Yuan who are under the age of 50, the members of the board of directors are all over the age of 50, with a total of 11 members.

Election and Nomination of Directors

The composition of the Company's Board of Directors takes into consideration the operating judgment, management ability, financial analysis ability, crisis management ability, industry knowledge, international market perspective, leadership and ability to make decisions. According to the Company's Articles of Incorporation, the election of directors adopts the candidate nomination. The shareholders' meeting on May 31, 2024, elected 11 directors, including 3 independent directors, to form the 21st Board of Directors (to hold the term of office from May 31, 2024, to May 30, 2027) in accordance with the "Rules for Election of Directors", expecting to improve the quality of management relying on the outstanding experts with professional knowledge in the industry and also implementing the views of external stakeholders. The Board of Directors consists of 8 male directors and 3 female directors. The Chairman of the board does not hold the position of the Company's President concurrently. The attendance rate for the Company's Board meetings was 98.70% in 2024. All the Board members attended continuing education programs for at least six hours in 2024. The Company's Board members all uphold the spirit of high self-discipline principles, avoid conflicts of interest and expressly establish the "Rules of Procedure for Board of Directors Meetings". If any director or the juristic person represented by the director is an interested party with respect to any agenda item, the director shall explain the important contents of the interested party relationship at the board meeting.

If the relationship is likely to prejudice the interests of the Company, the director cannot participate in discussion or vote on that agenda item and further, shall go into recusal during discussion and vote on the item and avoid acting as another director's proxy to exercise voting rights. Directors or managers who do anything for themselves or on behalf of another person that is within the scope of the Company's business shall seek prior approval from a shareholders' meeting pursuant to the law.

Independence of the Board of Directors

The independence of the Board of Directors resides in the recusal in case of any conflict of interest. If any director or the juristic person represented by the director is an interested party with respect to any agenda item, the director shall explain the important contents of the interested party relationship at the board meeting. If the relationship is likely to prejudice the interests of the Company, the director cannot participate in discussion or vote on that agenda item and further, shall go into recusal during discussion and voting on the item and avoid acting as another director's proxy to exercise voting rights. The Company achieves the above situations according to their time, names, contents of the proposal, avoidance of conflict of interest and voting results and record the files as the source of data to ensure the independence of the board of directors.

Records of Board Resolutions:

Date	Directors related to the motions	Resolutions	Reasons for the Recusal	Participation in Voting
01.31	Yang, Ying-Ming Yang, Chi-Jen Chang, Hong-Der Chen, Chao-Jung Lin, Chun-Ke	The proposal for the year-end bonus for the directors of the Company who execute the business operations and the Company's managerial officers.	Resolved the year-end bonus for the Company's executive directors and the managers.	When resolving the year-end bonus for each director, the person being voted and recused, and the other directors present approved the proposal unanimously. When resolving on the year-end bonuses of President Chen, Chao-Jung and Vice President Lin, Chun-Ke the corporate director of Si Rui Investment Co., Ltd. and Kenjou Co., Ltd., their representatives, Mr. Chen, Chao Jung and Mr. Lin, Chun-Ke, recused themselves for conflict of interest and the other directors present approved the proposal unanimously.
01.31	Yang, Ying-Ming Yang, Chi-Jen Chang, Hong-Der Chen, Chao-Jung Lin, Chun-Ke	Proposal for a raise for the Company's executive directors and the managers.	Resolved to raise the salaries for the Company's executive directors and the managers.	Director Yang, Ying-Ming, Director Yang, Chi-Jen, Director Chang, Hong-Der, the corporate director of Si Rui Investment Co., Ltd., Mr. Chen, Chao Jung and the corporate director of Kenjou Co., Ltd., Mr. Lin, Chun-Ke, recused themselves for conflict of interest and the other directors present approved the proposal unanimously.
03.11	Yang, Ying-Ming Yang, Chi-Jen Chang, Hong-Der Lin, Chien-Liang Yang, Shin-Nan Yang, Chia-Ling Lin, Tsung-Yi	The distribution of remuneration to the directors of the Company.	Except for Mr. Chen, Chao Jung and Mr. Lin, Chien-Liang, who were involved in the remuneration distribution to corporate directors, the other directors were involved in the remuneration distribution to themselves.	When resolving the remuneration for each director, the person being voted and recused, and the other directors present approved the proposal unanimously. When resolving on the remuneration of the corporate director of Si Rui Investment Co., Ltd. and Kenjou Co., Ltd., their representatives, Mr. Chen, Chao Jung and Mr. Lin, Chien-Liang, recused themselves for conflict of interest and the other directors approved the proposal unanimously.
03.11	Yang, Ying-Ming Yang, Chi-Jen Chang, Hong-De Chen, Chao-Jung	The distribution of remuneration to the Company's executive directors and the managers.	Resolved the remuneration for the Company's executive directors and managers.	When resolving the remuneration for each director, the person being voted and recused, and the other directors present approved the proposal unanimously. When resolving on the employee remuneration of President Chen, Chao-Jung, the corporate representative of Si Rui Investment Co., Ltd., recused himself for conflict of interest and the other directors present approved the proposal unanimously.
03.11	Lin, Chien Liang	Proposal for an appointment and raise for the Company's Vice President.	Resolved to the salaries for Vice President Mr. Lin, Chien-Liang	When resolving on the remuneration of Vice President Mr. Lin, Chien-Liang, the corporate representative of Kenjou Co., Ltd., Mr. Lin, Chien-Liang, recused himself for conflict of interest and the other directors present approved the proposal unanimously.

Records of Board Resolutions:

Date	Directors related to the motions	Resolutions	Reasons for the Recusal	Participation in Voting
08.08	Cho, Shih-Chao Weng, Wen-Chi Yieh, Kaili	Remuneration Proposal for Independent Directors of the 21st Board of Directors	Resolved to the salaries for independent directors	When resolving the remuneration for each independent director, the individual subject to the resolution recused themselves from voting. The proposal was unanimously approved by the remaining attending directors.
08.08	Lin, Chien-Liang	Proposal for a raise for the Company's Acting President	Resolved to the salaries for President Mr. Lin, Chien-Liang	When resolving on the remuneration of President Mr. Lin, Chien-Liang, Mr. Lin, Chien-Liang recused himself for conflict of interest and the other directors present approved the proposal unanimously.

Training for Members of the Board of Directors

Board members focus on strengthening their professional backgrounds, skills, and industry experience, regularly pursuing further education to acquire the latest knowledge. This enables members to assess significant matters such as the Company's operational strategies, risk management, and investment planning, thereby enhancing corporate governance and implementing internal control systems.

The following table shows the training records of the Company’s board members in 2024:

Position	Name	Date of Continuing Education	Organizer	Course Name	Continuing Education Hours
Chairman	Yang, Chi-Jen	2024.09.30	Taiwan Stock Exchange Corporation	Strengthening Taiwan’s Capital Market Summit	3
Chairman	Yang, Chi-Jen	2024.06.16	Taiwan Investor Relations Institute	Hostile Takeover - Focus on Ownership Assurance	3
Vice Chairman	Chang, Hong-Der	2024.07.03	Cathay Financial Holdings Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6
Director	Yang, Ying-Ming	2024.07.21	Taiwan Investor Relations Institute	Functions and Prospects of the TCX & How the Board of Directors Oversees the Establishment and Improvement of Risk Management Mechanisms of Companies	3

Position	Name	Date of Continuing Education	Organizer	Course Name	Continuing Education Hours
Director	Yang, Ying-Ming	2024.06.16	Taiwan Investor Relations Institute	Hostile Takeover - Focus on Ownership Assurance	3
Director	Chen, Chao-Jung	2024.07.03	Cathay Financial Holdings Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	3
Director	Chen, Chao-Jung	2024.04.12	UBS Group AG Taiwan Academy of Banking and Finance	Corporate Governance and Sustainable Management Workshop	3
Director	Lin, Chien-Liang	2024.07.21	Taiwan Investor Relations Institute	Functions and Prospects of the TCX & How the Board of Directors Oversees the Establishment and Improvement of Risk Management Mechanisms of Companies	3
Director	Lin, Chien-Liang	2024.07.03	Cathay Financial Holdings Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6
Director	Lin, Chien-Liang	2024.04.12	UBS Group AG & Taiwan Academy of Banking and Finance	Corporate Governance and Sustainable Management Workshop	3

Position	Name	Date of Continuing Education	Organizer	Course Name	Continuing Education Hours
Director	Yang, Chia-Ling	2024.06.03	Taiwan Stock Exchange Corporation	“Institutional Investor Perspectives Forum” Seminar	3
Director	Yang, Chia-Ling	2024.03.22	BCSD Taiwan	“Building a New Carbon Era with Sustainable Knowledge” Seminar	6
Director	Lin, Tsung-Chi	2024.07.03	Cathay Financial Holdings Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6
Director	Yang, Ying-Yuan	2024.07.03	Cathay Financial Holdings Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6
Independent Director	Cho, Shih-Chao	2024.07.18	Securities & Futures Institute	Opportunities and Challenges of Taiwan's Industrial Transformation under Geopolitics - PMI/NMI Exclusive Analysis	3
Independent Director	Cho, Shih-Chao	2024.06.03	Taiwan Stock Exchange Corporation	“Institutional Investor Perspectives Forum” Promotion Meeting	3
Independent Director	Weng, Wen-Chi	2024.07.03	Cathay Financial Holdings Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	3
Independent Director	Weng, Wen-Chi	2024.04.11	Taiwan Corporate Governance Association	Climate Change, Industrial Policy and Risk Management	3
Independent Director	Yieh, Kaili	2024.07.03	Cathay Financial Holdings Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	3
Independent Director	Yieh, Kaili	2024.05.28 2024.05.29	Securities & Futures Institute	12 HR Practical Workshop for Junior Directors and Supervisors (including Independent Directors) and Heads of Corporate Governance	12

Diversity of the Board of Directors

The Company has established and implemented a diversification policy in accordance with Article 20 of the "Kenda Rubber Industrial Co., Ltd. Corporate Governance Practice", including basic requirements, professional knowledge, and skills required for directors, such as operational judgment, accounting and financial analysis management thinking, crisis management, leadership, decision-making ability, knowledge of the tire industry and global perspective.

There are total 11 members on the Board of Directors; of which 18% (2 directors) are employees of the Company, 27% are independent directors (3 independent directors), 27% are female directors (3 female directors), 2 independent director has served for less than 3 years, 1 independent directors have served for 3-6 years, 3 directors are over 70 years old, 4 directors are between the ages of 61 to 70, 2 directors are between the ages of 51 to 60 and 2 are under the age of 50. All Directors have extensive experience in finance, management, industry, international affairs, and regulations. The Company emphasizes gender equality in the composition of the Board of Directors and plans to achieve the goal of female directors accounting for at least one-third of all directors by 2027.

The Performance Evaluation of the Board of Directors & Functional Committees

To implement corporate governance and enhance the Company's board functions, and to set forth performance objectives to improve the operation efficiency of the board of directors, the "Rules for Performance Evaluation of the Board of Directors" is established in accordance with Article 37 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for compliance.

I. Basis: "Regulations on the Performance Evaluation of the Board of Directors and Functional Committees" of the Company.

II. Evaluation cycle: Once a year.

III. Evaluation period: 1 January 2024 to 31 December 2024.

IV. Scope of evaluation: Performance evaluation of the entire Board of Directors, individual Board members and functional committees.

V. Evaluation method: Self-evaluation of the performance of the Board of Directors, self-evaluation of the performance of the members of the Board of Directors, self-evaluation of the performance of the Audit Committee, and self-evaluation of the performance of Remuneration Committee.

The following tables are the performance evaluation results. For details, please refer to the Company's "Rules for Performance Evaluation of the Board of Directors" and "The results of the performance evaluation of the Board & functional Committees".

(I) Self-evaluation of Performance of the Board

What is being evaluated	Number of assessment questions	Score
A. Participation in the operation of the Company	11	26
B. Enhance the quality of decision making by the Board of Directors	12	29.5
C. Composition and structure of the Board of Directors.	6	15.5
D. Election and continuing education of the directors	3	9
E. Internal Control	6	18
Total		98.0

Evaluation results: Excellent

(II) Self-evaluation of Performance of Board members

What is being evaluated	Number of assessment questions	Score
A. Alignment of the goals and mission of the Company	3	11.71
B. Awareness of the duties of a director	5	19.56
C. Participation in the operation of the Company	8	30.98
D. Management of internal relationships and communication	3	11.56
E. The director's professionalism and continuing education	3	11.78
F. Internal control	3	11.85
Total		97.44

Evaluation results: Excellent

(III) Self-evaluation of Performance of the Audit Committee

What is being evaluated	Number of assessment questions	Score
A. Participation in the operation of the Company	4	20
B. Awareness of the duties of the Audit Committee	5	24.67
C. Enhance the quality of decision making by the Audit Committee	6	29
D. Composition of the Audit Committee, and election and appointment of committee members	2	10
E. Internal Control	3	14.67
Total		98.34

Evaluation results: Excellent

(IV) Self-evaluation of Performance of the Remuneration Committee

What is being evaluated	Number of assessment questions	Score
A. Participation in the operation of the Company	4	28
B. Awareness of the duties of the Remuneration Committee	3	18
C. The quality of decision making by the Remuneration Committee	6	34.8
D. Composition of the Remuneration Committee, and election and appointment of committee members	3	18
Total		98.80

Evaluation results: Excellent

The Audit Committee

The Company established the Audit Committee on June 11, 2018, which consists of all independent directors. The purpose of the Audit Committee is to oversee the fair presentation of the Company's financial statements, the effective implementation of the internal control system, the hiring (and dismissal), independence (and suitability) of certificated public accountants, the Company's compliance with relevant laws and regulations or management of the existing or potential risks. The matters to be reviewed by the Audit Committee are the matters stipulated in Article 14-5 of the Securities and Exchange Act.

- I. Adoption or amendment of an internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
- II. Assessment of the effectiveness of the internal control system.
- III. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
- IV. A matter bearing on the personal interest of a director or supervisor.
- V. A transaction involving material asset or derivatives trading.
- VI. A material loan, endorsement, or provision of guarantee.
- VII. The offering, issuance, or private placement of any equity-type securities.
- VIII. The hiring, dismissal or remuneration of an attesting certified public accountant.
- IX. The appointment or dismissal of a financial, accounting, or internal auditing officer.
- X. The annual financial report signed or sealed by the chairman of the board of directors, the manager and the chief accounting officer, and the second quarterly financial report subject to audit and certification by the accountant.
- XI. The Business Report, earning distribution or loss make-up proposal.
- XII. Any other material matter determined by the Company or the competent authority.

The Operation of the Audit Committee

The Audit Committee is convened at least once quarterly in accordance with the Company’s “Audit Committee Charter”. In 2024, the Audit Committee held 5 meetings with an average attendance rate of 100 %.

The implementation status of the Audit Committee in 2024 is as follows:

1. Convene the quarterly Audit Committee meeting to oversee that the financial statements present fairly and evaluate the effectiveness of the internal control system.
2. Review the financial statements.
3. Review the endorsement and guarantee cases.
4. Evaluate the independence and the suitability of the CPA.
5. Evaluate duration and amount of overdue accounts receivable.
6. Review the proposal for distribution of earnings.
7. Review the capital increase proposal for the subsidiary.
8. Review the revision of the “Corporate Governance Risk Management Policy and Operational Procedure Management Regulations”.

The Operation of the Audit Committee					
Position	Name	Attendance in Person	Attendance by Proxy	Attendance Rate in Person (%)	Remark
Convener	Hsieh, Chun-Mou	3	0	100	Left office on May 31, 2024.
Independent Director	Su, Ching-Yang	3	0	100	Left office on May 31, 2024.
Independent Director (Convener)	Cho, Shih-Chao	5	0	100	Re-elected on May 31, 2024.
Independent Director	Weng, Wen-Chi	2	0	100	Newly elected on May 31, 2024.
Independent Director	Yieh, Kaili	2	0	100	Newly elected on May 31, 2024.

Note:

1. The actual attendance rate (%) is calculated based on the number of meetings of the Audit Committee held during the members’ term and their actual attendance count.
2. The Company held a board re-election at the shareholders’ meeting on May 31, 2024.
3. The term of the current audit committee is from August 31, 2021, to August 30, 2024.

Remuneration Committee

On December 12, 2011, the Company established the Remuneration Committee, which consists of three members who are Independent Directors or independent professionals with qualified experience. The main function of the Committee is to assist the Board of Directors in implementing and evaluating the Company's overall compensation and benefits policies as well as the compensation of directors and managerial officers. It is also responsible for establishing and reviewing the long-term performance goals and policies, systems, standards, and structures of compensation of directors and managers. It should also regularly evaluate the achievement of performance goals of directors and managers and the content of their compensation.

The duties of the Remuneration Committee:

- I. Periodically reviewing this Charter and making recommendations for amendments.
- II. Establishing and periodically reviewing the performance assessment standards, annual and long-term performance goals, and the policies, systems, standards, and structure for the compensation of the directors, supervisors, and managerial officers of this Corporation.

III. Periodically assessing the degree to which performance goals for the directors, supervisors, and managerial officers of this Corporation have been achieved, setting the types and amounts of their individual compensation based on the results of the reviews conducted in accordance with the performance assessment standards.

The Committee shall perform the duties under the preceding paragraph in accordance with the following principles:

- I. Ensuring that the compensation arrangements of this Corporation comply with applicable laws and regulations and are sufficient to recruit outstanding talent.
- II. Performance assessments and compensation levels of directors, supervisors, and managerial officers shall consider the general pay levels in the industry, individual performance assessment results, the time spent by the individual and their responsibilities, the extent of goal achievement, their performance in other positions, and the compensation paid to employees holding equivalent positions in recent years. Also to be evaluated are the reasonableness of the correlation between the individual's performance and this Corporation's operational performance and future risk exposure, with respect to the achievement of short-term and long-term business goals and the financial position of this Corporation.

III. There shall be no incentive for the directors or managerial officers to pursue compensation by engaging in activities that exceed the tolerable risk level of this Corporation.

IV. For directors and senior managerial officers, the percentage of remuneration to be distributed based on their short-term performance and the time for payment of any variable compensation shall be decided regarding the characteristics of the industry and the nature of this Corporation's business.

V. Reasonableness shall be considered when the contents and amounts of compensation of the directors, supervisors, and managerial officers are set. It is not advisable for decisions on the compensation of the directors, supervisors, and managerial officers to run contrary to financial performance to a material extent. It is not advisable for said compensation to be higher than that in the preceding year in the event of a material decline in profits or of long-term losses.

VI. When a meeting of the remuneration committee will discuss the remuneration of any member of the remuneration committee, it will be clearly stated at the meeting. If there is likely to be any prejudice to the interests of the Company, that member may not participate in the discussion or vote and shall enter recusal during the discussion and voting. The member also may not act as another remuneration committee member's proxy to exercise voting rights on that matter.

“Compensation” as used in the preceding two paragraphs includes cash compensation, stock options, profit sharing and stock ownership, retirement benefits or severance pay, allowances or stipends of any kind, and other substantive incentive measures. Its scope shall be consistent with the compensation for directors, supervisors, and managerial officers as set out in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

If the decision-making and handling of any matter relating to the remuneration of directors and managerial officers of a subsidiary is delegated to the subsidiary but requires ratification by the board of directors of this Corporation, the Committee shall be asked to make recommendations before the matter is submitted to the board of directors for deliberation. If the remuneration passed by the board of directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified in the board meeting minutes and shall be publicly announced and reported on the information reporting website designated by the competent authority within 2 days counting from the date of passage by the board of directors.

The Operation of the Remuneration Committee

In accordance with the Company’s “Remuneration Committee Charter”, the Remuneration Committee shall convene at least twice a year. The functions of the Committee are to professionally and objectively evaluate the policies and systems for compensation of the Company’s directors and managerial officers and submit recommendations to the board of directors for decision making purposes. In 2024, the Remuneration Committee held 3 meetings with an average attendance rate of 100 %.

The Operation of the Remuneration Committee					
Position	Name	Attendance in Person	Attendance by proxy	Attendance Rate in Person (%)	Remark
Convener	Hsieh, Chun-Mou	2	0	100	Left office on May 31, 2024
Committee member	Su, Ching-Yang	2	0	100	Left office on May 31, 2024
Committee member	Liu, Shih-Tsung	2	0	100	Left office on May 31, 2024
Convener	Cho, Shih-Chao	1	0	100	New elected on June 28, 2024
Committee member	Weng, Wen-Chi	1	0	100	New elected on June 28, 2024
Committee member	Yieh, Kaili	1	0	100	New elected on June 28, 2024

- Note:
- 1. The actual attendance rate in person (%) is calculated based on the number of the Remuneration Committee meetings held during the members’ term and their actual attendance count.
 - 2. The Company held a board re-election at the shareholders’ meeting on May 31, 2024. The Board of Directors reappointed members of the Remuneration Committee on June 28, 2024.

Procedure for the Resolution of Remuneration Structure and System

According to the Company Act and the Company’s Articles of Incorporation, the Company’s director remuneration policy required that the remuneration to directors shall be no more than 3% of the annual profit of the Company.

The procedure to determine the remuneration system of the Company’s Board of Directors and top management:

I. Remuneration to the Company’s directors: in accordance with Article 3 of the "Regulations Governing the Remuneration to Directors" issued by the Company, the remuneration criteria for directors shall be determined by the Board of Directors with reference to the industry standards, based on each individual director's participation in the daily operations and management of the Company and the performance of his or her duties for the Company.

The remuneration of directors includes salary, compensation for duties, various bonuses, pensions, allowance and remuneration to directors from earnings distribution. Based on Article 27-1 of the Article of Incorporation, the remuneration of directors shall be distributed at a rate of not more than 3% of the Company's profit for the year. Independent directors do not participate in the distribution of directors' remuneration. The Company regularly evaluates the remuneration to directors in accordance with the "Rules Governing the Performance Evaluation of the Board of Directors." The related performance evaluation and the reasonableness of the remuneration are reviewed by the Remuneration Committee and the Board of Directors.

II. Remuneration to the Company's top management: Salaries and compensation of top management are determined in accordance with Article 3 of the Company's "Regulations Governing Managerial Salaries and Compensation", "Regulations Governing Salary Calculation", and the "Regulations Governing the Appointment and Promotion of Supervisory Personnel," and by reference to the Company's overall operating performance, the top manager's seniority of service, personal achievement rate, contribution to the Company, and potential for the future. The remuneration to top managers includes salaries, pensions, allowances, incentives, rewards, employee bonuses and other substantial incentives; further, if the Company makes a profit during the year, the Company shall distribute the employee's remuneration at a rate of not less than 0.5% of the profit for the year in accordance with Article 27-1 of the Company's Articles of Incorporation.

The performance evaluation and the reasonableness of the remuneration to directors and managers of the Company are evaluated and reviewed by the Remuneration Committee and the Board of Directors annually. In addition to the individual's achievement rate and contribution to the Company, compensation is determined with reference to the Company's overall operating performance, future risks and development trends of the industry. The Company also reviews the compensation system from time to time in light of the actual operating conditions and relevant laws and regulations and provides reasonable remuneration after comprehensive consideration to strike a balance between sustainable operation and risk control.

- **Policy Objective**

To ensure a sound system for compensation of the directors and managerial officers of the Company, the “Remuneration Committee Charter” is adopted pursuant to Article 3 of the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange”

- **Review Procedure**

The performance evaluation and the reasonableness of the remuneration to directors and managers of the Company are evaluated and reviewed by the Remuneration Committee and the Board of Directors on a yearly basis, with reference to the individual's performance achievement rate and contribution to the Company, the overall operating performance of the Company, the future risks and development trends of the industry. In addition to the individual's achievement rate and contribution to the Company, compensation is determined with reference to the Company's overall operating performance, future risks and development trends of the industry.

The Company also reviews the compensation system from time to time in light of the actual operating conditions and relevant laws and regulations and provides reasonable remuneration after comprehensive consideration to strike a balance between sustainable operation and risk control.

- **Link to Risk**

The Company's remuneration policy is reviewed based on the overall operating performance of the Company and the individual's performance achievement rate and contribution to the Company, to enhance the overall organizational effectiveness of the Board of Directors and the managers. The Company also makes reference to the industry's remuneration standards to ensure that the remuneration of the Company's management is competitive in the industry to retain outstanding management talent.

The Company's managerial performance targets are integrated with "risk control" to ensure that possible risks are managed and prevented within the scope of responsibilities and the results of the actual performance evaluation are linked to human resources and related remuneration policies. The important decisions made by the Company's management are carefully evaluated based on various risk factors. The performance of related decisions is reflected in the Company's profitability and furthermore, the management's remuneration is related to the performance of risk control.

- # Connection between Remuneration and Performance

To ensure the close links between the managers’ performance and the Company’s strategies, and its competitive remuneration, the Company has established the “Regulations Governing the Remuneration to Managers” as the basis for performance evaluation and remuneration. The Regulations include the managers’ performance evaluation and remuneration policy, system, standards and structure, which are re-viewed by the Remuneration Committee and sub-mitted to the Board of Directors for approval. The managers’ performance evaluation structure consists of the “evaluation on results” and “evaluation on competency”. After setting the goals at the beginning of the year, the Company will review the business performance on a quarterly basis and conduct the performance evaluation semiannually. The evaluation criteria include the profit target achievement rate, improvement of the organization-al decision-making and execution abilities, cadre training, implementation of corporate governance, etc. The Remuneration Committee submits proposals, which will be executed upon approval by the Board of Directors.

In pursuit of sustainable development and reasonable performance evaluation, the Company has integrated ESG indicators into the remuneration assessment criteria and encourages senior executives to incorporate the consideration of sustainable development into their decision-making through compensation raises or the distribution of additional bonuses to link the actual results with high remuneration.

Subject	Key ESG Indicators	Targets	Degree of Remuneration and Incentives
Senior managers	1.Turnover rate. 2.Carbon emission intensity. 3.Employee safety. 4.Waste intensity.	The performance of indicators such as severance rate, carbon emission intensity, disabling injury frequency rate (FR), and waste intensity should not be lower than the baseline value (BM value) of the previous year.	Account for 40% of the long-term performance bonus evaluation.



Corporate Governance of Self-Evaluations and TWSE Evaluation

According to the 5-year “Corporate Governance Roadmap” issued by the Financial Supervision Commission in December 2013, the Company confirmed one by one the evaluation indicators and included them in the internal management regulations for operational management to follow. In accordance with the requirements of the competent authority, the Company disclosed relevant information in the annual report, Company website, and Market Observation Post System to protect the rights and interests of shareholders, treat shareholders equally, strengthen the structure and operation of the board of directors, improve the transparency of business information, and implement corporate social responsibility. The Company’s 2024 ranking pitch in listed companies: 21%~35%.

2.2 Ethical and Integrity Corporate Management

Corporate Governance Ethics and Integrity

The Company has established rules such as the "Ethical Corporate Management Practice", "Code of Ethical Conduct", "Management Rules on Prevention of Insider Trading", "Code of Supplier Management", "Procedures for the Supplier Management of Raw Material and Special Material", "Regulations Governing the Communication Between Employees and Stakeholders", and other relevant regulations. The Company also disseminates board members, managers, employees, suppliers and customers to abide by.

In response to the above-mentioned violations, the Company has set up a complaint reporting channel on the Company's sustainability website (<https://www.esg.kenda.com.tw/en>).

- New board members and managers should sign a Confidentiality Undertaking and a Conflict of Interest Disclosure and Avoidance Statement and provided and disseminated the "Management Rules on Prevention of Insider Trading" will be for them to abide by.

- Disseminate regulations during new employee orientation and sign a Confidentiality Undertaking and a Conflict of Interest Disclosure, and Avoidance Statement. Daily employee trainings also disseminate relevant laws and concepts from time to time and implement compliance with regulations on integrity.
- Disseminate that all employees shall report to the Company when accepting banquet invitations or gifts for business purposes.
- Disseminate that suppliers and customers should sign the integrity commitment to ensure that all transactions with the Company comply with the regulations governing ethical management and integrity. After new suppliers and customers sign the integrity commitment in response to the Company's promotion, the transactions may be carried out. Suppliers who have not yet signed the integrity commitment are classified as high-risk subjects and shall be continuously followed up for execution of the commitment to jointly maintain business relations of ethical management and integrity.

Policy Commitment

The Company is committed to defending employees' basic human rights, recognizing and supporting international human rights standards such as "The United Nations Global Compact (UNGC)", " Universal Declaration of Human Rights (UDHR) " and "the International Labor Organization's Declaration of Fundamental Principles and Rights at Work ". The actions reflect the Company's responsibility to respect and protect human rights, abide by the laws and regulations related to labor and gender equality of the Company's location, and prevent any infringement and violations of human rights. The Company has established a human rights policy as follows to protect current employees and require suppliers to jointly abide by and safeguard human rights. The Company also incorporates the Human Rights Policy into the training and appointment requirements for new employees and disseminates them during training. For more information, please refer to our Human Rights Policy.

The Company has established Ethical Corporate Management Practice. By advocating to customers and signing a "Code of Conduct Warranty" by suppliers, the commercial value of honesty and integrity is maintained. If any incidents that violate the above principles are found, anyone can report it through the following methods:

Complaint / Reporting Channel	
Acceptance Unit	Human Resources Division, Purchasing Department, and Sales Department
Contact Address	No. 146, Sec. 1, Zhongshan Rd., Yuanlin City, Changhua County
Hotline	04-8345171
E-mail	Customer complaint channel: E-mail: s5100@kenda.com.tw Supplier complaint channel: E-mail: m5100@kenda.com.tw Employee complaint channel: E-mail: m1100@kenda.com.tw

Anti-corruption System

On January 21, 2022, the Board of Directors resolved to establish the “ESG Committee” with a “Corporate Governance Group”, which is responsible for formulating the Company's “Ethical and Integrity Corporate Management Policies”, ensuring the implementation of the Ethical and Integrity Corporate Management Policies approved by the board of directors, and reporting to the Board of Directors at least once a year on the implementation of the overall ethical and integrity corporate management. On June 28, 2024, the Company formally reported to the Board of Directors on the implementation status of ethical corporate management for the year 2024.

The Company has established the “Ethical Corporate Management Best Practices” and the “Codes of Ethical Conduct and Regulations on the Public Recusal of Interested Parties” as resolved by the Board of Directors. The Company requires the Board of Directors, senior executives and all employees to implement these regulations. The Company and its subsidiaries shall, based on the business philosophy of integrity, transparency and responsibility, formulate policies based on honesty and integrity. The Company also prohibits offering and acceptance of bribes, illegal political donations, improper charitable donations or sponsorships, offering or acceptance of unreasonable presents, hospitality or other improper benefits, misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights, and engaging in unfair competitive practices.

Furthermore, all members of the Company must strictly comply with the relevant laws and regulations, including the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, the Political Donations Act, the Anti-Corruption Act, the Government Procurement Act, the Act on Recusal of Public Servants Due to Conflicts of Interest, and the regulations relating to the listed companies or other business conduct related laws and regulations. The Company's directors and senior executives shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the Company, the director may not participate in discussion or vote on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter.

The Board of Directors instructs the corporate governance manager and HR Division to set up the “Ethical Management Promotion Taskforce” dedicated to promoting the ethical management, responsible for formulating and supervising the execution of the ethical management policies and prevention plans, and submit the report to the Board of Directors on the compliance with the ethical management policies and unethical conduct prevention programs and improvement of deficiencies regularly each year (at least once per year) and also submit the report to the Audit Committee, in order to practice the ethical corporate management philosophy.

In 2024, the Company did not violate any regulations regarding corporate governance, anti-corruption, or the offering and acceptance of bribes.

The Company has established the “Ethical Corporate Management Practice” and “Code of Ethical Conduct and Principle on the Avoidance of Conflict of Interest” as the internal control measures against corruption. Meanwhile, the Company also set up and disclose the independent whistleblowing mailbox and hotline on the official website and intranet accessible by external and internal personnel.

- Internal and external whistleblowing may be proposed via the email: B0000@kenda.com.tw
- Internal and external whistleblowing may be proposed via the phone: 04-8345171#113 or 116
- Whistleblowing in writing: Please send the written report to the Chairman's Office at No. 146, Section 1, Zhongshan Road, Yuanlin City, Changhua County, via mail or other means.

In case of any reports about corruption, the Company will pursue the relevant personnel’s liability and propose suggestions to correct the deficiency. Where any personnel are found involved in criminal liability, the Company will continue to collect the relevant information and report the case in writing for investigation. Meanwhile, the Company will make every endeavor to work with the prosecuting and anti-corruption agency.

Procedures for acceptance of whistleblowing cases: acceptance of the case by Chairman's Office, collection of relevant evidence through administrative investigation by Audit Office, and analysis and study on facts against laws and disciplines submission of the investigation result to the senior management, such as the general manager pursuing liability and submission of the report in writing to the judicial authority for investigation.

Communication and Training on Anti-corruption Policy

For current employees and suppliers in transactions, from time to time, the Company will emphasize the concepts of integrity and confidentiality in conjunction with the facts of other companies. Among the 37 new development suppliers, all have signed the Code of Conduct Warranty, achieving a 100% return rate. 100% of the new employees have signed the Confidentiality Commitment and the Interests Evade Commitments. During the reporting period, the Company conducted internal and external training related to ethical management (including ethical management regulations, internal control systems, accounting systems, tire quality regulations and policies, safety and health management). The statistics are as follows:

Year	2024	
Item	Number of participants	Training hours
Taiwan	41,759	56,083
China	157,290	309,667
Southeast Asia	12,091	21,722
Total	211,140	387,471

Handling Material Information and Promotion of Prevention of Insider Trading

The Company sends directors and announcements on the Company’s intranet website for handling material inside information and prevention of insider trading documents to improve the legal knowledge of Company directors and internal staff.

2.3 Risk Control

To carry out the Company's sustainable development, the "Corporate Governance Risk Management Policy and Operating Procedures Regulations" had been approved by the Board of Directors in 2022 as the supreme guiding principle for the Company's risk management. The risk management team under the Audit Committee regularly collects and identifies risk factors every year, screens out the scope of risk management, and monitors potential risks and proposes corresponding measures according to the latest internal audit requirements to strengthen risk management; and regularly reported to the Audit Committee for discussion and implementation after approval by the Board of Directors.

The Company has established a comprehensive internal control system and regularly conducts audits to confirm the effective implementation of the internal control system and to track and correct of audit deficiencies through the audit system and regularly submits reports to the board of directors to avoid risks and damage caused by the failure of the internal control system.

The Company actively promotes the implementation of the risk management mechanism, holds regular risk management team meetings to summarize, evaluate and identify various risks faced by the Company, proposes corresponding countermeasures and regularly submits them to the Audit Committee for discussion and implementation after approval by the Board of Directors.

To strengthen the Company 's employees' risk concepts and implement risk control concepts in daily management work, risk management education and training are regularly conducted. This year (as of the end of 2024), a total of 1,351 personnel training on hazard identification, risk and opportunity assessment have been implemented. Total training hours are 1,581 hours.

In 2024, the risk management team referred to international trends, reports from important institutions, and standard issued by International Organization for Standardization ("ISO") to screen out a pool of risks and opportunities based on industry characteristics. The pool of risks and opportunities would be further discussed and analyzed by the various departments of the Company, together with the management's opinions, a list of potential climate risks and opportunities was compiled by the Company. Based on the degree of impact, probability of occurrence, influence and period, a climate risk matrix is prepared, and relevant response strategies are formulated based on the matrix. The Company continuously monitors, manages, and regular reviews the implementation of the measures.

Risk Management Organizational Structure



In the year 2024, the company identified various risks and management operations as follows:

Risk items	Response measures for 2024
Personnel safety, health and environmental risks	<ul style="list-style-type: none"> • Strengthen the establishment of safety facilities for on-site units to ensure the personal safety of employees. • Strengthen the review of on-site construction operation documents to ensure that the operation is carried out in accordance with the SOP. • Establish and maintain fire safety equipment, formulate fire disaster prevention/protection plans, and implement education and training programs. • Prepare the distribution map of public dangerous goods and hazardous chemicals. • Formulate plans for ergonomic hazard prevention, disease prevention due to abnormal workloads, maternal health protection plans, and workplace misconduct prevention plans.
Actions in response to climate change risks	<ul style="list-style-type: none"> • Establish various energy usage monitoring systems and energy-saving equipment (such as solar energy, etc.). • Promote the low-carbon transformation of the industry, accelerate the process improvement and equipment upgrade, develop forward-looking industrial technologies, and move toward low-carbon and high-value development. • Strengthen the recycling and reuse of regional energy resources and waste and establish an industrial chain and foster cooperative symbiotic mechanism. • Actively promote various greenhouse gas reduction projects and manage various carbon emission data in the plants. • Increase the procurement of low-carbon and environmentally friendly raw materials. • Formulate power-saving and energy-saving plans, improve energy efficiency, purchase energy-saving equipment and machines, and install solar power generation facilities. • Promote greenhouse gas reduction projects and participate in the carbon trading market in China to purchase carbon credits for offsetting.
Raw material risk	<ul style="list-style-type: none"> • To ensure that there are no delivery delays or quality problems for raw materials. The supply process capacity targets are set and the progress is tracked.
Rising raw material costs	<ul style="list-style-type: none"> • Develop new product formulations to increase the flexibility of material allocation and reduce the proportion of specific raw materials used. • Make good use of the bargaining power of procurement management, actively develop suppliers with competitiveness in various regions, strengthen business communication with suppliers, and strengthen the adaptability of procurement personnel. • Make good use of combination of long-term contracts and spot purchases and place monthly/quarterly orders to avoid cost fluctuations and supply risks. • Strengthen the ability to collect and analyze commodity market information, control the inventory and consumption of raw materials within the group, and purchase appropriate raw materials in a timely manner.

Risk items	Response measures for 2024
Market risk	<ul style="list-style-type: none"> • Strengthen product development capabilities, including talents and setting up technology centers. • Incorporate customer complaint handling measures into standardization and regularly audit on the achievement of annual goals. • Actively promote the establishment of automation equipment to enhance product quality to meet customer and market needs. • Strengthen product delivery in line with the JIT production model (minimum production batch) and establish the safety stock levels for necessary products to ensure that customer delivery won't be delayed.
Changing customer behavior	<ul style="list-style-type: none"> • Enhance product development capabilities to accelerate the launch of a full range of new products that meet the market demands. • Actively develop low-carbon green products and lightweight electric vehicle tire products. • Ensure that product delivery meets customer needs without delay. • Enhance the automation level of production lines and the quality. • Develop new markets and enhance brand image. • Accelerate the phase-out of uncompetitive product.
Prolonged economic downturn	<ul style="list-style-type: none"> • Actively monitor market changes and factory capacity, to adjust the sales strategy in a timely manner, and considerate it as a necessary evaluation item in the capacity expansion plan. • Increase customer base and product diversification. • Strengthen the diversification of manufacturing bases and the flexibility in production allocation. • Actively plan for the Company to have sufficient funding sources to cope with the funding crunch caused by the temporary economic downturn.
Employee risk	<ul style="list-style-type: none"> • Regularly review employee's compensation, competence and performance. • According to the order volume, each section proposes inter-department manpower reallocation or additional manpower.
Financial risk	<ul style="list-style-type: none"> • Control the existing long-term and short-term loan positions and reduce costs by taking advantage of the difference in interest rates among banks in a timely manner. • Continue to monitor the interest rate and adjust the positions of borrowed funds and self-own funds.



2.4 Compliance with Regulations

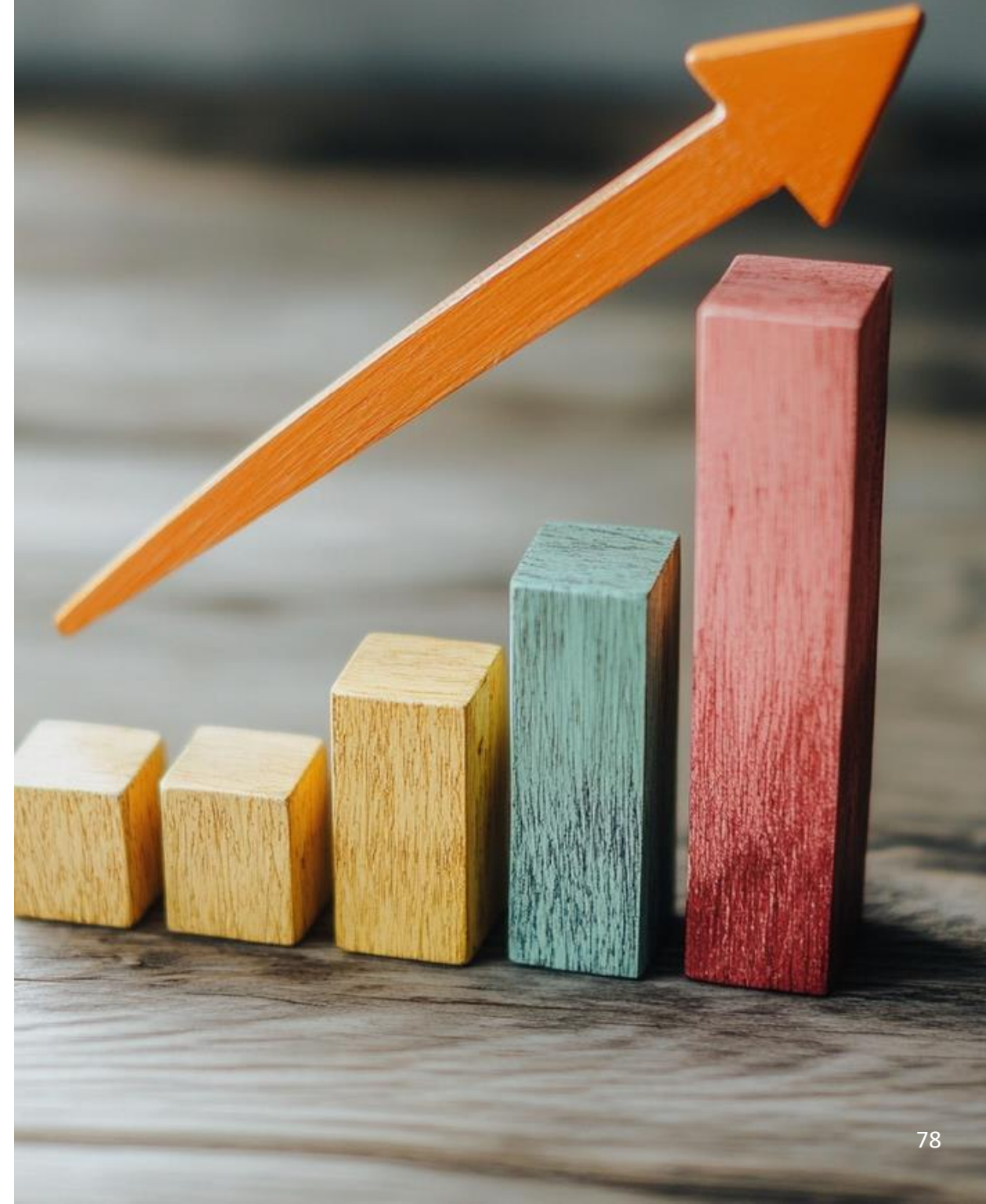
The Company has internally established regulations governing legal compliance to strengthen the Company's concept about legal compliance to mitigate the business risk and responsibility. Each department shall review the additions/amendments to the laws and regulations in a timely manner to determine the necessity and impact on the Company's business and management. Meanwhile, the Company will conduct self-assessment on its legal compliance status annually. The Company's audit concludes that no anti-competitive practice, anti-trust or monopolistic behavior took place in 2024.

The Company defines the major violation as an incident causing any competent authority to render the order for correction or sanction or resulting in the Company's loss amounting to more than NT\$1 million, with a view to ensuring the Company's compliance with all relevant regulations.

Type of disposition	Amount of Fine (NTD)	Region	Number of Cases
Labor Standards Act	50,000	Taiwan	1
Occupational safety category	31,538	China	1
	400,000	Taiwan	4
	422,247	The U.S.	2
Eco-friendly category	300,000	Taiwan	2

2.5 Economic Performance

Material Topic: Economic Performance	
Significant reasons for this topic	Only by maintaining good operating performance and growing steadily can the Company have sufficient resources to expand various businesses and meet the needs of all stakeholders, to achieve the sustainable development goals.
Policy / Strategy	<p>Out of the Company's business strategy is to "Base in Taiwan; Coordinate globally; Deeply develop around the world", to increase the production capacity, to innovate and develop new products with high quality and low price, and to serve global customers with the KENDA brand:</p> <ol style="list-style-type: none"> 1. Strive to accelerate supply chain adjustments and market diversification to strengthen operational flexibility and sales resilience in various regions in an era of heightened geopolitical risks. 2. Continuously enhance R&D capabilities in major markets, carefully listen to clients' needs, develop high value-added products, and optimize existing products to expand into new markets. 3. Actively promote the launch of premium PCR tires for electric vehicles. 4. Continue to introduce automated equipment and based on manufacturing execution system("MES"), promote intelligent manufacturing to stabilize the quality in production processes and improve the productivity. 5. Integrate human resources, enhance team discipline and improve management capability and operational performance. 6. Set the goal of "Carbon reduction by 3% per year and by 25% in total by 2030." <p>Through continuous collaboration with suppliers, the Company aims to strengthen the carbon management capabilities within the industry, enhance the energy-saving and carbon reduction capabilities of upstream and downstream processes, and build excellent sustainable development management.</p>
Goals and Targets	The Company's estimated annual operating target in 2024 is NT\$38.473 billion.
Management Evaluation Mechanism	Set various KPIs for each target and regularly hold business meetings to review the achievement of various KPIs.
Performance and Adjustment	The operating income in 2024 was NT\$34.203 billion, compared with the operating income forecast target of NT\$38.473 billion in 2024, with an achievement rate of 88.90%.



The recent economic survey data indicates that the global economy remained stable in 2024, maintaining a growth rate of 3.2% (IMF). The World Bank's "Global Economic Prospects" released in January 2025 continued to hold a positive forecast for the global economy. Especially with the significant easing of inflation and the support of monetary policies from various countries, investment activities across economies were expected to be more stable. Due to the continued easing of inflation worldwide, the Company's costs remained stable in 2024, leading to an increase in gross profit margin to 22%, and the EPS also rising from 0.92 in 2023 to 1.30 in 2024. The bicycle industry, which had been hit hard, passed through the tough time in 2024 and is on path to continuous recovery.

However, the Trump administration's unpredictable tariff policies present a variable to the forecasts. Currently, the Company will be significantly impacted by the 25% tariff on all auto parts (including tires) sold to the United States, effective on May 3, 2025, under Section 232 of the Trade Expansion Act, and the 'Reciprocal Tariffs' which was implemented on August 1, 2025. Regarding the reciprocal tariffs, the latter has resulted in additional duties ranging from 19% to 55% being imposed on countries where the Company's manufacturing factories are located.

In response to the unpredictable measures of the Trump administration, the Company will closely monitor market conditions and relevant regulatory changes and maintain smooth communication with U.S. clients. The Company will thoroughly assess products most susceptible to tariff adjustments, improve the product portfolio, and formulate short, medium, and long-term strategies to enhance its position in the industry value chain and ensure increased profitability to cope with the high-tariff era. The Company will also carefully evaluate various investment plans and actively enhance the production capabilities of the factories, such as by introducing automated production and real-time production monitoring systems, to improve quality and increase diversification and flexibility.

The Company's carbon reduction goal is to "Carbon reduction by 3% per year and by 25% in total by 2030." Through continuous collaboration with suppliers, the Company aims to strengthen the carbon management capabilities within the industry and enhance the energy-saving and carbon reduction capabilities of upstream and downstream processes.

In an era of heightened geopolitical risks and unpredictable changes, the Company will strive to accelerate supply chain adjustments and market diversification to strengthen business resilience. The Company sincerely thank all employees, customers, suppliers and shareholders for the long-term support. In the future, the Company will continue to uphold the founder's belief of "Honesty, Quality, Service, and Innovation", and work with all stakeholders to build a high-quality company.

Item / Year	2022	2023	2024
Net revenue (NT\$ thousand)	38,617,881	34,443,676	34,202,669
Gross profit (NT\$ thousand)	5,670,447	6,672,660	7,539,693
Operating income (NT\$ thousand)	230,553	1,294,978	1,469,964
Non-operating income and expense (NT\$ thousand)	480,703	10,211	180,461
Profit before income tax (NT\$ thousand)	711,256	1,305,189	1,650,425
Net profit for the year (NT\$ thousand)	338,151	880,982	1,240,953
Total comprehensive income for the year (NT\$ thousand)	1,554,018	645,761	2,465,032
Earnings per share (EPS) (NT\$)	0.37	0.92	1.30
Cash Dividends (NT\$ thousand)	909,505	954,890	1,050,379
Employee compensation (including employee benefits) (NT\$ thousand)	6,502,496	6,507,829	7,136,586
Payment to investors (NT\$ thousand)	1,282,177	1,512,650	1,505,372
Payment to the government (NT\$ thousand)	299,870	153,406	184,517
Community contribution (NT\$ thousand)	734	210	2,316

Note:

1. The payment to investors refers to the dividends paid to all shareholders, plus the interest paid to lenders (including the debt in any form and loan interest) and dividends due to preferred stockholders.
2. The payment to governments refers to any tax payment (including business tax, income tax and property tax) plus fines.
3. The employee benefits included in the "employee compensation (including employee benefits)" include the total benefits provided to the employees in cash, such as labor and national health insurance premium/pension expenses, etc. (exclusive of the costs for education and training, protective gears or other items directly related to the employees' job duties).
4. The community contribution refers to donated funds and other donations.
5. Currency is NT Dollar.

Government Subsidy

The total financial subsidies received by the Company from government units in 2024 are stated as following:

Region	Item	Factory	Subsidy Unit	Amount of Subsidy (NT\$ thousand)
Taiwan	Charge for Takeoff Program-Support for In-Service Training	Yuanlin Factory	Workforce Development Agency, Ministry of Labor	329.3
	Subsidy for day care	Yuanlin Factory	Department of Employment Welfare and Retirement, Ministry of Labor	233.0
	Pre-Employment Program for College Youth	Yuanlin Factory	Workforce Development Agency, Ministry of Labor	26.0
	1+N Subsidy for Low-Carbon and Intelligent Upgrading and Transformation of Large Enterprises Supporting Small Enterprises.	Yuanlin Factory	Industrial Development Bureau, Ministry of Economic Affairs	19,399.0

Region	Item	Factory	Subsidy Unit	Amount of Subsidy (NT\$ thousand)
China	Unemployment Insurance Rebate for Employment Stabilization	Kushan Factory	Social Security Bureau	110.9
	Clean Production Subsidy	Kushan Factory	Environmental Protection Administration	224.7
	Environmental Management System Subsidy	Kushan Factory	Environmental Protection Administration	44.9
	Additional Deduction for Advanced Manufacturing Enterprises	Kushan Factory	Tax Bureau	13,484.7
	Secondary Safety Production Standardization Enterprise Subsidy	Kushan Factory	Emergency Management Bureau	224.7
	Subsidy for Safety Liability Insurance	Kushan Factory	Environmental Protection Administration	36.0
	One-Time Employment Expansion Subsidy	Tianjin Factory	Labor Bureau	29,548.3
	202310 Job Position Subsidy	Tianjin Factory	Labor Bureau	10,187.9
	Anti-Dumping Subsidy Related to Mexico	Tianjin Factory	Bureau of Commerce	103,841.3

Tax Management

The Company strictly complies with Securities Transaction Tax Act, Futures Transaction Tax Act, Business Tax Act, and other related tax laws and regulations, and is responsible for filing tax returns in accordance with the authority, and has also formulated tax policies as follows:

- I. Legal compliance principles follow the spirit of tax regulations and legislation, file tax returns accurately, pay tax liabilities correctly, and prepare proper supporting documents.
- II. Comprehensive decision-making principles focus on changes in local and international tax laws, conduct a comprehensive assessment of the impact posed and formulate responsive strategies.
- III. Information transparency principle discloses tax information in the public channels such as financial reports and annual reports, to ensure the information transparency.
- IV. Proactive engagement principles keep open and honest communication with tax authorities to help improve the tax environment and system.
- V. Reasonable tax-mitigation principle adopts legal and transparent tax incentives and avoids adopting the tax mitigation methods against the laws.

VI. Reasonable framework principle, the corporate framework and transaction arrangements are commensurate to the economy substance and avoid taking advantage of special arrangements to evade tax.

VII. Risk control principles when setting forth and executing any tax decisions, assessing relevant risks and adopting adequate strategies.

VIII. Economic substance principle-related party transactions are in line with economic substances, and the decision makers bear the risk and receive a reasonable return on their investment.

IX. Arm's Length Principle the prices and terms of related party transactions should be comparable to those of unrelated parties in similar transactions.

The Company has tried to communicate with stakeholders via multiple channels proactively, and physically participated in various movements, such as tax initiatives, to support the implementation of various new tax policies and establish a fair tax environment jointly. Should there be any questions on application of laws and regulations, the Company will consult and discuss with tax authority. Upon receipt of the tax authority's request for any information, the Company will use its best effort to provide the related documents and information as scheduled. Annual report website: <https://www.esg.kenda.com.tw/en/items-3-1>

A photograph of a forest floor with sunlight filtering through the trees, creating a bokeh effect. The ground is covered in moss and small green plants. The title text is overlaid in the center.

III. Sustainable Environmental Management



3.1 Climate Change Management

In consideration of the increasingly severe climate changes, it has become a major challenge to the world. Climate change not only poses some impact to the environment and ecology but also affects enterprises' business operations and sustainable development. Therefore, the Company is committed to minimizing its impact on climate change and prepares the following climate change risk management strategies:

I. Governance

The Company has the Board of Directors to serve as the highest management unit to supervise the climate change management of the Company. The Audit Committee is responsible for identifying potential climate risks and taking corresponding measures; the Sustainable Development Committee gradually implements the policy of climate change management internally according to the "Sustainable Development Best Practice Principles" approved by the Board of Directors. Regular meetings are held every quarter to review the performance of climate indicators, and the performance, impact assessment and sustainability goal achievement progress climate change related issues are reported to the Board of Directors at least once a year.

Climate Change Monitoring and Management Framework



II. Strategy

The Company pays close attention to the status of global climate action issues and incorporates the potential impacts of climate change into the risk management system according to the TCFD framework. It continues to identify climate risks and opportunities, formulating relevant measures and management actions accordingly.

Below is the list of risks and opportunities established in 2024:

1. List of Risk

Risk Category	Risk Dimensions	Name of Risk	Period of Influence	Risk Impacts
Transition risks	Policies and regulations	Collection of carbon-related fees (carbon fee/carbon tax)	Short	Increase of operating costs
		Requirements and supervision of existing products and services	Medium	Failure to comply with relevant requirements and laws and regulations will affect production and sales
	Technology	Low-carbon alternatives to existing products and services	Short	Changes in market orientation. Decrease in revenue.
		Costs and expenses for transformation to low-carbon new technologies	Short	Increase in R&D expenses and costs of R&D equipment
	Market	Changes in customer behavior	Medium	Changes in market orientation. Decrease in revenue.
		Uncertainty of market volatility	Short	Frequent adjustments to the response measures, leading to increased costs
		Rising raw material costs	Short	Extreme climate affects the supply of raw materials and increases operating costs
	Reputation	Stigmatization of high-carbon industries	Long	Damage to corporate reputation
Physical risks	Extreme	Extreme climate	Medium	Affect production, resulting in increase in cost and decrease in revenue
	Long-term	Air pollution	Short	Health hazard

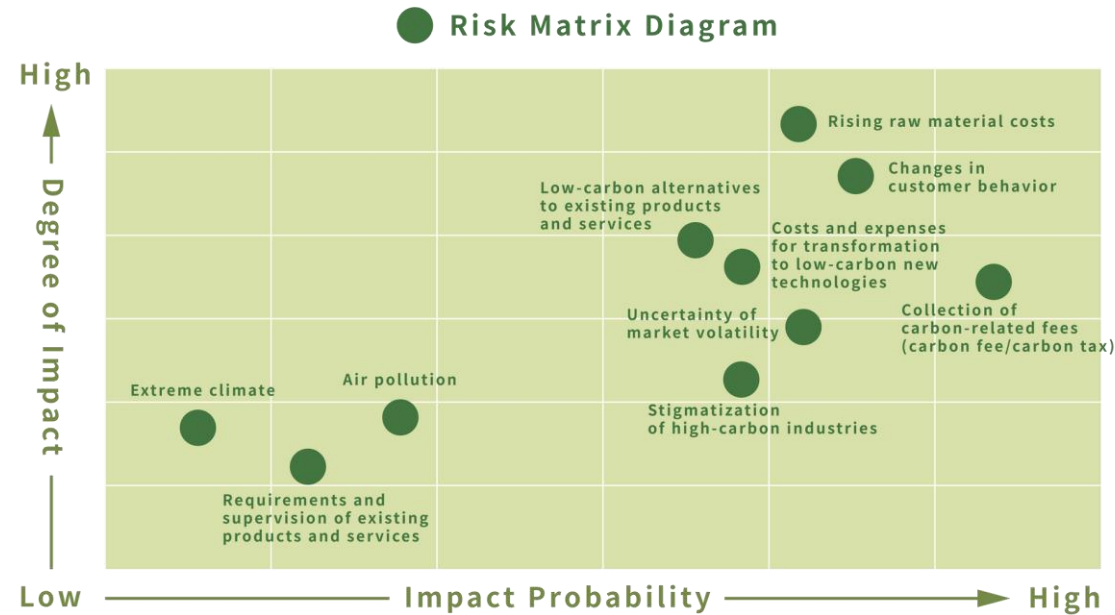
2. List of Opportunity

Type	Opportunity Dimension	Name of Opportunity	Period of Influence	Description of Opportunity
Opportunity	Resource efficiency	Improve the overall efficiency of plants, manufacturing processes, and transportation procedures	Short	Improve overall energy efficiency and production efficiency by introducing new technologies, applying data analysis, and carrying out process re-engineering
		Promote water efficiency	Short	Improve water utilization efficiency and enhance recycling rate to reduce costs
		Material recycle and reuse	Short	Strengthen the recycling and reuse of materials and expand the usage of recyclable and recycled new materials to promote a circular economy. Reduction in waste and reduce costs
	Source of energy	Participation in renewable energy projects and energy efficiency improvement	Medium	Participate in renewable energy projects developed by national, local, and research institutions to improve energy efficiency
		Usage of low-emission energy	Short	Build low-emission energy equipment, improve the utilization rate of low-emission energy, reduce the usage of high-carbon energy sources, and accelerate the net zero transition.
	Product/ Service	Development of low-carbon products and services	Short	New products and services that meet future trends, regulatory requirements, and customer expectations, cause changes in the existing market structure, and create potential demand for emerging products and services
	Market	Positive reputation	Long	Meet the expectations of stakeholders and society, become a role model and benchmark in the industry, and build positive influence and reputation
		Obtaining rewards and cooperation from the public sector	Short	Accelerate the net zero transition goal in line with government policies and regulations, and obtain relevant support resources and incentives rewards

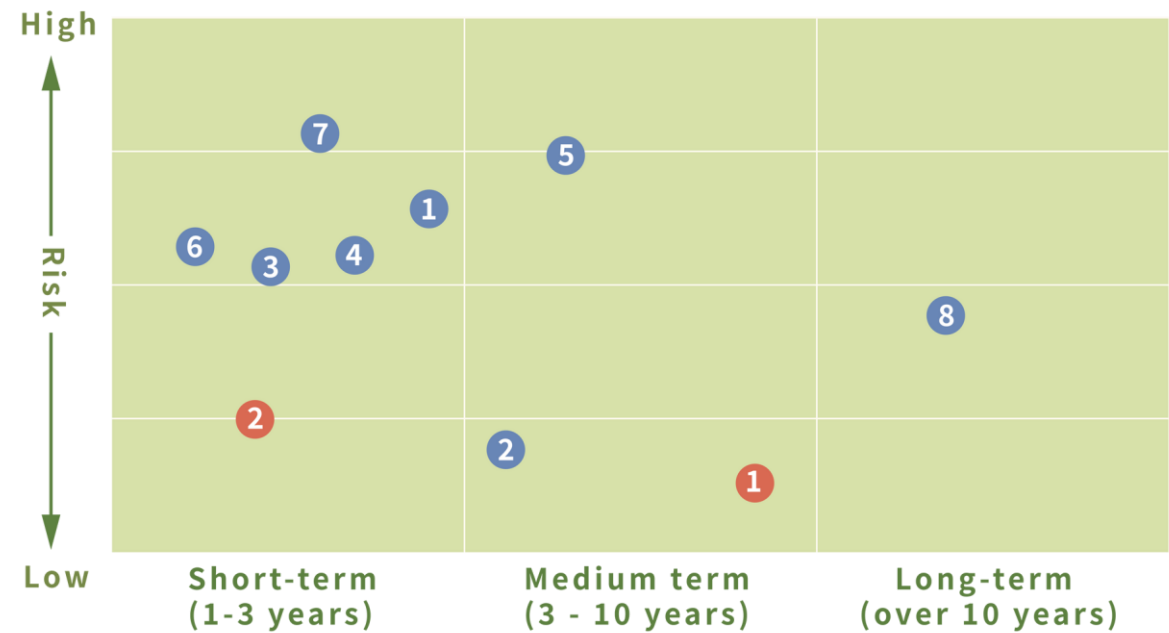
3. Impact on the Supply Chain

Risk Category	Risk Dimensions	Name of Risk	Degree of Impact		
			Upstream (Manufacturer/ Supplier)	Midstream (Own Operations)	Downstream (Customers)
Transition risks	Policies and regulations	Collection of carbon-related fees (carbon fee/carbon tax)	medium	high	medium
		Requirements and supervision of existing products and services	low	low	medium
	Technology	Low-carbon alternatives to existing products and services	medium	high	medium
		Costs and expenses for transformation to low-carbon new technologies	medium	high	medium
	Market	Changes in customer behavior	high	high	medium
		Uncertainty of market volatility	high	medium	medium
		Rising raw material costs	high	medium	high
	Reputation	Stigmatization of high-carbon industries	low	high	medium
Physical risks	Extreme	Extreme climate	low	low	medium
	Long-term	Air pollution	low	low	high

4. Impact Assessment Matrix Diagram1



5. Impact Assessment Matrix Diagram 2



Mapping table

- Transition risks:
 - 1.Collection of carbon-related fees (carbon fee/carbon tax)
 - 2.Requirements and supervision of existing products and services
 - 3.Low-carbon alternatives to existing products and services
 - 4.Costs and expenses for transformation to low-carbon new technologies
 - 5.Changes in customer behavior
 - 6.Uncertainty of market volatility
 - 7.Rising raw material costs
 - 8.Stigmatization of high-carbon industries
 - 9.Collection of carbon-related fees (carbon fee/carbon tax)
- Physical risks:
 - 1.Extreme climate
 - 2.Air pollution

6.Measures for Significant Risk

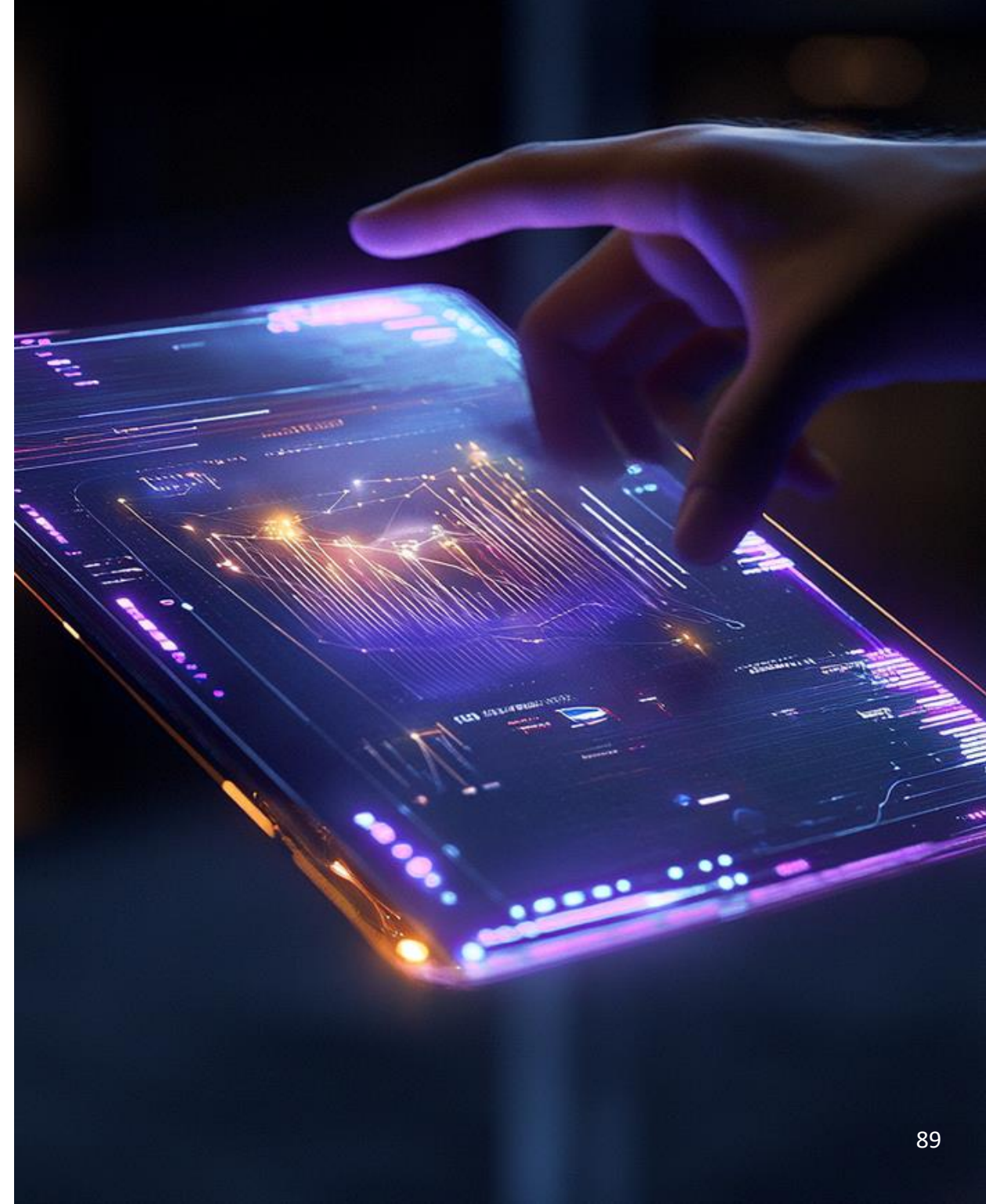
Risk Category	Risk Dimensions	Name of Risk	Period of Influence	Risk Impacts	Directions and Measures for Significant Risk Response
Transition risks	Market	Changes in customer behavior	Medium	Changes in market orientation. Decrease in revenue.	<ol style="list-style-type: none"> 1.Enhance product development capabilities to accelerate the launch of a full range of new products that meet the market demands. 2.Actively develop low-carbon green products and lightweight electric vehicle tire products. 3.Ensure that product delivery meets customer needs without delay. 4.Enhance the automation level of production lines and the quality. 5.Develop new markets and enhance brand image. 6.Accelerate the phase-out of uncompetitive products.
		Rising raw material costs	Short	Extreme climate affects the supply of raw materials and increases operating cost.	<ol style="list-style-type: none"> 1.Develop new product formulations to increase the flexibility of raw material allocation and reduce the proportion of specific raw materials used. 2.Make good use of the bargaining power of procurement management, actively develop suppliers with competitiveness in various regions, strengthen the business communication with suppliers, and strengthen the adaptability of procurement personnel. 3.Make good use of combination of long-term contracts and spot purchases and place monthly/quarterly orders to avoid cost fluctuations and supply risks. 4.Strengthen the ability to collect and analyze commodity market information, control the inventory and consumption of raw materials within the group, and purchase appropriate raw materials in a timely manner.

III. Risk Management

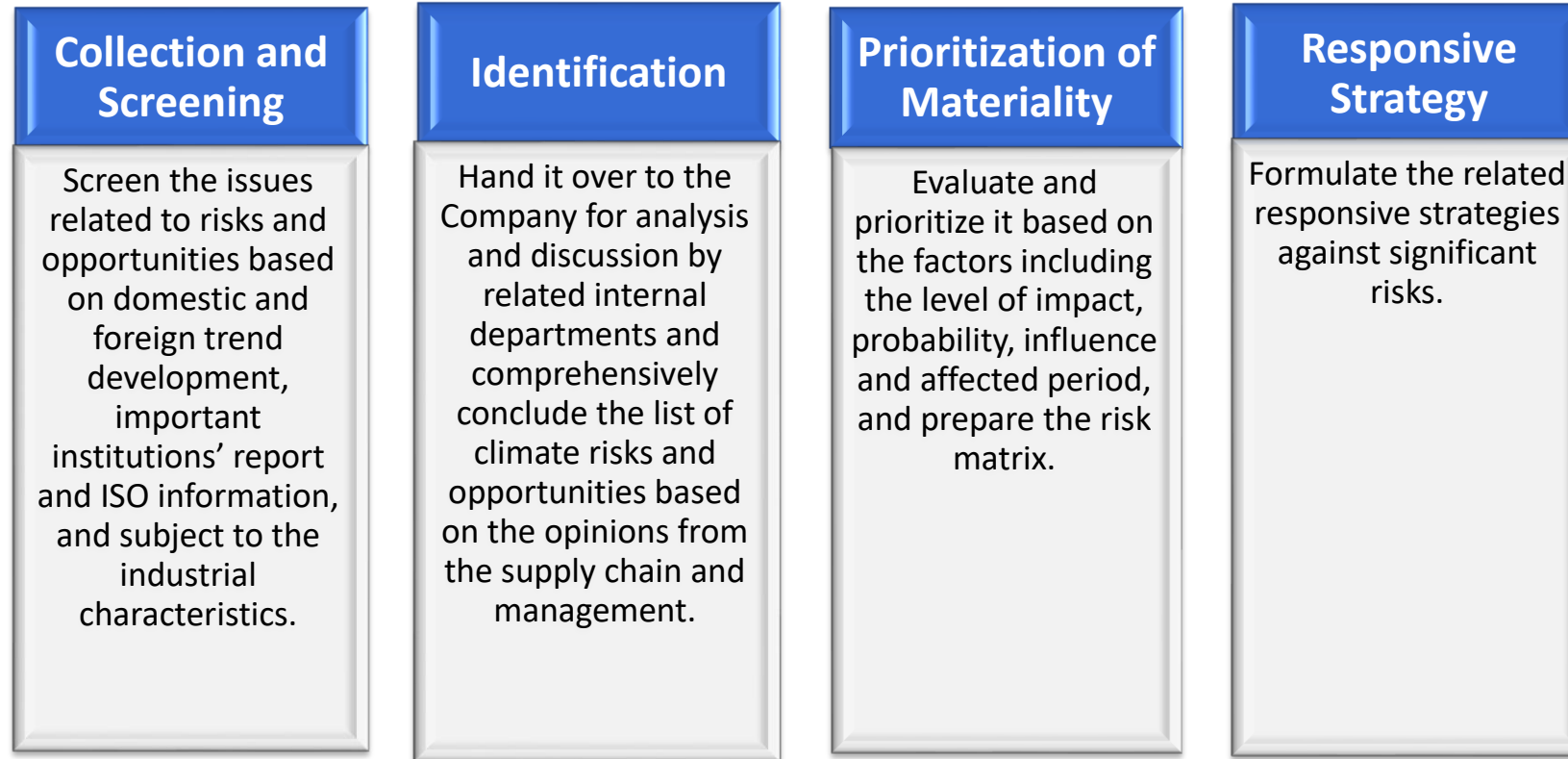
To carry out the Company's sustainable development, the “Corporate Governance Risk Management Policy and Operating Procedures Regulations” had been approved by the Board of Directors in 2022 as the supreme guiding principle for the Company's risk management.

The risk management team under the Audit Committee regularly collects and identifies risk factors every year, screens out the scope of risk management, and monitors potential risks and proposes corresponding measures according to the latest internal audit requirements to strengthen risk management; and regularly reported to the Audit Committee for discussion and implementation after approval by the Board of Directors.

In 2024, the risk management team referred to international trends, reports from important institutions, and standard issued by International Organization for Standardization (“ISO”) to screen out a pool of risks and opportunities based on industry characteristics. The pool of risks and opportunities were further discussed and analyzed by the various departments of the Company, together with the management's opinions, and then a list of potential climate risks and opportunities was compiled by the Company. Based on the degree of impact, probability of occurrence, influence and period, a climate risk matrix is prepared, and relevant response strategies are formulated based on the matrix. The Company continuous monitors, manages, and regular reviews the implementation of the measures.



Climate Change Risk and Opportunity Management Process





IV. Indicators and Goals

Goals

In response to the issue of climate adaptation, The Company has set a carbon reduction target of "Carbon reduction by 3% per year and by 25% in total by 2030."

Indicators

There are four themes for the Company's current climate risk management: green design, climate action, sustainable supply chain, and circular economy. Indicators are set for each theme, and management and performance tracking are conducted based on annual goals. For the performance of each indicator and greenhouse gas inventory, please refer to the corresponding chapter of the 2024 ESG Report.

3.2 Energy and Greenhouse Gas Emissions Management

Material Topic: Energy and Emissions	
Significant reasons for this topic	<ol style="list-style-type: none"> 1.The phenomenon of energy exhaustion poses a great threat to the sustainable development of mankind. By dedicating themselves to energy conservation and carbon reduction, enterprises can not only contribute to society but also reduce operating costs by improving energy efficiency. 2.Upon analysis and identification of the material topics, the topic on emissions is found to be very important to the Company. If the Company fails to manage the energy and GHG emissions, the Company is likely to be punished pursuant to related laws and regulations. Responsible emission management can mitigate the Company's risk and improve the competitiveness of products in sustainability issues.
Policy / Strategy	EHS And Energy Management Policy: "Green Production, Safety and Health, And Sustainable Operations." Based on the philosophy of corporate social responsibility and sustainable operations, the Company aims at energy conservation and green production and promotes the energy management system that meets international standards.
Goals and Targets	<ol style="list-style-type: none"> 1.The carbon reduction goal is "Carbon reduction by 3% per year and by 25% in total by 2030". 2.The energy conservation goal is "annual electricity saving rate of more than 1%".
Management Evaluation Mechanism	<ol style="list-style-type: none"> 1.Compliance with energy regulations and other energy saving requirements. 2.Energy transformation: use of natural gas for boilers, heat pump energy saving, carbon capture technology, green electricity, hydrogen energy, reduction of weight, and diesel consumption rate. 3.Process improvements: implementation of frequency conversion technology, replacement and update of old equipment, nitrogen sulfurization technology, digital energy saving, and improved recycled water utilization rate. 4.Implementation of ISO 14001, ISO 50001, ISO 14064-1 and internal management procedures, and performance of the PDCA effectiveness evaluation on the emission and energy management.
Performance and Adjustment	<ol style="list-style-type: none"> 1.The energy savings rate in Taiwan has increased from 1.41% to 1.47%, exceeding the Bureau of Energy's annual target of over 1%. 2.Achieve the carbon reduction goal of "Carbon reduction by 3% per year and by 25% in total by 2030." 3.During the reporting period, the Company 's air pollution management indicators for granular pollutants TSP, sulfur oxides SOx and nitrogen oxides NOx were all in compliance with the emission standards for stationary sources.
Preventive or Remedial Measures	<ol style="list-style-type: none"> 1.Promote energy-saving design activities and use energy-saving products to improve energy consumption performance and energy management system. <ol style="list-style-type: none"> a. Purchase of external green energy. b. Self-developed alternative energy: e.g. hydrogen energy and solar energy, and the development of energy storage system. 2.In alignment with the Ministry of Economic Affairs' "Subsidy for Low-Carbon and Intelligent Upgrading and Transformation of Large Enterprises Supporting Small Enterprises.", the company actively promotes carbon management capabilities and emission reduction efforts across its operations and supply chain partners. 3.The primary sources of exhaust emissions from production facilities are boiler combustion and process-related fugitive emissions. All pollutants are treated using the most appropriate pollution control equipment, such as cyclone dust collectors and baghouse filters. The treated exhaust gases fully comply with regulatory emission standards. 4. Through the Occupational Safety, Health, and Environmental Promotion Meeting and related committees, the Company regularly reviews carbon reduction performance and improvement measures, advancing toward its decarbonization goals.



Energy Management

Energy Management Policy

“Green production, safety and health, and sustainable operations.” The Company, based on corporate social responsibility and the concept of sustainable development, aims for energy conservation, carbon reduction, and green production, and promotes an energy management system that meets international standards:

- Comply with energy regulations and other energy-saving requirements
- Provide information and resources to achieve our goals and energy targets
- Support energy-saving design activities and the procurement of energy-saving products
- Continuously improve energy performance and energy management system.

The Company has established an energy management group to be responsible for the activities and responsibilities of the energy management system:

Job	The Responsible Unit	Action
Energy Audit	Engineering Department	Review the Company's energy use and consumption, energy performance indicators and baselines, and energy conservation projects.
Energy Management Regulations and Energy Efficiency Standards	Engineering Department	Responsible for announcing and updating regulations related to energy management to ensure that personnel are aware of the latest development status.
Action Plans	Energy Management Group	Establish energy saving improvement projects and the relevant performance indicators annually.
Communication	Energy Management Group	Conduct internal and external communication on energy management, including compliance obligations (e.g., energy audits and reporting operations).
Design and Procurement	Engineering Department and Equipment Maintenance Division	Design energy performance indicators for equipment of significant energy use and manage the procurement.
Documented Information Management	Engineering Department, Equipment Maintenance Division, Manufacturing Unit, Document Control Center	Compile and manage digital energy management system documents.

Job	The Authorized Unit	Action
Internal and External Audits	Energy Management Group and External Audit Unit	Regularly conduct internal and external audits.
Data Monitoring and Measurement	Engineering Department, Equipment Maintenance Division, and Manufacturing Unit	Measure and collect data on electricity, gas, and oil consumption for compilation and analysis.
Energy Management Manual	Engineering Department	Revise and update the energy management manual to follow the latest policies and revision procedures.

The energy consumption in each operation area of the Company in the past three years is listed in the following table:

Taiwan

Quantitative Indicators		Unit	2022	2023	2024
Electricity Consumption	Self-Generated and Self-Consumed Renewable Energy	kWh / Year	-	-	665,239.00
		GJ	-	-	2,394.86
	Purchased Non-Renewable Energy	kWh / Year	48,426,924	42,843,288	43,732,994.39
		GJ	174,336.93	154,235.84	157,438.77
Liquefied Petroleum Gas (LPG) (Heat Supply)		Kg / Year	3,372	5,586.7	3,358.00
		GJ	170.18	281.96	169.48
Gasoline Consumption		L / Year	37,123	39,012	40,900.17
		GJ	1,211.52	1,273.19	1,302.15
Diesel Fuel Consumption		L / Year	460,626	443,808	473,082.54
		GJ	16,188.98	15,598.26	17,106.19
Liquefied Natural Gas Consumption (LNG) (Heat Supply)		M³	11,000,448	7,603,986	8,127,150.00
		GJ	368,207.00	286,594.23	272,040.10
Total Renewable Energy Consumption		GJ	-	-	2,394.86
Total Non-Renewable Energy Consumption		GJ	560,114.60	457,983.48	448,056.69
Organization Specific Metric		Group Revenue (Million Dollars)	38,617.881	34,443.676	34,202.669
Renewable Energy Intensity		GJ/ Group Revenue (Million Dollars)	-	-	0.07
Non-Renewable Energy Intensity		GJ/ Group Revenue (Million Dollars)	14.50	13.30	13.10

Note:

1. The calorific value of electricity is converted at 1kWh=0.0036GJ. According to the Energy Statistics Manual published by the Energy Administration, Ministry of Economic Affairs (last updated: October 4, 2024), the calorific value for electricity consumption is uniformly calculated as 860 kcal/kWh; 1 GJ = 239,000 kcal.

2. The 2024 conversion factor source calculates the calorific value of the fuel based on the announcement by the Ministry of Environment dated February 5, 2024. Gasoline 7,609 kcal/L; Diesel 8,642 kcal/L; Natural Gas 8,000 kcal/m³; Liquefied petroleum gas (LPG) 1 kg = 1.818 L, 1 L = 6,635 kcal (1 GJ =1,000,000 KJ) . Liquefied petroleum gas (LPG) 1 L = 0.027762 GJ; Diesel 1 L = 0.036159 GJ; Gasoline 1 L = 0.031837 GJ; Liquefied Natural Gas Consumption (LNG) 1 m³ = 0.033473 GJ.

3. In 2024, Taipei Office and Kenfong Office were newly included in the scope of energy management.

China

Quantitative Indicators		Unit	Shenzhen Factory			Kunshan Factory			Tianjin Factory		
			2022	2023	2024	2022	2023	2024	2022	2023	2024
Electricity Consumption	Self-Generated and Self-Consumed Renewable Energy	kWh / Year	-	-	-	-	1,471,914 (Note3)	1,536,587	-	9,102,398 (Note3)	9,258,360
		GJ	-	-	-	-	5,299	5,532	-	32,769	33,330
	Purchased Non-Renewable Energy	kWh / Year	8,953,680	9,434,540	2,976,620	80,346,072	76,877,563	72,167,064	44,434,840	41,932,700	42,479,080
		GJ	32,233.25	33,970.46	10,716	289,245.86	276,759.23	259,801.43	159,965.42	150,957.72	152,924.69
Liquefied Petroleum Gas (LPG) (Heat Supply)		kg / Year	825	630	470	495	-	-	53,461	58,009	60,439
		GJ	41.42	26.42	23.60	-	-	-	2,684.14	2,912.49	3,034.52
Gasoline Consumption		L / Year	4,705	9,884	9,578	11,644	15,227	11,880	6,301	6,215	6,361
		GJ	151.57	330.33	308.55	375.10	490.52	382.70	202.97	200.20	204.91
Diesel Fuel Consumption		L / Year	41,891	43,150	30,730	206,696	206,476	193,133	71,079	58,921	73,522
		GJ	1,506.20	1,557.08	1,105	7,431.80	7,423.87	6,944.10	2,555.66	2,118.53	2,643.48
Liquefied Natural Gas Consumption (LNG) (Heat Supply)		m³	3,543,497	3,744,044	1,457,659	51,429	47,278	54,049	10,151,074	9,652,854	11,419,840
		GJ	114,160.13	131,674.73	46,961	1,656.88	1,523	1,741.30	327,035.12	310,986.00	367,912.99
Steam Consumption (Purchased)		Metric Tons / Year	-	-	-	247,710	234,433	275,310	-	-	-
		GJ	-	-	-	12,185,174.45	11,532,061.69	13,542,854.05	-	-	-
Total Renewable Energy Consumption		GJ	-	-	-	-	5,299	5,532	-	32,769	33,330
Total Non-Renewable Energy Consumption		GJ	148,092.57	167,559.02	59,114.15	12,483,884.09	11,818,258.31	13,811,723.58	492,443.32	467,174.94	526,720.59
Organization Specific Metric		Group Revenue (Million Dollars)	38,617.881	34,443.676	34,202.669	38,617.881	34,443.676	34,202.669	38,617.881	34,443.676	34,202.669
Energy Intensity		GJ/ Group Revenue (Million Dollars)	-	-	-	-	0.15	0.16	-	0.95	0.97
Non-Renewable Energy Intensity		GJ/ Group Revenue (Million Dollars)	3.83	4.86	1.73	323.27	343.12	403.82	12.75	13.56	15.40

Note:

1. The calorific value of electricity is converted at 1kWh=0.0036GJ. According to the Energy Statistics Manual published by the Energy Administration, Ministry of Economic Affairs (last updated: October 4, 2024), the calorific value for electricity consumption is uniformly calculated as 860 kcal/kWh; 1 GJ = 239,000 kcal.

2. Electricity consumption includes the consumption of production and domestic electricity and liquefied natural gas consumption includes the consumption of production and dormitory hot water.

3. Contract capacity: in 2020 and 2021, the Company was not subject to any electricity contract requirements. Since 2022, the Company has started to require power consumption by contract.

4. Steam consumption is generated from the factory’s boilers and consumed for own use.

5. In 2024, the conversion factors for fuel calorific values were calculated based on the national standard of the People's Republic of China, GBT 2589-2020 General Principles for Comprehensive Energy Consumption Calculation. · Gasoline 7,699.25 kcal/L ; Diesel Fuel 8,593.5 kcal/L ; Natural Gas 7,700 kcal/m3 ; Steam 11,757 kcal/kg ; 1 kcal=4.184 KJ. Natural Gas 1 m3 =0.032217 GJ ; 1 Metric Ton Steam=49.19129 GJ ; Diesel Fuel 1 L=0.035955 GJ ; Gasoline 1 L=0.032214 GJ · 1 kg Liquefied Petroleum Gas (LPG) =0.050208 GJ.

6. In 2024, the Company purchased renewable electricity through Green Power Purchase Agreements (PPAs) and Green Energy Certificates (GECs). The Kunshan Factory utilized both PPAs and GECs, while the Tianjin Factory relied only on PPAs.

Proportion of Green Electricity Usage by Factory (Photovoltaic + Purchased Green Electricity + Green Energy Certificates)		
Year/Factory	Kunshan Factory	Tianjin Factory
2024	33.48%	84.93%

Southeast Asia

Quantitative Indicators	Unit	Indonesia Factory			Vietnam Factory		
		2022	2023	2024	2022	2023	2024
Electricity Consumption (Purchased Non-Renewable Energy)	kWh / Year	16,861,624	10,539,564	12,817,012	81,211,600	85,977,300	85,006,362
	GJ	60,701.85	37,942.43	46,141.24	292,361.76	309,518.28	306,022.90
Liquefied Petroleum Gas (LPG) (Heat Supply)	kg / Year	139	186	210	10,176	9,584	4,278
	GJ	7.02	9.39	10.61	513.56	483.69	216
Gasoline Consumption	L / Year	8,930	3,408	4,460	10,283	7,555	20,199
	GJ	291.43	111.22	141.99	335.60	246.56	643.08
Diesel Fuel Consumption	L / Year	61,296	50,922	58,926	268,000	241,700	315,114
	GJ	2,154.33	1,789.74	2,130.71	9,419.25	8,494.89	11,394.21
Residual Fuel Oil Consumption (Heat Supply)	L / Year	-	-	-	13,689,000	23,400,300	24,389,200
	GJ	-	-	-	549,837.85	939,896.45	979,665
Liquefied Natural Gas Consumption (LNG) (Heat Supply)	m ³	4,716,023	3,223,951	3,791,093	-	-	-
	GJ	157,854.72	121,510.72	126,899	-	-	-
Total Energy Consumption	GJ	221,009.34	161,363.49	175,323.554	852,468.01	1,258,639.88	1,297,941.19
Organization Specific Metric	Group Revenue (Million Dollars)	38,617.881	34,443.676	34,202.669	38,617.881	34,443.676	34,202.669
Energy Intensity	GJ/ Group Revenue (Million Dollars)	5.72	4.68	5.13	22.07	36.54	37.95

Note:

The calorific value of electricity is converted at 1kWh=0.0036GJ. According to the Energy Statistics Manual published by the Energy Administration, Ministry of Economic Affairs (last updated: October 4, 2024), the calorific value for electricity consumption is uniformly calculated as 860 kcal/kWh; 1 GJ = 239,000 kcal.

The 2024 conversion factor source calculates the calorific value of the fuel based on the announcement by the Ministry of Environment dated February 5, 2024. Gasoline 1KG=1.3793L, Gasoline 7,609 kcal/L; Diesel Fuel 8,642 kcal/L; Residual Fuel Oil 9,600 kcal/L; Natural Gas 8,000 kcal/m³; Liquefied petroleum gas (LPG) 1 kg = 1.818 L, 1 L = 6,635 kcal (1 GJ =1,000,000 KJ). Liquefied petroleum gas (LPG) 1 L = 0.027762 GJ; Gasoline 1 L = 0.031837 GJ; Diesel Fuel 1 L = 0.036159 GJ; Liquefied Natural Gas Consumption (LNG) 1 m³ = 0.033473 GJ; Residual Fuel Oil 1L=0.040168 GJ.

Indonesia Factory: the unit of measurement for natural gas verification data is MMBTU, with 1 MMBTU equivalent to 28.5 cubic meters.

Europe / The U.S.

Quantitative Indicators	Unit	Europe	The U.S.
		2024	2024
Electricity Consumption (Purchased Non-Renewable Energy)	kWh / Year	4,521,832	10,582,737
	GJ	16,278.60	38,097.85
Liquefied Petroleum Gas (LPG)	kg / Year	31,868	126,285
	GJ	1,608.42	6,373.77
Gasoline Consumption	L / Year	44,335	10,378
	GJ	1,411.49	330.40
Diesel Fuel Consumption	L / Year	96,586	40,334
	GJ	3,492.45	1,458.44
Liquefied Natural Gas Consumption (LNG) (Heat Supply)	m ³	4,106,142	1,134,830
	GJ	137,444.89	37,986.16
Total Energy Consumption	GJ	160,235.85	84,246.62
Organization Specific Metric	Group Revenue (Million Dollars)	34,202.669	34,202.669
Energy Intensity	GJ/ Group Revenue (Million Dollars)	4.68	2.46

Note:

The calorific value of electricity is converted at 1kWh=0.0036GJ. According to the Energy Statistics Manual published by the Energy Administration, Ministry of Economic Affairs (last updated: October 4, 2024), the calorific value for electricity consumption is uniformly calculated as 860 kcal/kWh; 1 GJ = 239,000 kcal.

The 2024 conversion factor source calculates the calorific value of the fuel based on the announcement by the Ministry of Environment dated February 5, 2024. Gasoline 7,609 kcal/L; Diesel 8,642 kcal/L; Natural Gas 8,000 kcal/m³; Liquefied petroleum gas (LPG) 1kg = 1.818 L, 1L = 6,635 kcal (1GJ =1,000,000 KJ) . Liquefied petroleum gas (LPG) 1L = 0.027762 GJ; Diesel 1L = 0.036159 GJ; Gasoline 1L = 0.031837 GJ; Liquefied Natural Gas Consumption (LNG) 1m³ = 0.033473 GJ.

Energy Saving Achievements

The table below outlines the main specific action plans for energy conservation and carbon reduction in each plant area, along with the carbon reduction amounts for each plan:

Region	Item	Reduction in Greenhouse Gas Emissions (Metric Tons CO ₂ e/Year)	Investment Cost (NTD)
Taiwan	Green Energy Utilization	329	29,276,175
	Technical Optimization	382	962,000
	Equipment Upgrades and Retrofits	39	300,000
	Replacement with Energy-Saving Equipment	66	380,000
China	Technical Optimization	3,397	41,452,527
	Equipment Upgrades and Retrofits	292	836,113
	Replacement with Energy-Saving Equipment	376	2,090,548
Southeast Asia	Technical Optimization	158	329,438
	Equipment Upgrades and Retrofits	853	413,720
	Replacement with Energy-Saving Equipment	3,208	12,846,743
Total		9,099	88,887,264

Kenda and Supply Chain Low-Carbon Transformation Program

In 2023, the Company participated in the “1+N Subsidy for Low-Carbon and Intelligent Upgrading and Transformation of Large Enterprises Supporting Small Enterprises,” initiated by the Ministry of Economic Affairs and implemented from October 2023 to September 2025. This program is governed by Article 3, Subparagraph 5 of the “Special Act for Post-Pandemic Economic and Social Resilience and Inclusive Economic Growth,” and Article 5 of the “Regulations for Promoting Industrial and SME Transformation by the Ministry of Economic Affairs.”

Under the “Large Enterprises Leading Small Enterprises” model, the program encourages core factories (defined as those employing more than 10 regular staff) to lead supply chain partners in accelerating the adoption of low-carbon and intelligent technologies, equipment, and management systems. The objective aims to facilitate industrial transformation toward low-carbon and smart manufacturing, thereby enhancing national industrial competitiveness and economic resilience.

As part of this initiative, the Company has implemented a range of low-carbon measures including carbon inventory, carbon footprint analysis, and energy management systems. Additional efforts encompass the development of low-carbon processes, technologies, and innovative products; the adoption of circular packaging materials; and the provision of low-carbon services and green supply chain collaboration. These actions aim to strengthen the Company’s carbon management capabilities and reduce overall greenhouse gas emissions.





Greenhouse Gas Emission Management

- Driven by the trend of greenhouse gas control by international organizations and to meet the requirements of greenhouse gas reduction, the Company's Safety and Health Office establishes greenhouse gas inventory management system. The Company uses the system to keep track of emissions and obtain accurate information to understand the Company's greenhouse gas reduction situation, which will in turn reduce greenhouse gas emissions.
- The Company's carbon reduction target set is "Carbon reduction by 3% per year and by 25% in total by 2030". The Company's greenhouse gas reduction strategy and action plan focus on the use of green energy, optimization of production technologies, replacement of energy-saving equipment, and equipment upgrading. These efforts aim to enhance production efficiency and reduce energy consumption while lowering greenhouse gas emissions. At the product level, the Company actively modifies product formulations to use more low-carbon and environment friendly raw materials, improving product performance and reducing the carbon footprint. The company sets various KPIs for its carbon reduction goals and regularly reviews the progress toward achieving these targets.
- The Company's Taiwan and Kunshan factory introduced ISO 14064-1:2018 organizational greenhouse gas inventory for the first time in 2022. In 2024, the Company included all subsidiaries in the greenhouse gas inventory scope, aiming to assess internal carbon emissions through this inventory as a basis for future carbon reduction planning and to gradually achieve the goal of net-zero emissions by 2050.

Taiwan

Item	2022	2023	2024
Scope 1: Direct Emission (tonCO ₂ e)	24,618.95	17,949.72 (Note5)	17,878.11
Scope 2: Indirect GHC Emissions (tonCO ₂ e)	26,387.95	21,307.51 (Note5)	20,738.50
Total emissions = Scope I + Scope II (tonCO ₂ e)	51,006.90	39,257.23 (Note5)	38,616.61
Greenhouse Gas Emissions Intensity (tonCO ₂ e/ Group revenue (NTD millions))	1.32	1.14 (Note5)	1.13

Note:

- Scope 1 covers the emission sources directly owned or controlled by the Company, including stationary combustion sources, process emissions, mobile combustion sources of transportation, and fugitive emission sources.
- Scope 2 covers the indirect emission sources, such as purchased electricity.
- GHG emission categories: Carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) and hydrofluorocarbons (HFCs).
- The electricity purchased in Taiwan invokes the electricity emission factor announced by the Bureau of Energy, MOEA. The electricity emission factor in 2022 =0.509 kgCO₂e/kWh (based on 2021 national electricity carbon emission coefficient; in 2023= 0.494 kgCO₂e/kWh (based on 2023 national electricity carbon emission coefficient); in 2024= 0.494 kgCO₂e/kWh (based on 2024 national electricity carbon emission coefficient)
- In 2023, the greenhouse gas emissions were reduced due to capacity impacts and improvements in equipment for carbon reduction. Reason for greenhouse gas emissions adjustment: The adjustment was made based on the implementation results of the greenhouse gas inventory system.
- The Yunlin factory passed the ISO 14064-1 verification from 2022 to 2024. The factory conducted its own inventory in accordance with the ISO 14064-1 standard.

China

Factory	Kunshan Factory			Shenzhen Factory			Tianjin Factory		
Year	2022	2023	2024	2022	2023	2024	2022	2023	2024
Scope 1: Direct Emission (tonCO ₂ e)	1,290.24	1,324.17	1,505.94	8,073.24	8,374.38	4,127.59	22,435.56	21,363.94	25,113.84
Scope 2: Indirect GHC Emissions (tonCO ₂ e)	120,254.83	114,279.23	121,324.46	8,496.15	7,779.86	2,470.50	39,293.73	29,053.23	7,179.12 (Note7)
Total emissions = Scope I + Scope II (tonCO ₂ e)	121,545.07	115,603.40	122,829.40	16,569.39	16,154.24	6,598.09	61,729.29	50,417.17	32,292.96
Greenhouse Gas Emissions Intensity (tonCO ₂ e/ Group revenue (NTD millions))	3.15	3.36	3.59	0.43	0.47	0.19	1.60	1.46	0.94

Note :

- Scope 1 covers the emission sources directly owned or controlled by the Company, including stationary combustion sources, process emissions, mobile combustion sources of transportation, and fugitive emission sources.
- Scope 2 covers the indirect emission sources, Shenzhen Factory / Tianjin Factory: Purchased electricity; Kunshan Factory: purchased steam, and municipal water supply.
- GHG emission categories: Carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) and hydrofluorocarbons (HFCs).
- Electricity emission factors: Shenzhen Factory: 0.9489 kgCO₂e/kWh (based on Southern China regional grid emission factor)); Kunshan Factory: 0.5703 kgCO₂e/kWh (based on the 2022 national grid average emission factor); Tianjin Factory: 0.8325 kgCO₂e/kWh (based on the North China regional grid emission factor).
- The steam emission factor is 0.11ton CO₂e/GJ in the Kunshan Factory.
- The Kunshan factory received the ISO 14064-1 certification for 2023 and 2024 (the inventory scope includes categories 1 to 4); The Shenzhen factory received the Guangdong Province corporate carbon emission certification in 2023 (conducted according to the ISO 14064-1 standard, with an inventory scope of categories 1 and 2). In May 2024, the production of tire products at Shenzhen facility has been discontinued, leading to a significant fluctuation in carbon emissions. The Tianjin factory received the Tianjin municipal corporate carbon emission certification for 2023 and 2024 (with an inventory scope of categories 1 and 2; the certification proof is expected to be provided in October 2025).
- In 2024, the Tianjin Plant procured significant amount of green electricity from renewable sources, resulting in a notable variation in category 2 emissions compared to 2023.

Southeast Asia

Factory	Indonesia Factory			Vietnam Factory		
Year	2022	2023	2024	2022	2023	2024
Scope 1: Direct Emission (tonCO2e)	9,043.08	5,556.12	7,554.36	80,159.50	72,344.53	146,845.44 (Note 2)
Scope 2: Indirect GHC Emissions (tonCO2e)	13,320.67	8,863.99	9,803.55	65,302.26	69,127.27	53,685.01
Total emissions = Scope I + Scope II (tonCO2e)	22,363.75	14,420.11	17,357.91	145,461.76	141,471.80	200,530.45
Greenhouse Gas Emissions Intensity (tonCO2e/ Group revenue (NTD millions))	0.579	0.419	0.508	3.767	4.107	5.863

Note :

- From 2022 to 2023, Scope 1 covers the emission sources directly owned or controlled by the Company, including stationary combustion sources, process emissions, mobile combustion sources of transportation, but excluded process emissions and fugitive emission sources.
- In 2024, Scope 1 was redefined to cover the emission sources directly owned or controlled by the Company, including stationary combustion sources, process emissions, mobile combustion sources of transportation, and fugitive emission sources.
- Scope 2 covers the indirect emission sources, such as purchased electricity.
- GHG emission categories: Carbon dioxide (CO2) from 2022 to 2023; Carbon dioxide (CO2), methane (CH4) and nitrous oxide (N2O) and hydrofluorocarbons (HFCs) in 2024.
- 2022 Purchased Electricity Emission Factors: The emission factor for purchased electricity was 0.509 kgCO₂e/kWh for both the Indonesia factory and Vietnam factory; 2023 Purchased Electricity Emission Factors: The Indonesia factory adopted the emission factor of 0.7900 kgCO₂e/kWh from San Fang Indonesia, while the Vietnam plant used the emission factor of 0.8041 kgCO₂e/kWh provided by the Vietnam Energy Efficiency Center. 2024 Electricity Emission Factors: the Indonesia factory adopted an emission factor of 0.743 metric tons CO₂e/MWh, while the Vietnam factory applied an emission factor of 0.6824 kgCO₂e/kWh, both based on data from the Greenhouse Gas Inventory Platform.
- The Indonesia and Vietnam factories conducted their own inventories; the inventory scope includes categories 1 and 2.

Europe

Item	2024
Scope 1: Direct Emission (tonCO2e)	1,516.08
Scope 2: Indirect GHC Emissions (tonCO2e)	1,509.01
Total emissions = Scope I + Scope II (tonCO2e)	3,025.09
Greenhouse Gas Emissions Intensity (tonCO2e/ Group revenue(NTD millions))	0.09

Note :

- Scope 1 covers the emission sources directly owned or controlled by the Company, including stationary combustion sources, process emissions, mobile combustion sources of transportation, and fugitive emission sources.
- Scope 2 covers the indirect emission sources, such as purchased electricity.
- GHG emission categories: Carbon dioxide (CO2), methane (CH4) and nitrous oxide (N2O) and hydrofluorocarbons (HFCs).
- The emission factor for purchased electricity is based on the values announced by the European Commission.
- In 2024, the greenhouse gas emissions were reduced due to capacity impacts.
- In Europe, the factory conducted its own inventory in accordance with the ISO 14064-1 standard.

The Company’s Occupational Safety and Health Department is committed to the prevention and control of various types of air pollution. The primary sources of exhaust emissions include boiler combustion and process-related fugitive emissions. Pollutants consist of particulate matter, sulfur oxides, nitrogen oxides, dust, volatile organic compounds (VOCs), waste heat gases, and odors. All exhaust emissions generated from the Company’s manufacturing processes are collected and treated using the most appropriate pollution control equipment, such as cyclone dust collectors, baghouse filters, activated carbon adsorption towers, and wet scrubbers. Post-treatment emissions are subject to regulatory compliance testing, and only emissions that meet legal standards are permitted for discharge. During the reporting period, all exhaust emission test results complied with applicable regulatory emission standards.

The U.S.

Item	2024
Scope 1: Direct Emission (tonCO2e)	2,674.54
Scope 2: Indirect GHC Emissions (tonCO2e)	4,018.49
Total emissions = Scope I + Scope II (tonCO2e)	6,693.03
Greenhouse Gas Emissions Intensity (tonCO2e/ Group revenue(NTD millions))	0.20

Note :

- Scope 1 covers the emission sources directly owned or controlled by the Company, including stationary combustion sources, process emissions, mobile combustion sources of transportation, and fugitive emission sources.
- Scope 2 covers the indirect emission sources, such as purchased electricity.
3. GHG emission categories: Carbon dioxide (CO2), methane (CH4) and nitrous oxide (N2O) and hydrofluorocarbons (HFCs).
- In the U.S., the emission factor for purchased electricity is based on the values announced by the U.S. Environmental Protection Agency (EPA).
- In 2024, the greenhouse gas emissions were reduced due to capacity impacts.
- In the U.S., the factory conducted its own inventory in accordance with the ISO 14064-1 standard.

3.3 Water Resources Management

Material Topic: Water and Effluents	
Significant Reasons for This Topic	Upon analysis and identification of the material topics, the topic on water and effluent is found very important to the Company. If the Company fails to manage the water and effluent, the Company is likely to be punished pursuant to related laws and regulations. Responsible effluent management can mitigate the Company's cost risk and improve the competitiveness of products in ESG issues.
Policy / Strategy	1.EHS and energy management policy :“Green Production, Safety and Health, Sustainable Operation.” 2.Improvement of recycling water consumption rate, water resource conservation, and compliance with effluent standards
Goals and Targets	Short-/Mid-/Long-term goals: 1.The Company’s total water withdrawal decreases by 10% compared to the previous year. 2.0 case for violation of the environmental protection emission standards/laws and regulations sanctioned by the local government.
Management Evaluation Mechanism	In accordance with ISO 14001 and internal management procedures, the Company conducts the PDCA effectiveness evaluation on the emission management every year.
Performance and Adjustment	1.In 2024, the Group’s total water withdrawal decreased by 6%. 2.0 cases of penalties related to water resource management in 2024.
Preventive or Remedial Measures	The Company reviews its wastewater recovery rate through Occupational Safety, Health, and Environmental Promotion Meeting and related committees. Measures are formulated to reduce process wastewater discharge and improve recovery rates through dedicated improvement projects. Concurrently, the Company continues to ensure that the quality of discharged water complies with the standards set forth in the Water Pollution Control Act. If the reduction performance does not meet expectations, the Company will actively seek collaboration with relevant organizations to further reduce discharge volumes and enhance the reuse of recovered effluent.



The Company’s water resource risk assessment by territory:

Region	Water Intake Reservoir	Assessment Results
Taiwan	<ol style="list-style-type: none">1. Water sources in Taiwan consist of groundwater and tap water.2. The water source of Yuanlin Factory refers to Baiguo Mountain Water Source Treatment Zone.3. The water source of Yunlin Factory refers to Hushan Reservoir.	The water resource risk in the territory is considered low to medium.
	<ol style="list-style-type: none">1. The water used at the factory premises is divided into ground water and tap water. The ground water is legally used based on the valid water permit and is subject to water usage fees, which is primarily used in the production process, but few are applied for any purposes other than the production process. Tap water is used for domestic purposes.2. Shade wells or sinks are installed at the end of the terminal pipes for production process, non-production process, and domestic water. The water is collected through the pump pipeline and sent to the wastewater treatment yard for treatment and then discharged to Yuanlin Dapai Channel and Xinhui River.3. Water resources at the factory premises are measured and managed with the water meter to supply raw water. The consumption and effluent volume are recorded in the effluent discharge outlet log. The effluent after treatment in the wastewater treatment yard is recycled and reused and then applied to cooling in the container, toilet flushing, tank pouring, landscape pools, washing and air pollution control equipment. Meanwhile, steam condensate is also recycled and returned to the boiler for reuse.4. The wastewater and domestic sewage process generated at the factory premises are collected and recycled to the wastewater treatment facility. After undergoing equalization, pH neutralization, biological contact oxidation, sedimentation, and filtration, all wastewater discharge in 2024 complied with local regulatory requirements.	
China	<p>The source of water used by the factories in China is the water Company.</p> <p>Kunshan Factory:</p> <ol style="list-style-type: none">1. Kuilei Lake: The primary local water source in Kunshan, which is purified and supplied to both the urban and development zones.2. Yangtze River Water: Introduced through regional water diversion projects to enhance water supply reliability. <p>Tianjin Factory:</p> <p>The water source is provided by the municipal water supply network (Tap Water Company).</p> <p>Shenzhen Factory:</p> <p>The water source is provided by the Longhua Tap Water Company.</p>	<p>Kunshan Factory:</p> <p>The water resource risk in the region is considered as low to medium.</p> <p>Tianjin Factory:</p> <p>The municipal pipe network applicable to Tianjin Factory is located at No. 6, Taian Road, South District, Jinghai District, Tianjin City and its water resource risk is considered low.</p> <p>Shenzhen Factory:</p> <p>The water resource risk in Shenzhen City is considered as low to medium.</p>
	<p>Kunshan Factory:</p> <ol style="list-style-type: none">1. The factory’s tap water is primarily used for production, auxiliary facilities, and domestic purposes.2. The site includes dormitories and a cafeteria. A self-built wastewater treatment facility treats effluent to meet reclaimed water standards, which is then reused for toilet flushing. Domestic water is supplied directly, and production water is stored in a dedicated water tower.3. Production wastewater and domestic sewage from production areas undergo preliminary treatment at the factory ’s wastewater station. A portion of the treated water is reused, while the remainder is directed to the wastewater treatment branch of the Optoelectronics Industrial Park. Domestic sewage from residential areas is also sent to the same facility for treatment, with final effluent discharged into the Taicang Canal. Cafeteria wastewater is pretreated via a grease trap before combining domestic sewage and sent to the Optoelectronics Industrial Park’s wastewater treatment branch. Condensate generated from centralized steam heating is collected through an on-site collection basin, with part of it reused after cooling via a cooling tower. Drainage from the cooling power station is treated as greywater through the plant’s wastewater treatment system and, together with employee domestic sewage, is discharged into the regional sewage network managed by Kunshan Development Zone Kuncheng Optoelectronics Water Purification Co., Ltd. <p>Tianjin Factory:</p> <p>Based on the water conservation plan, the Company starts with the water conservation in daily life, improves the water consumption by the process proactively, strengthens daily check on water pipes, and reduces water leakage. Meanwhile, the Company makes full use of the reclaimed water recycling system to maximize the effect of available water resources.</p> <p>Shenzhen Factory:</p> <p>Shenzhen Factory has conducted the water balance test in 2022 and report the same to the Shenzhen Water Conservation Office. The factory successfully passed the re-evaluation on May 29, 2025, and the certification is valid for a period of 3 years.</p>	

The Company's water resource risk assessment by territory:

Region	Water Intake Reservoir	Assessment Results
Southeast Asia	<p><u>Vietnam Factory:</u> All water sources are supplied by Dong Nai River Water Supply Joint Stock Company.</p> <p><u>Indonesia Factory:</u> The water resource of Indonesia Factory is the groundwater allowed by the valid water permit.</p>	<p><u>Vietnam Factory:</u> Jin An Lake Reservoir is located besides Ji An Lake in Dong Nai Province and its water resource risk is considered low.</p> <p><u>Indonesia Factory:</u> The water resource of Indonesia Factory is located in Serang City, Banten Province and its water resource risk is considered low to medium.</p>
	<p><u>Vietnam Factory:</u> In response to the factory's location within an industrial zone and to safeguard continuous operations, the Company has developed the Xuan Tan Water Plant in Bien Hoa City, Dong Nai Province as an emergency backup water source. As part of its commitment to sustainability, the Company has implemented water-saving initiatives such as utilizing recycled water in restrooms and installing water-efficient fixtures.</p> <p><u>Indonesia Factory:</u> Based on the water conservation plan, the Indonesian Factory also starts with the water conservation in daily life, pro-actively improves the water consumption by the process, strengthens daily check on water pipes and also makes full use of the reclaimed water recycling system. The recycling rate in 2024 reached 83.76%.</p>	

Note: Water Resources Risk Assessment Tool: <https://reurl.cc/jgajA2>

Water consumption by region:

Taiwan (Factory Site)

Year	2022	2023	2024
Tap Water Consumption (Megaliters)	45.65	33.35	24.36
Groundwater Consumption (Megaliters)	255.21	190.75	170.41
Water Withdrawal (Megaliters)	300.86	224.10	194.77
Water Discharge (Megaliters)	49.94	26.56	43.44
Water Consumption (Megaliters)	250.92	197.54	151.33
Water Recycling Consumption of the Factory (Megaliters)	40.20	12.61	24.90
Water Recycling and Reuse Rate (%)	11.79	5.33	11.34
Organization-Specific Metrics (Unit)	Group Revenue (NTD Millions)		
Organization-Specific Measures	38,617.881	34,443.676	34,202.669
Water Use Intensity	0.0078	0.0065	0.0057

- Note:
1. Water Withdrawal = Tap Water Consumption + Groundwater Consumption.
 2. Wastewater discharge includes process cooling wastewater and domestic sewage.
 3. Water consumption = Water withdrawal - Water discharge.
 4. Water recycling and reuse rate = Water recycling consumption of the Factor / (Water withdrawal + Water recycling consumption of the Factory) × 100
 5. Water use intensity = Water withdrawal (megaliters) / Organization-specific measures

China

Factory	Shenzhen Factory			Kunshan Factory			Tianjin Factory		
Year	2022	2023	2024	2022	2023	2024	2022	2023	2024
Water Withdrawal (Megaliters)	194.42	171.83	130.97	294.99	237.80	249.13	198.45	187.16	148.23
Water Discharge (Megaliters)	1.27	2.35	1.08	35.58	31.69	29.68	185.16	102.91	95.06
Water Consumption (Megaliters)	193.15	169.48	129.89	259.41	206.11	219.46	13.29	84.25	53.16
Water Recycling Consumption of the Factory (Megaliters)	-	-	-	127.64	115.40	148.93	30.82	43.46	53.16
Water Recycling and Reuse Rate (%)	-	-	-	30.20	32.66	37.41	14.48	18.84	26.4
Organization-Specific Metrics (Unit)	Group Revenue (NTD Millions)								
Organization-Specific Measures	38,617.881	34,443.676	34,202.669	38,617.881	34,443.676	34,202.669	38,617.881	34,443.676	34,202.669
Water Use Intensity	0.0050	0.0050	0.0038	0.0076	0.0069	0.0073	0.0051	0.0054	0.0043

- Note:
1. Water withdrawal refers to the sum of production water and domestic water. All sources utilize tap water.
 2. Water discharge refers to the emission volume of industrial wastewater from the plant after the treatment by the wastewater treatment yard (excluding the domestic wastewater discharge).
 3. Water consumption = Water withdrawal - Water discharge.
 4. Water recycling and reuse rate = Water recycling consumption of the Factor / (Water withdrawal + Water recycling consumption of the Factory) × 100
 5. Water use intensity = Water withdrawal (megaliters) / Organization-specific measures

Southeast Asia

Factory	Indonesia Factory			Vietnam Factory		
Year	2022	2023	2024	2022	2023	2024
Water Withdrawal (Megaliters)	122.28	86.80	129.37	532	412.64	383.3
Water Discharge (Megaliters)	13.47	4.00	20.8	108	125	140
Water Consumption (Megaliters)	108.81	82.8	108.50	424	287.64	243
Water Recycling Consumption of the Factory (Megaliters)	103.43	46.94	52.4	11.05	122	408
Water Recycling and Reuse Rate (%)	45.82	35.1	28.84	2.03	22.82	51.6
Organization-Specific Metrics (Unit)	Group Revenue (NTD Millions)					
Organization-Specific Measures	38,617.881	34,443.676	34,202.669	38,617.881	34,443.676	34,202.669
Water Use Intensity	0.0032	0.0025	0.0038	0.0138	0.0110	0.0112

- Note:
1. Water Withdrawal: The Indonesia facility uses groundwater, while the Vietnam facility uses tap water.
 2. Wastewater discharge consists of process cooling wastewater and domestic sewage.
 3. Water consumption= Water withdrawal - Water discharge
 4. Water recycling and reuse rate = Water recycling consumption of the Factor / (Water withdrawal + Water recycling consumption of the Factory) × 100
 5. Water use intensity = Water withdrawal (megaliters) / Organization-specific measures

The following table explains the main specific action plans for reducing water consumption in each of the Company's factories:

Region	Water Resource Consumption Mitigation Action Plan	Annual Water Savings (Metric Tons)
Taiwan	Installed flow meters to monitor softened water usage in production	4,785
	Condensate Recovery	5,200
China	Utilize RO recycled water in the temperature-controlled water circulation system for the nitrogen and sulfur environmental treatment process.	9,300
	Transition from Warm-Water to Nitrogen-Based Vulcanization	7,917

Wastewater Management

Process wastewater and wastewater for people’s livelihood in the plant are recycled and collected in the wastewater treatment plant. The recycled wastewater is treated with pH-adjustment, pH-neutralization and bio-contact oxidation, and is then precipitated and filtered. The reclaimed water can then be reused in the Company’s factory for toilet flushing, floor washing, use of water in air pollution control equipment, container cooling, green planting, irrigation water, etc. to reduce the consumption of water resources. During the reporting period, all wastewater discharges complied with applicable local regulations.

Soil and Groundwater Pollution Prevention Measures

During the reporting period, the Company implemented comprehensive measures to prevent soil and groundwater contamination. Materials stored, used, or generated that may pose a risk of pollution such as solvent oils, diesel, chemical agents, pigments, waste liquids, waste lubricants, and leachate from waste are managed with strict controls. Improper disposal or leakage of these substances could lead to contamination of soil or surface water bodies, potentially causing widespread ecological damage to vegetation, rivers, and wildlife.



3.4 Waste Management

Material Topic: Waste	
Significant Reasons for this Topic	Upon analysis and identification of the material topics, the topic on waste is found to be very important to the Company. If the Company fails to manage the waste, the Company is likely to be punished pursuant to related laws and regulations. Reduction, disposal and management of the waste output can mitigate the Company's cost risk and improve the competitiveness of its products on sustainability issues.
Policy / Strategy	The Company's EHS and energy management policy aims at "Green production, safety and health, and sustainable operations".
Goals and Targets	For the waste reduction management in Taiwan, the short-term goals set by the Company aim at the reduction of the waste output by 10% and achievement of the recycling rate by 10% within 5 years. The mid-term goals aim at reduction of the waste output by 15% by 2030 and the long-term goals at achievement of the recycling rate by 20% in 2050.
Management Evaluation Mechanism	In accordance with ISO 9001 and ISO 14001 internal management procedures, the Company conducts the PDCA effectiveness evaluation on the emission management every year.
Performance and Adjustment	For the general industrial waste and hazardous industrial waste, proper storage and treatment programs have been prepared. The Company also continues to seek new recycling approaches and reduce the volume of waste generated. All waste is handled in accordance with the "Industrial Waste Disposal Plan" approved by local environmental authorities. The Company engages certified waste disposal contractors, recognized by the competent authorities, to carry out the collection and treatment of waste. To ensure legal compliance and traceability, the Company monitors the transportation routes and final treatment destinations of the waste disposal vehicles, thereby guaranteeing that all waste is processed through lawful channels. In 2021, the Company launched a series of improvement projects across various production processes to continuously reduce the scrap rate of both intermediate and finished products. A target was set to achieve a 10% recycling and reuse rate, aiming to minimize environmental impact. In 2024, the Group's total waste generation decreased by approximately 6% compared to 2023.
Preventive or Remedial Measures	The Company reviews the entire waste management results through the monthly Occupational Safety, Health, and Environmental Promotion Meeting, and sets forth the waste reduction strategy. Meanwhile, it continues to aim at the recycling rate by 10% to minimize the environmental impact.

The Occupational Safety and Health Department has established comprehensive protocols for the proper storage and treatment of both municipal solid waste and non-hazardous industrial waste. The Company continuously explores innovative recycling and reuse solutions to transform waste into valuable resources, thereby reducing overall waste generation. All waste is disposed of through certified environmental service providers. The Company actively monitors the transportation routes and final disposal sites of these providers to ensure that all waste is processed in compliance with legal and environmental standards.

Final Disposal Methods: Municipal solid waste is treated through landfill and incineration. Hazardous waste is managed through incineration and chemical processing. Recyclable waste from used tires is processed via pyrolysis systems to produce pyrolysis oil and eco-friendly carbon black. Pyrolysis gas is directed into combustion furnaces as fuel. Waste inner tubes, collected from customers and generated from production scrap, are recycled by contracted vendors and remanufactured into reclaimed rubber for repurchase and reuse. The Group's waste generation details for 2024 are presented in the following table. All waste was managed and disposed of at certified off-site facilities.

Waste Generation Statistics Table														
Region	Municipal Solid Waste (Metric Tons)			Non-Hazardous Industrial Waste (Metric Tons)					Hazardous Industrial Waste (Metric Tons)					Total
	Landfill	Incineration (inclusive of energy recycling)	Proportion (%)	Landfill	Incineration (inclusive of energy recycling)	Incineration (exclusive of energy recycling)	Recycling and Reuse	Proportion (%)	Landfill	Incineration (inclusive of energy recycling)	Incineration (exclusive of energy recycling)	Recycling and Reuse	Proportion (%)	
Taiwan	-	129.32	6.50	-	82.69	89.51	1,680.86	93.14	-	-	7.25	-	0.36	1,989.63
China	-	931.35	17.22	-	207.88	-	3,993.83	77.70	3.96	0.6	227.6	42.57	5.08	5,407.79
Southeast Asia	-	155	5.16	-	5.17	2.7	2,638.23	88.06	-	-	203.83	-	6.78	3,004.93
Europe	-	55.5	26.18	-	38	-	47.7	40.42	67.9	-	-	2.9	33.40	212.00
The U.S.	366.72	-	99.11	-	-	-	-	-	-	3.31	-	-	0.89	370.03

Note: Municipal solid waste refers to waste generated from employee daily activities and business operations.

The Company's waste disposal control operations and specific actions to reduce waste are as follows:

- All waste generated by the Company is handled by certified third-party waste disposal service providers. General industrial waste is primarily sent to public or private treatment facilities for processing or managed in accordance with the resource recovery and reuse regulations stipulated in the Waste Disposal Act. Hazardous industrial waste is transported to certified Class A public or private treatment facilities or handled in accordance with applicable reuse regulations.
- The Company utilizes GPS tracking systems to monitor the transportation of waste,
- The Company has implemented specific actions to promote a circular economy and reduce waste generation. Waste minimization and reuse efforts are regularly reviewed during monthly Occupational Safety, Health, and Environmental Promotion Meeting to assess effectiveness. These initiatives aim to substantially reduce end-of-pipe waste, provide recommendations for source reduction and reuse technologies, and enhance the overall waste recycling rate.

Examples of waste reduction and reuse practices of the Company:

1. Waterproof membrane products that are no longer sold are ground into reclaimed rubber powder and reintegrated into the production process for internal reuse.
2. Waste inner tubes are outsourced for reprocessing into reclaimed rubber, which is then reused in manufacturing.
3. Tires that do not meet quality standards are removed by certified waste processors. The recovered raw materials are repurchased for reuse.

The background of the slide is a close-up, high-resolution image of a blue fabric, possibly silk or satin, with deep, flowing folds and highlights that create a sense of movement and texture. The color is a rich, slightly darker blue, with lighter highlights where the fabric catches the light.

IV. Sustainable Processes and Products

4.1 Green Production

Material Topi: Customer Health and Safety	
Significant Reasons for this Topic	Tires are the safety parts which are likely to endanger the life and property of users. Therefore, the topic on product safety is important to the Company relatively. If the Company fails to manage the product safely, it is likely to be punished pursuant to related laws and regulations. Responsible product safety management can mitigate the users' hazard risk and improve the competitiveness of products in ESG issues.
Policy / Strategy	The Company adheres to the quality policy philosophy for "Doing Things Right the First Time and Delivering Competitive Products and Services to Customers in a Timely and Correct Manner.", develops new products and also completes the test and review required in the Company at various stages ranging from product planning, product design, test run and trial production to formal production, in accordance with the IATF 16949 quality management system for car makers, in order to ensure the products in line with the targets set by the product planning. The product design has taken into consideration the product safety laws and regulations in various countries, and the product must pass the high-speed/durability test, destructive test, bead lip force test, hydraulic burst test and other performance requirements. If the product is exported to the territories of EU, it shall also satisfy the requirements under the E-Mark R117 on rolling resistance coefficient, traction and sliding noises. Upon completion of the mass production, the products are evaluated through the internal random check conducted regularly to ensure the compliance of product quality with the design goals.
Goals and Targets	The Company sets the target for no case of violation regarding the product safety standards/laws and regulations sanctioned by the local government.
Management Evaluation Mechanism	In accordance with IATF 16949 and ISO 9001 internal management review procedures, the Company conducts the PDCA effectiveness evaluation on the violations of product safety/laws and regulations sanctioned by local governments every year.
Performance and Adjustment	No violations of local product safety standards/regulations in 2024 aligns with the Company 's target goals.
Preventive or Remedial Measures	During the product design review, relevant regulations are confirmed, and specifications for raw materials and products are developed to ensure product performance compliance. Through discussions among quality committee members, non-compliance incidents are incorporated into and reinforce the failure mode control items to ensure that issues do not reoccur.

Material Topic: Fuel Efficiency Design	
Significant Reasons for this Topic	<p>The Company is committed to developing various economical, eco-friendly, safe, durable and comfortable tires. Different from any other automobile parts, tires primarily function to load the weight of the whole vehicle and exert the traction force of the vehicle and satisfy the basic performance requirements of drivers and passengers, such as comfort and safety. In recent years, the awareness toward environmental protection has been on the rise. Therefore, how to reduce the rolling resistance of tires to increase the fuel efficiency of vehicles while maintaining the basic tire performance requirements has become the product development design trend. Therefore, this issue is one of the Company's major topics.</p> <p>In response to the goal of net-zero emissions by 2050, the EU decided to ban the sale of fuel vehicles from 2035. This decision will accelerate the transformation of vehicles towards electrification/new energy. Irrespective of electric vehicles or new energy vehicles, all of them demand higher fuel efficiency of the tires. Meeting the fuel efficiency goals of the auto makers will improve the competitiveness of the Company's products.</p>
Policy / Strategy	In response to the booming electric vehicle market, the Company is committed to developing products with fuel efficiency and low rolling resistance that meet the requirements of electric vehicles (including cars, motorcycles and bicycles), in order to develop the product projects following high specifications and obtain energy conservation certification.
Goals and Targets	<ol style="list-style-type: none"> 1. The Uniform Tire Quality Grading (UTQG) Rating for Automotive Tire: B/B. 2. Automotive tires aim at A-level/wet-grip B-level of fuel efficiency in 2025 and A/A level in 2027. 3. Fuel efficiency is not yet available everywhere for motorcycle tires, and the Company will proactively respond by aiming to reduce fuel efficiency by 5% each year, using 2023 as the baseline.
Management Evaluation Mechanism	In accordance with ISO 14001 and ISO 14064-1 internal management procedures, the Company conducts the PDCA effectiveness evaluation on emission management every year.
Performance and Adjustment	The Company will conduct a comprehensive review on the annual performance goals each year. The tire rolling resistance might affect the energy conservation for fuel efficiency and, particularly, affects consumers' finance directly. Therefore, managements regularly review performance and goal attainment to focus on issues that need to be strengthened.
Preventive or Remedial Measures	<ol style="list-style-type: none"> 1. Obtain fuel efficiency certification in accordance with local laws and regulations for product sales. 2. Develop products that may achieve the highest level of fuel efficiency.

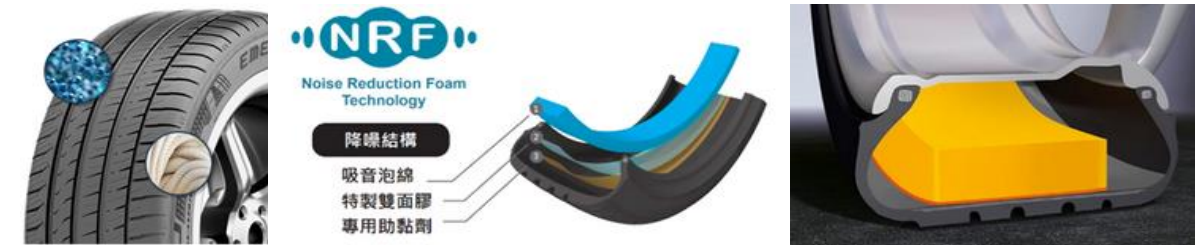
Reducing the Impact of Products and Services on the Environment

The fuel efficiency rating under the European Union Tire Label is primarily determined by the Rolling Resistance Coefficient (RRC). The current classification system consists of five grades, ranging from A to E. Although the EU does not officially disclose the exact RRC value ranges for each grade, industry experience indicates that each grade improvement typically enhances fuel efficiency by approximately 0.1 to 0.15 liters per 100 kilometers. This corresponds to an estimated 1% to 2% reduction in fuel consumption, depending on vehicle type, driving conditions, and tire specifications.

KR616EV and KR214EV – EV-Dedicated Tires

The KR616EV electric vehicle tire was jointly developed by the Company's Global Technology Center in Taiwan and the Kunshan subsidiary. Similarly, the KR214EV was co-developed by The KENDA Europe Technical Centre and the Tianjin subsidiary. Both KR616EV and KR214EV have achieved an upgrade in rolling resistance rating, improving from Class C to Class B compared to their previous-generation models. This enhancement is estimated to reduce fuel consumption by approximately 2% to 3%, based on the formula: $(RRC_B - RRC_A) / RRC_B \times 100\%$. For example, if a vehicle originally consumes 6L/100km, switching to KR616EV or KR214EV is conservatively estimated to reduce fuel consumption to approximately 5.82–5.88L/100km, depending on vehicle type and driving conditions.

The KR616EV features a next-generation asymmetric tread design and silica compound, offering improved wet braking performance, handling, and reduced noise. Additionally, the tire incorporates a special sound-absorbing foam material to reduce cavity resonance and specific peak noise levels inside the vehicle. Overall, KR616EV provides consumers with a more balanced driving experience, lower noise, enhanced grip, and greater comfort.



KR405EV – EV-Dedicated Tire

The KR616EV electric vehicle tire was jointly developed by the Company's Global Technology Center in Taiwan and the Kunshan subsidiary. Similarly, the KR214EV was co-developed by The KENDA Europe Technical Centre the European Technology Center and the Tianjin subsidiary. Both KR616EV and KR214EV have achieved an upgrade in rolling resistance rating, improving from Class C to Class B compared to their previous-generation models.

This enhancement is estimated to reduce fuel consumption by approximately 2% to 3%, based on the formula: $(RRC_B - RRC_A) / RRC_B \times 100\%$. For example, if a vehicle originally consumes 6L/100km, switching to KR616EV or KR214EV is conservatively estimated to reduce fuel consumption to approximately 5.82–5.88L/100km, depending on vehicle type and driving conditions.

The KR616EV features a next-generation asymmetric tread design and silica compound, offering improved wet braking performance, handling, and reduced noise. Additionally, the tire incorporates a special sound-absorbing foam material to reduce cavity resonance and specific peak noise levels inside the vehicle. Overall, KR616EV provides consumers with a more balanced driving experience, lower noise, enhanced grip, and greater comfort.



Customer Health and Safety

The Company is dedicated to developing high-standard products to safeguard consumer health and safety. All products must comply with a wide range of standards, including:

- International Standards: ISO 9001, IATF 16949, ISO 14001, and other globally recognized quality and environmental management systems.
- Performance Testing: Durability, traction, rolling resistance, handling, stability, and noise levels.
- Safety Standards: Resistance to explosion and penetration.
- Environmental Requirements: Reduction of volatile organic compounds (VOCs).
- Labelling and Marking: Load index, speed rating, and production date.
- Regional Standards: DOT (U.S.), ECE (Europe), REACH, PAHs, GS MARK, GADSL, RoHS, POPs regulations, California Proposition 65, CSCL (Japan Chemical Substances Control Law), and Existing Chemical Substance Registration.

Improvement of Product and Service Safety

The Company is committed to evaluating the health and safety impacts of the products and services by obtaining relevant safety certifications worldwide, such as Taiwan CNS certification, European E-mark certification, China CCC certification, Indonesia SNI certification, Brazil INMETRO certification, Gulf countries’ GSO certification, EU member states’ REACH certification (satisfy all extern tires of any vehicles other than bikes). No violations of the laws and regulations governing health and safety related to the products and services took place in 2024. The Company’s safety specifications certificates are listed in the following table:

Statistics of Products or Services that have Obtained Safety Certification		Percentage of products or services evaluated
Name of product or service item	Safety certification	
Passenger car (PC)	BIS (India), 3C (China), GCC (Gulf States), CNS (Taiwan), E-MARK (Europe), I-MARK (Brazil), Colombia (Colombia), SNI (Indonesia), KATECH (Korea), DOT (United States), EU Labeling Requirements	100%
Automobile car (AC)	3C (China), GCC (Gulf States), CNS (Taiwan), E-MARK (Europe), I-MARK (Brazil), Colombia (Colombia), SNI (Indonesia), KATECH (Korea), DOT (United States)	
T-Type emergency spare tire	CNS (China), E-MARK (Europe), Colombia (Colombia), SNI (Indonesia), DOT (United States)	
Motorcycle (MC)	3C (China), GCC (Gulf States), CNS (Taiwan), E-MARK (Europe), I-MARK (Brazil), SNI (Indonesia), DOT (United States), Vietnam Commercial Inspection	
Industrial car (IC)	E-MARK (Europe), DOT (United States), GCC (Gulf States)	
Bicycle (BC)	E-MARK (Europe), I-MARK (Brazil), CNS (Taiwan)	
TUBE	CNS (Taiwan), 3C (China), SNI (Indonesia)	

Note:

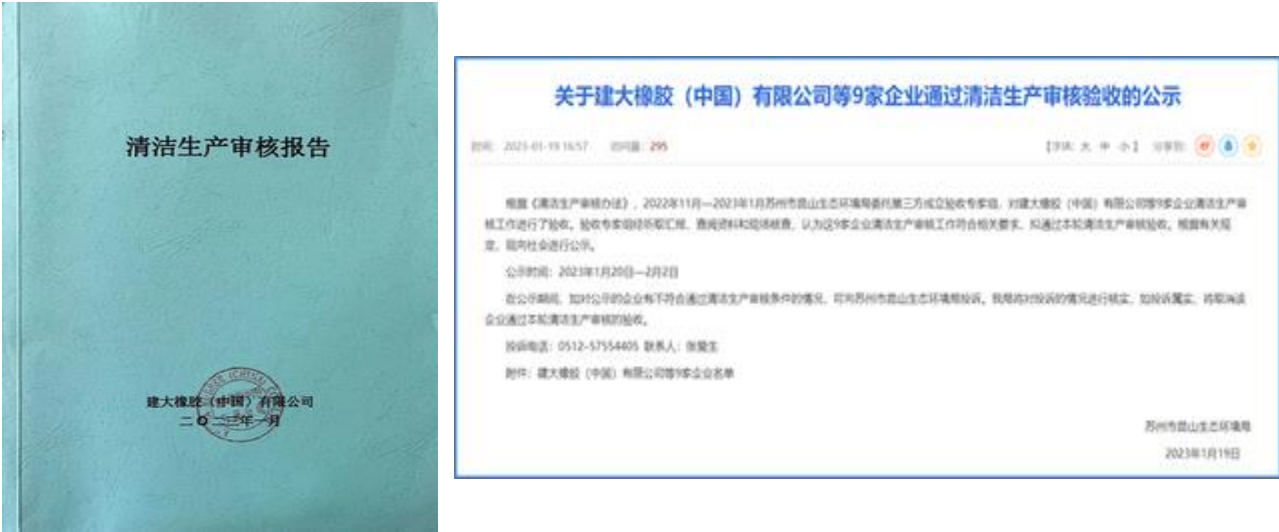
Percentage = (Total number of products or services provided to customers that have been evaluated / Total number of products or services provided to customers)×100.
Different products have different safety certifications and not all of them have E-mark certifications, so the percentage cannot be estimated.

Cleaner Production Certification

The term “Cleaner Production” means waste minimization, energy saving, carbon reduction, and pollution prevention. In the process of raw materials processing, finished products producing, and scrapped materials disposition, clean solutions must be adopted to prevent and control all kinds of pollutants generated during the production processes and the side products can also be recycled and reused. In this way, both people and the environment are being treated in a friendly manner. The concept is also in line with the Company’s environmental safety and health policy of “Green Production, Safety and Health, Sustainability”. The Kunshan factory actively organized clean production efforts, completing the mid-term evaluation in July 2022 and the final acceptance in January 2023.(Reassessment is scheduled approximately every 3 to 5 years.)

In order to continuously and effectively manage the relevant indicators of the CPMS (energy and resource saving, green production processes, pollutant generation and end-of-pipe treatment functions, environmentally-friendly design, green management, social responsibility, innovative thinking, etc.), and aim to be a green factory, the Company has implemented a number of measures, including

the purification cycle of black rubber oil in the sealing ring of the mixer to reduce the amount of hazardous waste generated, immediately turning off power to non-operating equipment after production to reduce energy consumption and greenhouse gas emissions, waste segregation and recycling, and actively participates in the green factory evaluation system, ESG knowledge, circular economy counseling, energy conservation and carbon reduction and other related trainings sponsored by the environmental protection department, and exchange and absorb new knowledge with industry pioneers and continue to promote clean production to enhance the competitiveness of the Company to reduce energy/resource consumption and pollutant emissions, as well as to sustainably refine production technology and create high value products.



Column 1 | ESG Advantages of Electric Vehicle Tires



**「E」元复始
满电出发**



新岁序开
奏响新章迎曙光
千帆过尽
蓄势待发展雄华

「E」元复始，满电出发
KENDA高性能运动型EV轮胎KR616
伴您「E」往前行，赢在新年

从新出发，自在随心 2025

摆脱束缚与禁锢
用喜欢的方式过好每一天
率性出发，找回自我
牢牢掌握生活的“方向盘”
抓住每一个稍纵即逝的机会
一路风驰电掣般向目标迈进



高性能运动型EV轮胎KR616
随心驾驭，快速响应

2025 悠然逐梦，专注向前

屏蔽外界“噪音”
让内心回归宁静
专注于眼前的风景和前行的方向
少些颠簸坎坷，多些安稳自在
去感受岁月赠予的温柔与美好



高性能运动型EV轮胎KR616
低噪静音，驾乘舒适

元气满满，斗志如磐 2025

时刻保持巅峰状态
无论遇到怎样的艰难险阻
都有着充足的动力去跨越
让每一段经历都成为
前进路途中的坚实基石
助力我们走得更远、行得更稳



高性能运动型EV轮胎KR616
更长续航，耐磨耐用

奋斗正当其时
圆梦正当其势
2025，愿将来，胜过往
「E」飞冲天，势不可挡

With the rapid development of the electric vehicle (EV) market, EVs have become a popular choice in the automotive industry. However, tire selection for EVs is critical, especially under the ESG (Environmental, Social, and Governance) framework, where suitable tires must meet standards for environmental protection, social responsibility, and corporate governance.

This article explores the ESG advantages of the Company's recently launched EV tire model, KR616EV.

I. Environmental

The development of EVs contributes significantly to environmental protection by reducing greenhouse gas emissions. As a key component that directly affects energy consumption and environmental pollution, tires play an important role in sustainability.

1. Low Rolling Resistance Technology Reduces Energy Consumption

EVs are generally heavier, making tire rolling resistance a critical factor in vehicle energy efficiency. The Company is committed to developing low rolling resistance tires to reduce energy consumption and enhance driving range. This technology helps lower battery usage and indirectly reduces electricity demand, thereby decreasing carbon emissions.

2. Use of Sustainable Materials

To minimize environmental impact, EV tires incorporate sustainable materials such as recycled rubber, bio-based rubber, and recyclable compounds. These materials reduce reliance on virgin natural resources and mitigate pollution during production and disposal.

3. Reduction of Microplastic Pollution

Traditional tires release microplastic particles during wear, polluting air and water sources. Next-generation EV tires utilize innovative materials and specialized designs to reduce particle emissions and lessen environmental impact.

II. Social

1. Enhanced Driving Safety

Due to the heavier weight and high torque output of EVs, tires must offer superior grip, durability, and braking performance. EV-specific tires typically feature reinforced rubber compounds and specialized tread designs to improve wet grip, shorten braking distances, and reduce accident risks, thereby protecting drivers and pedestrians.

2. Noise Pollution Reduction

Unlike traditional fuel vehicles, EVs operate quietly, making tire noise a key factor in driving comfort. EV tires often incorporate noise-reduction technologies such as damping layers and optimized tread patterns to minimize road noise, enhance ride comfort, and reduce urban noise pollution.

3. Fair and Safe Working Conditions

Responsible tire manufacturers uphold ethical labor practices and prioritize worker safety, avoiding child labor and exploitation. Many companies adopt ISO 45001 Occupational Health and Safety Management Systems to ensure safe working environments and promote sustainability throughout the supply chain.

III. Governance

Corporate governance involves operating in compliance with legal and ethical standards while safeguarding the interests of shareholders, employees, consumers, and other stakeholders.

1. ESG-Aligned Corporate Strategy

The Company has embedded ESG principles into its core strategy, setting clear sustainability goals and actively developing environmentally friendly EV tires. Transparent ESG reporting demonstrates the Company's commitment to environmental, social, and governance principles to investors and consumers.

2. Supply Chain Transparency

Consumers and investors demand greater transparency in corporate supply chains. EV tire manufacturers must ensure ethical sourcing of raw materials, such as avoiding rubber from conflict regions, and verify that supply chain partners comply with environmental and human rights regulations.

3. Industry Innovation and Collaboration

Many tire companies collaborate with automakers, research institutions, and government agencies to develop next-generation sustainable tire technologies. For example, some companies invest in smart tire technologies that enable real-time monitoring of pressure, temperature, and wear conditions, enhancing vehicle safety and efficiency while reducing unnecessary tire replacement and waste.

Conclusion

EV tires offer multiple ESG advantages, including reduced energy consumption, use of sustainable materials, pollution mitigation, enhanced safety, noise reduction, and responsible corporate governance. As the EV market continues to grow, tire manufacturers will innovate under the ESG framework to meet environmental and social demands and ensure long-term sustainable development.

In the future, with further advancements in EV technology and evolving ESG standards, EV tires will play an increasingly important role in environmental protection, social responsibility, and corporate governance, becoming a key driver of sustainable development in the automotive industry.

Column 2 | Airolution Inner Tube – Air Retention Product

The Company has launched a brand-new inner tube product, Airolution, featuring breakthrough air retention technology. After 60 days of testing, the product maintains over 75% of its original air pressure, demonstrating a 25% improvement in durability and puncture resistance.

Compared to conventional bicycle inner tubes, which typically require inflation every two weeks, Airolution only needs to be inflated once every two months. This significantly reduces maintenance frequency and enhances user convenience.

Airolution is especially suitable for electric bicycles, cargo bikes, and public bike-sharing systems. Its extended air retention capability helps lower maintenance costs, reduce carbon footprint, and improve environmental efficiency—perfectly aligning with ESG principles.

In comparison with traditional inner tubes, Airolution not only reduces the frequency of inflation but also improves consumer satisfaction. Whether for long-distance rides or heavy cargo transport, Airolution provides superior protection and comfort, ensuring a safer and more efficient riding experience.

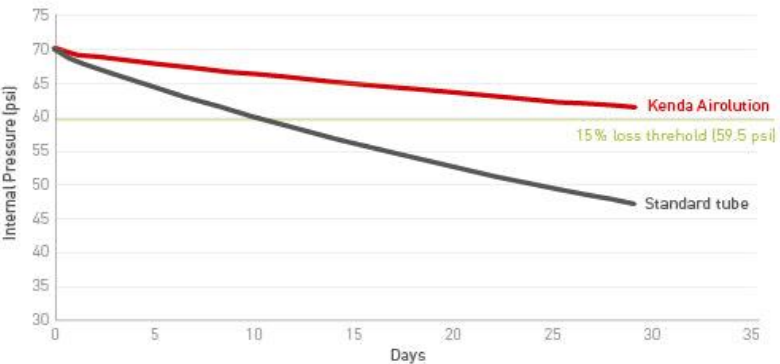
Choosing Kenda means enjoying a safer, more efficient, and more comfortable journey.



AVERAGE AIR RETENTION – STANDARD TUBE VS. AIROLUTION

15% internal pressure loss is what is considered an acceptable loss, before the need to reinflate the tube. A standard butyl tube loses 15% pressure in around 10 days.

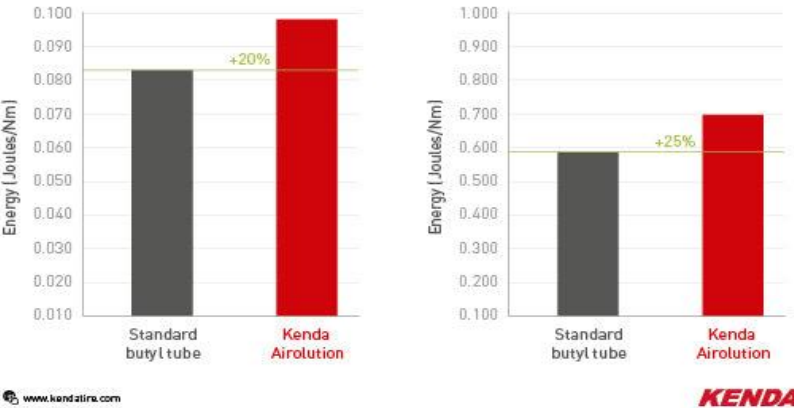
Internal test results show that the Kenda Airolution yields nearly 4 times the air retention of a standard butyl tube.



PUNCTURE ENERGY & CUT ENERGY

The Kenda Airolution tube also offers increased puncture protection compared to a standard butyl tube of the same wall thickness.

As a result the Kenda Airolution tube has 20% higher puncture resistance and 25% higher cut resistance.



AIROLUTION



Column 3 | Introduction to the EU Tire Energy Labeling and Classification

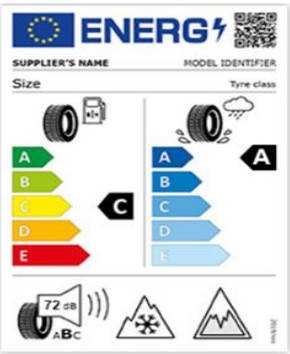
In order to provide consumers with more fine quality products and considering that the tire classification systems defined by the European countries and USA tend to be stricter, the Company prepares its tire classification system in reference to the European Tires Labelling Act EU 2020/740 promulgated by the EU. The Labelling Act was implemented in the EU in May of 2021. All of the tires exported to the EU member states need to be classified, certified, and labelled so.

The classification is required in order to allow consumers to choose better and eco-friendly tires. Therefore, three indicators, i.e., fuel efficiency, sliding noises and traction, are set.

• Fuel efficiency classification

The following table shows the fuel efficiency classification: C1 stands for car tires, C2 for light truck tires and C3 for bus tires. A rating below E means that the tire cannot be sold in the EU, so all tire manufacturers certify and grade their tires for performance.

Fuel efficiency class	C1	C2	C3
	RRC in N/kN	RRC in N/kN	RRC in N/kN
A	$RRC \leq 6.5$	$RRC \leq 5.5$	$RRC \leq 4.0$
B	$6.6 \leq RRC \leq 7.7$	$5.6 \leq RRC \leq 6.7$	$4.1 \leq RRC \leq 5.0$
C	$7.8 \leq RRC \leq 9.0$	$6.8 \leq RRC \leq 8.0$	$5.1 \leq RRC \leq 6.0$
D	$9.1 \leq RRC \leq 10.5$	$8.1 \leq RRC \leq 9.0$	$6.1 \leq RRC \leq 7.0$
E	$RRC \geq 10.6$	$RRC \geq 9.1$	$RRC \geq 7.1$



• Traction classification

Traction stands for the braking performance of tires on wet and slippery roads. It may be also classified under the EU Labelling Act, as shown in the following table. Also, if the class is lower than Level E, it means that the tire cannot be distributed in the EU.

Wet grip class	C1	C2	C3
	G	G	G
A	$1.55 \leq G$	$1.40 \leq G$	$1.25 \leq G$
B	$1.40 \leq G \leq 1.54$	$1.25 \leq G \leq 1.39$	$1.10 \leq G \leq 1.24$
C	$1.25 \leq G \leq 1.39$	$1.10 \leq G \leq 1.24$	$0.95 \leq G \leq 1.09$
D	$1.10 \leq G \leq 1.24$	$0.95 \leq G \leq 1.09$	$0.80 \leq G \leq 0.94$
E	$G \leq 1.09$	$G \leq 0.94$	$G \leq 0.79$

• Sliding noises classification

The noises are primarily classified subject to the following classification in reference to the Regulation (EC) No. 661/2009.

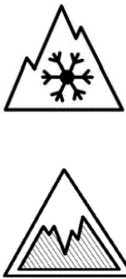
$N \leq LV - 3$	$LV - 3 < N \leq LV$	$N > LV$

Among the other things, LV stands the upper limit value, which is subdivided as following, subject to the tire width:

Fuel efficiency class	Nominal section width	Limit values in
	(mm)	dB(A)
C1A	≤ 185	70
C1B	$>185 \leq 215$	71
C1C	$>215 \leq 245$	71
C1D	$>245 \leq 275$	72
C1E	>275	74

Obviously, when the tire specifications is 235/60R16 for passenger cars and the sliding noises $\leq 68\text{dB(A)}$, it can be classified as Level A. Notwithstanding, if the noises are >71 , it can only be classified as Level C. Meanwhile, there are two types of labeling for icy weather. For details, please refer to the official website: <https://eur-lex.europa.eu/eli/reg/2020/740/oj>.

Note: Please refer to the following website for the Noise Regulation 661/2009 (EC). <https://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:200:0001:0024:en:PDF>



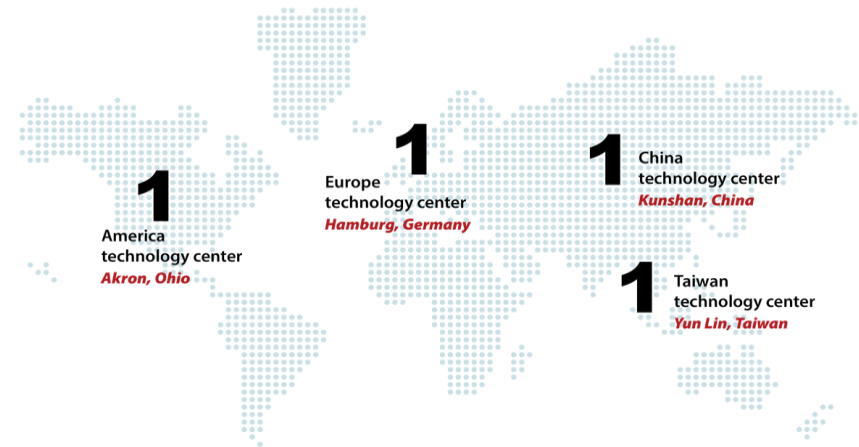


4.2 Product Quality Assurance

Material Topic: Marketing and Labeling	
Significant Reasons for this Topic	<ol style="list-style-type: none">1. Products must comply with regulatory requirements to ensure that all mandatory labeling is properly applied.2. Accurate labeling helps maintain consumer safety and comfort during product use, prevents incorrect installation, and avoids usage in inappropriate environments.
Policy / Strategy	Products must comply with regulatory requirements. The Company conducts regular annual reviews to monitor changes in existing regulations or the implementation of new ones. Where adjustments are required, product labeling, formulations, or tooling are promptly updated to ensure compliance.
Goals and Targets	Primary Goal: To ensure compliance with the most up-to-date regulatory standards while fully addressing consumer expectations.
Management Evaluation Mechanism	During the product design review meeting, the labeling and size are reviewed to ensure that the labeling is correct and clear and complies with local laws and regulations.
Performance and Adjustment	The Company's products comply with the labeling laws in various regions during the reporting period.
Preventive or Remedial Measures	The Company sets up the Standards Division to conduct regular inspections on development of laws and regulations in various countries and notifies the R&D department to ensure that tire labeling design complies with the laws and regulations of various laws and regulations. The Company converts the products in line with Kenda product specifications in accordance with the labeling laws and regulations of various countries. The Company tests the fitness of tires and rims and measures the tire size to ensure the compliance with the tire labeling.

Global Technology Center

In order to expand the research and development capabilities, the Company has established a global technology center in Taiwan. Among the other things, these include a sizing materials pilot plant, physical laboratory, chemical laboratory, tire dynamic testing equipment, and a computer simulation and design system to integrate the testing process from sizing materials development to tire finished product development and provide R&D engineers with all the data needed by them to develop the tires that meet the market demand.



The Company has four technology centers around the world, including the Global Technology Center in Taiwan, China Technology Center, US Technology Center, and European Technology Center. Primarily functioning to have the technology centers of each location to design and develop tires in the corresponding market to quickly respond to market and customer needs. Each technology center can provide design and development services for various types of tires they are responsible for designing, as well as the corresponding test items of various OE manufacturers.



Product Marketing and Labeling

As a globally recognized tire brand, the Company consistently adheres to marketing and communication regulations across all markets, including the FTC advertising standards in the United States, consumer protection laws in the European Union, and Taiwan’s Fair-Trade Act. All advertising and brand promotion activities are conducted in accordance with principles of integrity and regulatory compliance.

In all marketing initiatives—such as social media campaigns and sponsorship activities—the Company emphasizes product quality, safety, and environmental responsibility. It strictly avoids false advertising, infringement of competitor rights, exaggeration, or misleading information, thereby reinforcing a responsible and trustworthy brand image.

In addition, the Company has established the "Marketing Advertising Management Regulations" to utilize various advertising message platforms to increase the exposure of the KENDA brand. We engage with online consumers in real-time and encourage them to actively share information related to KENDA, thereby enhancing customer relationships and satisfaction. During the reporting period, there were no violations of marketing communication-related regulations.

In accordance with various international laws and regulations, voluntary standards and eco-friendly label requirements, such as GB 518-2020 and E-MAKE, etc., the Company discloses the relevant service information and marks on products, user manuals and ESG websites. In order to provide consumers with peace of mind when purchasing products and services, the Company has disclosed the necessary information for each product and service.

The packaging and descriptions of each product produced and marketed include information on the expiration date, place of origin, conditions of preservation, and instructions for use, so that consumers can understand the relevant information on each product. Consumer service hotlines are also available for questions and answers. The labels and descriptions of products and services provided to consumers are in compliance with regulations, and the percentage of products that have been evaluated is 100%.

The Company's products have been certified in accordance with local laws and regulations, and the following information is indicated on the sidewall of the tire, as shown in the picture below:



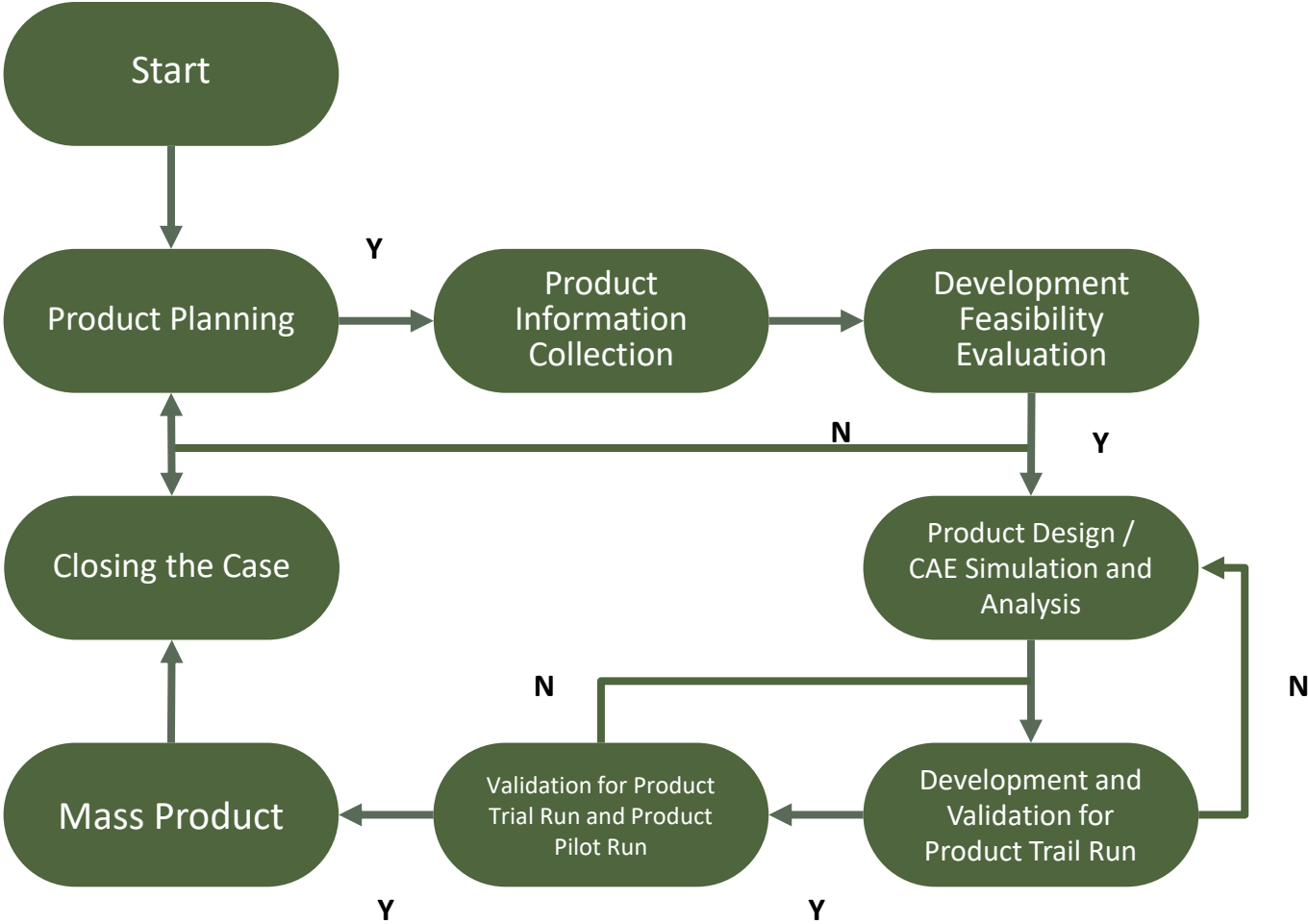
- Note:
- (a) The above icon description: tire specifications;
 - 1. trademark, factory’s name or the place of origin;
 - 2. load index or level and inflation pressure;
 - 3. speed symbols;
 - 4. name and number of layers of reinforcing materials applied to the crown and sidewall of radial tires and the name of reinforcing materials applied to bias tires;
 - 5. position marking of the tread wear indicator line;
 - 6. production number;
 - 7. factory’s inspection mark.
 - (b) Radial tires must bear the “RADIAL” logo and tubeless tires must bear the “TUBELESS” logo.
 - (c) Slush tires must bear the "M + S" logo.
 - (d) Reinforced tires must bear the "XL" logo.



Product Liability

The Company adheres to the quality policy philosophy for "Doing Things Right the First Time and Delivering Competitive Products and Services to Customers in a Timely and Correct Manner." and develops new products in accordance with the IATF 16949 automotive industry quality management system, from product planning, product design, test run and trial production to formal production, to complete the required testing and review at each stage to ensure that the products meet the goals set by the product plan and ensure the quality and safety of the products. In 2024, there were no cases of violations of laws and regulations in the products and services provided by the Company.

Product Development Process



Item	Content
Product Planning	Analyze the product performance of the target market and collect the target value of market demand.
Product Information Collection	Collect competitor information and analyze the differences from the Company. Collect the regulatory information of the target market and analyze the differences with the Company 's current standards.
Development Feasibility Evaluation	Evaluate the methods and development costs to reach the target market.
Product Design / CAE Simulation and Analysis	Conducts CAE simulation analysis in accordance with market objectives and legal requirements, carries out structure and outline design, and selects required materials according to the set safety rate. The Company formulates product specification sheets for verification during trial development, such as tire breaking energy and high-speed/durable running.
Development / Validation for Product Pilot Run	Conduct small batch trial production development and verification according to the product specification sheet, and the tires can be transferred to trial production only after passing the items in the product specification sheet.
Validation for Product Trial Run	Conduct mass trial production and verify the process capability/performance level according to the product specification sheet, and the tires can be transferred to mass production only after passing the items in the product specification sheet.
Mass Production	After mass production, three batches of products are monitored to confirm the process capability and tire performance.



Performance in Compliance with Regulations

Tires are the only part of a vehicle in contact with the road, and the performance of the tires affects the dynamic performance of the vehicle. Countries or regions for the tire performance test generally includes: high-speed performance, durability, breaking energy, bead unseating resistance, hydraulic burst and practical operation safety test, etc., and countries or regions for the tire performance of the above regulations are formulated. The tires sold by the Company to all countries or regions can meet the requirements of the laws and regulations. There has never been a return or customer complaint due to the content of prohibited substances exceeding the standard.

The product range covered by regulations related to tire performance in our main sales areas is as follows:

Major Category	Overall Classification	National Standards of the Republic of China (CNS)	The Tire and Rim Association, Inc. (TRA)	The European Tire and Rim Technical Organization (ETRTO)	Japan Automobile Tire Manufacturers Association (JATMA)	China National Standards (GB)	GCC Standardization Organization (GSO)	Standard National Indonesia (SNI)	Latin American Association for Environmental Protection (ALAPA)
Passenger Car (PC)		V	V	V	V	V	V	V	V
Automobile Car (AC)	Light Truck and Ultra-Light Truck	V				V			
	Light Truck		V		V	V	V	V	V
	Commercial Vehicle			V				V	V
	Truck-Bus		V		V		V		V
	Truck Tyres					V			
Industrial Car (IC)	Industrial and Off the Road		V	V					
	Off-the Road (OTR)		V	V	V				
	Earthmoving Equipment		V	V					
	Agricultural	V	V	V	V				
	Industrial	V	V	V	V				
	Industrial and Lift Truck		V	V					
	All-Terain		V						
	Utility Vehicle		V						
	Trailers/Highway Trailers		V						
Motorcycle (MC)		V	V	V	V	V	V	V	V
Bicycle (BC)		V		V	V	V			

The above major laws and regulations in each region are summarized below for each performance and tire type:

Regulations Types of Tires	Breaking Energy	Bead Unseating Resistance	Speed Test	Endurance Test	Hydraulic Burst Test
Passenger Car (PC)	V	V	V	V	
Automobile Car (AC)	V		V	V	
Industrial Car (IC)	V		V	V	
Motorcycle (MC)	V		V	V	
Bicycle (BC)	V			V	V

The main requirements of the above regulations are as follows:

- High speed/endurance performance

The high speed/endurance tests of tires are conducted on the Drum Tire Testing Machine in the Company’s laboratories. The most common speed ratings of tires are described in the following table:

Speed Code	Speed (km/hr)	Speed Code	Speed (km/hr)
Q	160	S	170
S	180	T	190
H	210	V	240
W	270	Y	300



- Tire Breaking Energy

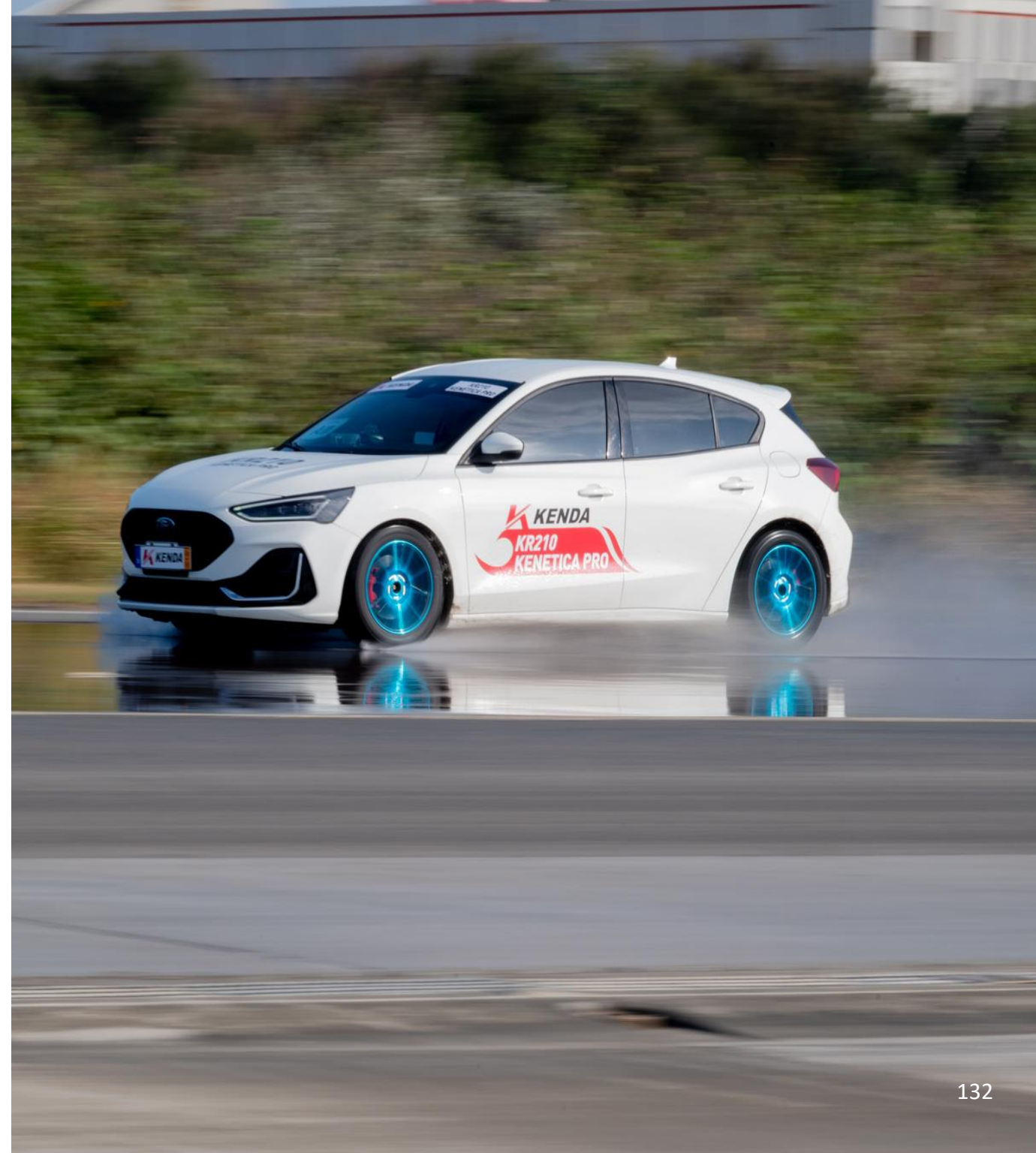
Tires are driven on the road and the unevenness of the road surface may cause impacts on the tire. In order to ensure that the tire can withstand the impact of the road when driving on the road, destructive test is conducted in the product development stage. During the test, a cylindrical steel bar is pressed into the center of the tread to measure whether the tire’s destructing energy meets regulatory requirements.

- Bead Unseating Resistance

The suitability of tire and rim assembly relies on the design of the tire bead. Poor bead design can cause tire wear and tear when the vehicle is driving, or tire blowout during assembly. Meanwhile, the position where the tire and the rim are assembled needs to resist the lateral force generated when the vehicle corners. If the lateral force is greater than the seizure resistance of bread, the tire may become dislodged during cornering, and the vehicle may lose control. The seizure resistance of bread is tested after the tire is placed horizontally. Then, a half-moon-shaped weight block is pressed onto the side of the tire within the radius specified by various laws and regulations to determine the maximum lateral force of the leaked pressure that causes the bead separated from the rim.

- A Test on the Safety and Performance of the Actual Vehicle Operation

Vehicles will encounter various road conditions when driving on the road. Tires must overcome various road conditions to provide safety and stability. In order to enhance the superior tire performance, operational and safety performance ground tests are conducted during the stage of product development. For example, confirming the performance and stability of tires during emergency lane changes at the speed of 100km/hr and simulating the braking distance and operational stability during rainy days. After numerous tests and adjustments, consumers can feel reassured when using **KENDA** tires.



4.3 Customer Service Management

Customer Privacy

Material Topic: Customer Privacy (Customer Privacy Management)	
Significant reasons for this topic	Upon analysis and identification of the material topics, customer privacy is found very important to the Company. Providing high-quality products and professional services on the basis of trust from customers, which in turn increases profitability, will make the Company's products become more competitive in terms of ESG issues.
Policy / Strategy	In 2018, the Company established internal regulations for personal data management to ensure the proper handling of customer and vendor information.
Goals and Targets	Short-Term Goal: Conduct regular information security training for all employees. Mid-Term Goal: Implement comprehensive encryption for critical customer data. Long-Term Goal: Obtain ISO 27001 certification for Information Security Management Systems (ISMS).
Management Evaluation Mechanism	In accordance with Corporate Personal Data Management regulations, the Company has established a personal data monitoring checklist and conducts inventories in the following four major areas to effectively implement the regulations and maintain customer privacy. 1. Each unit shall establish the inventory list for control. 2. Feedback on additional personal data. 3. Orientation training. 4. Feedback on disclosure of personal data.
Performance and Adjustment	Pursuant to the Requirement, the Company monitors the personal data each year. Since 2018 until 2024, no disclosure of personal data has taken place. In 2024, the Company improved the firewall by adding blocking rules and updating the visitor system to reduce the risk of cybersecurity breaches. The Company will continue to monitor and adopt the most effective measures to protect customer privacy and enhance the information security in the future.
Preventive or Remedial Measures	Subject to the Requirement and by reviewing the personal data checklist annually, the Company establishes the procedure for handling abnormal conditions. Upon receipt of any whistleblowing case or report in suspected information disclosure, the Company shall report the same to the relevant business management department to conduct investigation and inform the regulatory unit referred to herein. If the case is proven, the relevant legal action will be handled in accordance with the Company's policy.

The Company and subsidiaries maintain standard precautions for business or personal information provided by customers to protect customer privacy. In addition to requiring authorized program operations and dedicated management of the database, every employee must sign a “Labor Contract for Non-Periodic Employees”, which includes a clause stating that, without the Company's consent, they must not disclose any company-related technology, operational data, or other confidential information to third parties or other colleagues. This ensures the protection of customer privacy rights. During the reporting period, there were no incidents of infringement on customer privacy, loss of customer data, or complaints from external parties or regulatory agencies regarding customer data leaks.

Resources invested in information security management in 2024:

- Regular renewal of antivirus/firewall software and updates: Cost of about NTD740,000 per year.
- Signing important information/network hardware maintenance contracts: Cost of about NTD1,470,000 per year.
- Procurement of a New Firewall for Global Technology Center: An investment of approximately NTD1,580,000.
- Implementation of "Information Security Education and Training" for all employees: Total 2,072 training hours.
- Implementation of Computer Replacement and Upgrade: An investment of approximately NTD 3,750,000

Customer Satisfaction

The Company upholds the principle of “Customer First” and has been highly recognized by customers in terms of quality, delivery, and services. The Company has been awarded the “Excellent Vendor” by clients for many years. In order to understand and enhance domestic and foreign customers’ satisfaction, the Company conducts annual market research through questionnaires and evaluates the level of customer satisfaction.

The results of the customer satisfaction surveys are as follows:

Customer Satisfaction Survey Statistics (Unit: %)							
Item	Year	Taiwan Factory	Kunshan Factory	Shenzhen Factory	Tianjin Factory	Vietnam Factory	Indonesia Factory
Service quality	2023	88.9	97.2	92.3	99.5	92.5	92.8
	2024	89.3	96.8	92.4	99.5	92.0	92.9
Quality of tire	2023	90.5	98.0	92.7	99.5	92.6	92.3
	2024	91.7	98.4	91.8	99.5	92.6	92.3
Quality of tube	2023	93.7	97.3	NA	99.0	92.6	94.4
	2024	93.7	97.0	94.5	100.0	92.6	94.5

The above-mentioned survey results show that customers are highly satisfied with the quality and service of KENDA products. The Company will continue to uphold the spirit of “Keep Improving”. to review the valuable feedback from customers in management meetings and take necessary improvement plans.

Achieving New Heights: Dual Recognition from Sanyang and Kymco Industrial Collaboration Associations

Demonstrating outstanding product quality and innovative technology, the Company has once again earned industry-wide recognition by receiving two prestigious awards in 2024: the “Outstanding Operational Performance Award” from Sanyang Motor Co., Ltd. and the “Excellence in Rubber Products Award” from Kymco Industrial Co., Ltd. These honors not only affirm the Company’s exceptional performance in the rubber product sector but also highlight its stable contributions and technological leadership within the motorcycle industry supply chain.

For many years, the Company has adhered to the core values of “Honesty, Quality, Service, and Innovation,” dedicating itself to the development of high-performance tires that enhance driving safety and riding experience. The receipt of these dual awards stands as a testament to the Company’s continuous improvement and pursuit of excellence. Looking ahead, the Company will continue to collaborate closely with its partners to drive industry advancement and reach new milestones.



• “Excellence in Rubber Products Award” from Kymco Industrial Co., Ltd.



• “Outstanding Operational Performance Award” from Sanyang Motor Co., Ltd.

An aerial, top-down view of a sprawling industrial city. The landscape is a mix of dense green trees and complex industrial structures. Numerous smokestacks, some with orange and white stripes, rise from the factories, emitting thick white plumes of smoke that drift across the sky. A network of pipes, walkways, and storage tanks is visible throughout the industrial zones. A central road or canal cuts through the middle of the city. The overall scene suggests a theme of industrial development and its environmental impact.

V. Sustainable Supply Chain Management

5.1 Supplier Management

Material Topic: Procurement Practice, Supplier Management (Supplier Environmental Assessment and Supplier Social Assessment)	
Significant reasons for this topic	Supply chain risk management is a part of competitiveness; therefore, the Company pays close attention to the related risks encountered by suppliers in the supply chain, whether they are threats from natural disasters caused by climate change or risks arising from changes in the business environment.
Policy / Strategy	The Company selects qualified suppliers strictly and examines regularly whether the suppliers value and keep improving the product quality, delivery period, service, or environmental impact. Meanwhile, the Company rates and reviews the supplier's delivery quality, delivery period and certificates to distinguish the quality levels. It also communicates with the suppliers via external mailbox, email, phone, and interviews from time to time.
Goals and Targets	<ul style="list-style-type: none"> Short-term goals: The Company implements the supplier sustainable development questionnaire and statement with respect to new suppliers with a target response rate of 100%. Mid-and long-term goals: The Company focuses on the GHG inventory and aims to find a supply chain that meets environmental protection and renewable raw materials requirements and is able to develop sustainably.
Management Evaluation Mechanism	The Company establishes relevant requirements for the evaluation on new raw materials suppliers. In addition to information on management, technical capability and production capacity, new suppliers must provide the "Basic Supplier Information Survey Form" with the "Declaration of Non-Use of Environmental Hazardous Substances and Conflict Minerals," "Sustainable Development Statement for Suppliers," "Sustainable Development Questionnaire Survey Form for Suppliers," samples (including the SDS Safety Data Sheet) and related certificates (IATF16949, ISO9001 and ISO 14001) for the Company's responsible department to investigate and evaluate before they can be classified as qualified suppliers.
Performance and Adjustment	Compared with the 2022 base year, the return rate of the supplier sustainable development questionnaire remained at 94% in 2024.
Preventive or Remedial Measures	<p>In terms of raw materials, the Company currently focuses on greenhouse gas inventory and seeks to identify suppliers that meet environmental protection and renewable material standards, aiming to fulfill our social responsibility and ensure sustainable development.</p> <p>The Company asks suppliers to review operational status and manage the risks associated with geographic distribution of production lines, in order to mitigate the risk over raw materials shortage resulting from extreme climate or international circumstances change in the future.</p> <ol style="list-style-type: none"> Solicit suppliers from different countries. If there is only one supplier in one area, look for a second or third supplier. Cooperate with R&D department to find eco-friendly raw materials and set forth the procedure to deal with shortage of supply.

The Company has always viewed its suppliers as long-term and reliable partners. Good supplier is the key factor for business growth. Therefore, based on the principles of safety, price, delivery, quality, service, environmental protection and sustainability, the Company carefully selects qualified suppliers and regularly reviews the suppliers' product quality, delivery, service and continuous improvement and attention to the environment.



Recognized for Green Procurement Excellent Unit in Changhua County for Three Consecutive Years Since 2022

The 2024 group supply chain procurement amount ratio is as follows:

Region	Proportion of local procurement (%)		
	2022	2023	2024
Taiwan	46.81	47.41	56.55
China	88.26	90.41	89.36
Southeast Asia	39.73	30.31	28.91

The Company 's procurement items can be divided into seven categories: raw materials, packaging materials, equipment, molds/fixtures, contractors, subcontract processing, and business affairs. Among them, the procurement of raw materials accounts for the largest proportion. The Company strives to maintain at least two to three suppliers in different geographic locations for each material, in order to have the flexibility to respond to operational risks due to international circumstances change, extreme climates and significant natural disasters. The Company also proactively increases inventory and looks for second suppliers for the materials it relies on single suppliers. The Company also asks suppliers to review operating status and to manage the risks associated with geographic distribution of production lines, in order to have the flexibility to respond to operating risks due to international circumstances change, extreme climates and significant natural disasters.

Supplier Assessment

The Company has established rules for the evaluation of suppliers. In addition to the quality, delivery, supply status, operational performance, and service capability, the evaluations of environmental protection, labor practices, human rights, anti-corruption, and other aspects are also considered. New suppliers must provide a “Supplier Basic Information Questionnaire” with a “Declaration of Confirmation of Environmentally Hazardous Substances and Conflict Minerals”, a “Supplier Sustainable Development Statement”, and samples (including SDS Safety Data Sheet) for investigation and evaluation. The aforementioned documents include basic supplier information, contact person, factory information, certified system, product certification, declaration of environmentally hazardous substances and non-use of conflict minerals, and sustainability practices (legal compliance, labor rights, environmental protection and code of ethics, etc.). Meanwhile, the suppliers shall have at least ISO 9001 quality certification or IATF 16949 quality system certifications. Only after the department responsible investigates and evaluates the materials as satisfactory can the supplier be listed as a qualified supplier for the Company.

Since 2016, the Company has conducted corporate social responsibility (CSR) evaluations and communications with its suppliers, including administering CSR surveys to all vendors. As of 2024, the Company maintains stable and long-term partnerships with 1,265 domestic and international suppliers. Among them, 94% have signed and returned the Sustainability Commitment Survey and Declaration Form. Suppliers who do not meet the required standards are mandated to implement corrective actions within a specified timeframe. Those who do not comply will not be classified as qualified suppliers.

2021-2024 Sustainable Development Statement and Questionnaire									
Item	Sustainable Development Statement			Sustainable Development Questionnaire			Code Of Conduct Warranty		
	Total number of suppliers	Number of returns	Response rate	Total number of suppliers	Number of returns	Response rate	Total number of suppliers	Number of returns	Response rate
2022	1,165	1,096	94.08%	1,165	1,096	94.08%	1,165	1,096	94.08%
2023	1,210	1,141	94.30%	1,210	1,141	94.30%	1,210	1,141	94.30%
2024	1,265	1,189	93.99%	1,265	1,190	94.07%	1,265	1,186	93.75%

In addition to the evaluation of new suppliers mentioned above, the quality assurance department periodically evaluates qualified suppliers on monthly basis based on their processing capability, delivery rate, qualified-product rate, and certificates, etc., ensuring the overall competitiveness of suppliers. Each year, the Company conducts on-site audits for major product defects, customer complaints, and violations of sustainability guidelines. If any deficiencies are found, the Company will ask the supplier to propose appropriate improvement plans.

Clear goals and improvement deadlines will also be provided by the Company to suppliers regarding the deficiencies. If necessary, the company will also provide appropriate assistance and counseling to the supplier, ensuring suppliers meet the procurement practices.

Suppliers with regular evaluation quality scores of A, B, or C are considered qualified suppliers to the Company. The distribution of quality ratings for suppliers in various regions is shown in the table below:

Suppliers Rating Chart for the Past Three Years:

Unit : %

Quality Rating Distribution of Periodic Supplier Evaluations										
on Level	Regi	Taiwan			China			Southeast Asia		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	
Level A (100-96)		26.34	39.28	45.01	34.17	40.64	36.65	66.62	69.17	69.45
Level B (95-86)		53.27	52.01	46.36	52.68	46.27	50.04	32.09	27.23	24.14
Level C (85-71)		18.63	7.51	7.95	12.22	11.86	12.33	1.22	3.39	6.16
Level D (Below 70)		1.76	1.20	0.68	0.93	1.23	0.98	0.06	0.21	0.25

Note :

1. Prior to 2023, suppliers rated A, B, and C in quality evaluations were all considered qualified for procurement. During 2023, suppliers with delivery quality ratings of A and B accounted for approximately 91.53% of total performance. In 2024, this proportion remained stable at 91%, while suppliers rated C and D represented around 9%, indicating consistent and reliable supplier quality.
2. Average Monthly Number of Evaluated Suppliers by Site in 2024 : Taiwan Factory: 86 suppliers; Shenzhen Factory: 11 suppliers; Kunshan Factory: 114 suppliers; Tianjin Factory: 86 suppliers; Indonesia Factory: 28 suppliers; Vietnam Factory: 210 suppliers.

The report outlines the negative social impacts within the supply chains of various factories during the reporting period, the actions taken, and the procedures for remedying these negative impacts as follows:

The Company has established related supplier assessment regulations. In addition to the supplier profile questionnaire, declaration of environmentally hazardous substances and supplier sustainable development statement, the Company also cares about whether the supplier owns a complete and sound quality system. Major suppliers shall also have received the ISO 9001 or TATF 16949 quality system certifications.

In addition, the quality assurance department periodically evaluates qualified suppliers on monthly basis based on their incoming process capability, delivery rate, full-goodness, and certificates, etc., ensuring the overall competitiveness of suppliers. Each year, the Company conducts on-site audits for major product defects, customer complaints, and violations of sustainability guidelines. If any deficiencies are found, the Company will ask the supplier to propose appropriate improvement plans. Clear goals and improvement deadlines will also be provided by the Company to suppliers regarding the deficiencies. If necessary, the Company will also provide appropriate assistance and counseling to the supplier, ensuring suppliers meet our procurement practices.

The Company will rate the quality, delivery period and certificates and prioritize the key suppliers to be audited annually and provide them with guidance. The suppliers who win excellent scores will be rewarded for the early payment, while those with poor performance will be punished, and the Company will defer the payment to those with poor performance or reduce the purchase ratio.



5.2 Material Management

The consumption of materials and non-renewable supplies used in each factory is summarized below:

Unit : Metric tons

Raw Materials	Renewable or Non-Renewable	Taiwan			China			Southeast Asia		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Natural Rubber	Renewable	7,249	5,513	5,538	19,344	17,999	24,185	13,973	14,465	14,591
Synthetic Rubber	Non-renewable	12,822	9,216	9,221	26,610	25,606	30,275	21,245	22,865	23,185
Butyl Rubber	Non-renewable	1,205	318	525	2,005	1,353	2,360	992	1,074	1,298
Steel	Non-renewable	1,405	1,192	1,156	5,023	4,921	5,819	3,830	3,699	3,745
Ply	Non-renewable	2,279	1,966	2,078	6,617	6,717	7,657	4,990	4,933	4,996
Carbon Black	Non-renewable	11,915	8,964	9,412	29,612	26,569	30,873	21,082	22,575	23,139

Note :
Non-renewable refers to resources that cannot be replenished in a short period of time, such as: coal, natural gas, metals, and minerals, and petroleum; renewable refers to resources that will grow again after being picked.

Proportion of Recycled Material Usage in 2023–2024:

Material Type		2023	2024
Total Usage of Renewable Materials (Metric Tons)	Bio-Based Rubber	38,479.08	44,221.41
	Reclaimed Rubber	3,563.36	4,577.67
	Recycled Carbon Black	55,918.77	63,640.30
	Plant-Based Oils (Soybean, Castor)	9,234.67	10,828.61
	Ocean-Recycled Polyester	13,357.79	14,605.70
Total Actually Used Usage of Renewable Materials (Metric Tons)	Bio-Based Rubber	38,479.08	44,221.41
	Reclaimed Rubber	3,563.36	4,577.67
	Recycled Carbon Black	1,133.37	1,017.57
	Plant-Based Oils (Soybean, Castor)	130.86	170.17
	Ocean-Recycled Polyester	0.151	11.95
Percentage of Renewable Material Usage (%)	Bio-Based Rubber	100	100
	Reclaimed Rubber	100	100
	Recycled Carbon Black	2.03	1.60
	Plant-Based Oils (Soybean, Castor)	1.42	1.57
	Ocean-Recycled Polyester	0.00	0.08

Proportion of Recycled Content in Packaging Materials

To increase the proportion of recycled content in packaging materials, the Company has adopted a multi-faceted approach encompassing design, supply chain management, technology innovation, and regulatory compliance:

- 1. Optimizing Packaging Design**
Enhancing the use of single-material structures and improving compatibility with recycled materials to ensure product quality and processing stability.
- 2. Establishing a Stable Supply Chain for Recycled Materials**
Collaborating with recycling partners and implementing traceability mechanisms to secure a consistent supply of high-quality recycled materials.
- 3. Promoting Technological Innovation**
Advancing performance through additive modification and high purity recycling technologies, thereby expanding the application scope of recycled materials.
- 4. Aligning with Regulatory Requirements**
Complying with minimum recycled content standards stipulated in packaging regulations and strengthening ESG disclosures to support sustainable development.

Through these measures, the Company strives to increase the use of recycled materials, reduce reliance on virgin plastics, and achieve both environmental and economic benefits.

Proportion of Recycled Content in the Company's Packaging Materials:

Region	Year	Weight of Recycled Materials (Metric Tons)	Total Packaging Material Usage (Metric Tons)	Proportion (%)
Taiwan	2023	95	162	50.62
	2024	68	134	50.74
China	2023	549	1,780	30.84
	2024	469	1,935	24.26
Southeast Asia	2023	396	933	42.41
	2024	422	1,019	41.37
Total	2023	1,040	2,875	36.17
	2024	959	3,088	31.05

Note :







1. The primary reason for the decline in the recycled content ratio in 2024 is attributed to operational changes in the China region. Beginning in May 2024, the Company ceased tire manufacturing process at Shenzhen Factory. to repurpose the site for residential development. Consequently, production orders were reallocated to the Vietnam, Kunshan, and Tianjin Factory.
2. The packaging materials of the products are recycled and disposed of by the customers themselves.

Column 4 | Packaging materials reduction policy

In response to ESG trends, the Company actively seeks ways to reduce resource waste and lower operational costs. While label expenses may seem minor individually, their cumulative impact over time represents a notable cost. By optimizing label dimensions, the Company not only decreases paper, ink, and energy consumption during production but also enhances packaging design and overall sustainability performance.

Smaller labels contribute to material savings, align with environmental standards, and reflect the Company's commitment to carbon reduction. This initiative is not only a financial refinement but also a dual-win strategy for brand image and environmental responsibility. Achieving optimal label sizing and cost-efficiency without compromising consumer experience is a key issue worthy of corporate attention.

The following presents the Company's initiatives and results in reducing label size:

Region	Label Design (Before Revision)	Label Design (After Revision)	Area Saved (m ²)
Taiwan			437.6
China (Kunshan Factory)			3,428.8
China (Tianjin Factory)			1,854.4
Total			5,720.8

Column 5 | Commercially Available Inner Tube Reuse Project

Inner Tube Recycling Project: A Practice of Sustainability and Circular Economy

Preface

Amid the growing global awareness of environmental protection, corporate social responsibility has emerged as an increasingly critical issue. As a key pillar of transportation, the tire industry exerts environmental impact throughout the entire product lifecycle from manufacturing and usage to disposal. In response to the need for waste reduction and resource reutilization, the Company officially launched the Inner Tube Recycling Project in 2024. This initiative aims to enhance the recycling rate of inner tubes and promote circular economy practices within the tire industry by leveraging our distributor network and implementing incentive mechanisms.

Implementation and Execution of the Inner Tube Recycling Project

1. Project Overview

Since 2024, the Company has actively promoted the Inner Tube Recycling Project, designating the “Xiao Yuan Zhao” store as a pilot site to initiate the program. By leveraging the success of this demonstration store, the recycling system is gradually expanded to enhance operational efficiency and increase consumer participation.

2. Demonstration Store Strategy

To encourage active participation from distributors, the Company provides the following support and incentives:

- **Advertising and Promotional Materials Support**

Participating “Xiao Yuan Zhao” stores in the Inner Tube Recycling Project receive advertising and promotional materials to enhance in-store branding and attract consumer attention.

- **Recycling Incentive Mechanism**

- Distributors are rewarded for each barrel of inner tubes they recycle.
- The current incentive scheme offers convenience store reward points for each barrel recycled (approximately 10 kilograms or 50 inner tubes), thereby encouraging long-term engagement.



2024 Recycling Results

Since the launch of the demonstration store initiative in April 2024, the Inner Tube Recycling Project has achieved initial success, with cumulative results as follows:

- Total Recycled Weight: 120 kilograms
- Total Inner Tubes Recycled: 600 units

These accomplishments demonstrate the feasibility of the recycling mechanism and its acceptance in the market, laying a solid foundation for future expansion of the recycling program.

2025 Recycling Targets and Outlook

Building upon the progress made in 2024, the Company has established clear recycling targets for 2025, aiming to further scale the program and amplify its impact.

1. Target Objectives for 2025

- **Target Number of Recycling Barrels:** 50 barrels
- **Standard Weight per Barrel:** 10 kilograms (approximately 50 inner tubes)
- **Annual Recycling Volume:** 500 kilograms
- **Annual Inner Tubes Recycled:** 2,500 units

2. Action Plan

To achieve the 2025 targets, the Company will implement the following strategies:

- **Expansion of Demonstration Stores:** Extend the program beyond the initial “Xiao Yuan Zhao” store to additional distributor locations, thereby increasing the coverage and effectiveness of the recycling network.
- **Enhanced Promotion and Education:** Utilize social media, in-store promotional materials, and environmental education campaigns to raise awareness among consumers and distributors regarding the importance of inner tube recycling.
- **Optimization of Incentive Mechanisms:** Adjust the reward scheme based on feedback from distributors and market responses to make the recycling program more attractive and sustainable.

ESG Impact and Industry Contribution

The Inner Tube Recycling Project not only helps reduce waste pollution but also advances the sustainable development of the tire industry. Its key ESG impacts include:

- **Environmental (E):** Reduces the volume of discarded inner tubes, lowers resource consumption, and decreases carbon emissions.
- **Social (S):** Enhances consumer awareness of environmental protection and fosters broader societal support for circular economic practices.
- **Governance (G):** Demonstrates the Company’s commitment to environmental responsibility, strengthening brand image and market competitiveness.

Conclusion

The successful implementation of the Inner Tube Recycling Project marks a significant step in the Company’s commitment to ESG principles and circular economy practices. Through collaboration with distributors, incentive mechanisms, and the expansion of demonstration stores, the Company not only improves recycling rates but also drives environmental innovation and sustainable growth within the tire industry. Looking ahead, as the recycling mechanism continues to be refined and market participation increases, the Inner Tube Recycling Project is poised to become an industry benchmark, contributing meaningfully to environmental protection and corporate social responsibility.

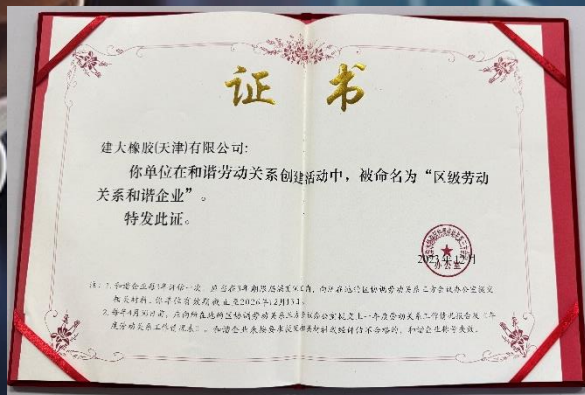


VI. Sustainable Happiness in the Workplace

6.1 Human Resource Management

Material Topic: Market Presence, Employment, Labor/Management Relations, Training and Education

Significant reasons for this topic	Employees are the most important asset of the Company, and issues related to employees are also significant matters for us. Maintaining good communication with employees can enhance their recognition of the Company, reduce turnover rates, and decrease talent mobility.
Policy / Strategy	The Company constructs systems for human resources that are superior to those of peer companies in the same industry, in order to maintain the Company's competitiveness in human resources.
Goals and Targets	<p>Short-term goals: follow the laws and regulations, ensure legal compliance, protect employees' interest and right and aim at the compensation raise by 1~3% every year.</p> <p>Mid-term goals: provide the employees with opportunities for continuing education, prepare the talent pool mechanism and succession plan to ensure sustainability.</p> <ul style="list-style-type: none"> Long-term goals: create employee stock ownership trust, share business results and achieve co-prosperity between the labor and management.
Management Evaluation Mechanism	By reporting the "non-executive employee compensation" to TWSE every year, the Company continues to review the gap between employee salaries and the pay level of benchmark companies and participates in the TTQS assessment organized by the Ministry of Labor regularly, in order to confirm that the training results are maintained. Provide the related grievance system and accept opinions from all parties via labor unions and labor-management meetings regularly.
Performance and Adjustment	<p>Since 2018, the Company has provided all employees with a compensation raise of 1~3% every year.</p> <p>Since 2016, the Company has won the gold medals from TTQS for three consecutive terms.</p>
Preventive or Remedial Measures	<p>1. By reporting the "non-executive employee compensation" to TWSE every year, the Company continues to review the gap between employee salaries and the pay level of benchmark companies and participates in the TTQS assessment organized by the Ministry of Labor regularly, in order to confirm that the training results are maintained. Provide the related grievance system and accept opinions from all parties via labor unions and labor-management meetings regularly.</p> <p>2. Establish a compliance management mechanism, including compliance organizational regulations and systems.</p>



On April 30, 2024, the Tianjin Factory was honored with the "District-Level Harmonious Labor Relations Enterprise" award by Jinghai District, Tianjin City.

Employee Composition and Remuneration

In recent years, the Company has maintained stable operations and experienced consistent growth in its workforce. The Company upholds a commitment to equal opportunity and does not differentiate in hiring practices, compensation, or promotion pathways based on race, religion, political affiliation, place of birth, gender, sexual orientation, marital status, secondary employment, appearance, or physical and mental disabilities. The following outlines the composition of employees and the general remuneration structure across various regions during the reporting period:

Overview of the Number of Employees											
Region	Type of Contract	Female			Male			Not Reveal Note9	Total		
		2022	2023	2024	2022	2023	2024		2022	2023	2024
Taiwan	Number of employees	534	502	503	1,376	1,258	1,299	0	1,910	1,760	1,802
	Number of permanent employees	534	502	503	1,376	1,258	1,299	0	1,910	1,760	1,802
	Number of temporary employees	0	0	0	0	0	0	0	0	0	0
	Number of employees with non-guaranteed hours	0	0	0	0	0	0	0	0	0	0
	Number of full-time employees	534	502	503	1,376	1,258	1,299	0	1,910	1,760	1,802
	Number of part-time employees	0	0	0	0	0	0	0	0	0	0
China	Number of employees	1,333	1,220	1,223	2,974	3,074	3,136	0	4,307	4,294	4,359
	Number of permanent employees	1,073	1,001	962	2,583	2,461	2,457	0	3,656	3,462	3,419
	Number of temporary employees	260	362	261	391	944	679	0	651	1,306	940
	Number of employees with non-guaranteed hours	0	0	0	0	0	0	0	0	0	0
	Number of full-time employees	1,333	1,144	962	2,974	2,792	2,457	0	4,307	3,936	3,419
	Number of part-time employees	0	0	0	0	0	0	0	0	0	0
Southeast Asia	Number of employees	2,536	1,060	1,013	2,285	3,470	3,493	0	4,821	4,530	4,506
	Number of permanent employees	2,517	1,054	992	1,904	3,417	3,303	0	4,421	4,471	4,295
	Number of temporary employees	19	6	18	381	53	193	0	400	59	211
	Number of employees with non-guaranteed hours	0	0	0	0	0	0	0	0	0	0
	Number of full-time employees	2,536	1,060	1,013	2,285	3,470	3,493	0	4,821	4,530	4,506
	Number of part-time employees	0	0	0	0	0	0	0	0	0	0
Europe	Number of employees	-	57	58	-	456	389	0	-	513	447
	Number of permanent employees	-	54	55	-	384	372	0	-	438	427
	Number of temporary employees	-	3	3	-	72	14	0	-	75	17
	Number of employees with non-guaranteed hours	-	0	0	-	0	3	0	-	0	3
	Number of full-time employees	-	43	46	-	379	376	0	-	422	422
	Number of part-time employees	-	11	12	-	5	13	0	-	16	25
The U.S.	Number of employees	-	-	154	-	-	376	110	-	-	640
	Number of permanent employees	-	-	154	-	-	376	6	-	-	536
	Number of temporary employee	-	-	-	-	-	-	104	-	-	104
	Number of employees with non-guaranteed hours	-	-	-	-	-	-	-	-	-	-
	Number of full-time employees	-	-	153	-	-	375	6	-	-	534
	Number of part-time employees	-	-	1	-	-	1	-	-	-	2

- Note:
- Employee: an employee is an individual who is in an employment relationship with the organization according to national law or practice (the employees enrolled into the labor insurance program in Taiwan).
 - Permanent employee: individual with a contract for an indeterminate period.
 - Temporary employee: individual with a fixed term contract.
 - Non-guaranteed hours employee: employee who is not guaranteed a minimum or fixed number of working hours per day, week, or month, but who may need to make themselves available for work as required.
 - Full-time employee: The individuals who may apply the definitions of working hours under the Labor Standards Act, i.e. no more than 8 hours per day and 40 hours per week.
 - Part-time employee: Any workers other than full-time employees. °
 - Head count/full-time equivalent (FTE) approach is adopted herein.
 - When the Company is recruiting employees, in order to strengthen the harmonious relationship with the locals and maximize the employees’ stability at work, most of them are the local residents.
 - The employees do not disclose the gender.

Employee Position Distribution Over the Past Three Years														
Region			Taiwan			China			Southeast Asia			Europe		The U.S.
Year			2022	2023	2024	2022	2023	2024	2022	2023	2024	2023	2024	2024
Item / Gender		Age	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number
Supervisor	Male	< 30 years old	7	3	3	19	7	3	27	18	41	0	1	0
		30-50 years old	143	148	132	512	194	214	77	75	91	11	12	27
		> 50 years old	53	63	58	114	37	60	5	5	11	8	7	30
	Female	< 30 years old	0	1	0	1	0	0	6	5	7	0	0	0
		30-50 years old	20	20	16	65	27	34	19	25	32	7	8	8
		> 50 years old	13	15	16	4	2	5	0	0	1	2	3	11
Total of Supervisor			236	250	225	715	267	316	134	128	183	28	31	76
Non-supervisor	Male	< 30 years old	282	195	158	222	367	438	1,588	1,655	1,498	102	67	56
		30-50 years old	762	707	794	1,357	1,972	1,875	1,501	1,651	1,773	262	235	181
		> 50 years old	129	142	154	368	497	546	72	74	109	73	67	168
	Female	< 30 years old	81	66	70	94	132	117	639	528	404	4	5	22
		30-50 years old	308	266	256	860	1,011	990	470	475	517	32	28	78
		> 50 years old	112	134	145	40	48	77	17	19	22	12	15	57
Total of Non-supervisor			1,674	1,510	1,577	2,941	4,027	4,043	4,287	4,402	4,323	485	417	562
Total of Permanent Employee			1,910	1,760	1,802	3,656	4,294	4,359	4,421	4,530	4,506	513	448	638
Description:			1.Supervisors and above are executive officers. 2. Senior Directors and above are top management. 3. 100% of senior managersare local residents.			1. Supervisors and above are executive officers. 2. Senior Directors and above are top management. 3. The executives in China and Southeast Asia are mainly expatriates from Taiwan.						The proportion of executives hired from local personnel is 74%.		The proportion of executives hired from local personnel is 100%

New Hires and Employee Turnover in the Past Three Years

Taiwan

New Employee Rate												
Year	2022				2023				2024			
Gender	Male		Female		Male		Female		Male		Female	
Age\Item	Number	New employee rate (%)	Number	New employee rate (%)	Number	New employee rate (%)	Number	New employee rate (%)	Number	New employee rate (%)	Number	New employee rate (%)
< 30 years old	99	5.18	25	1.31	28	1.59	10	0.57	33	1.83	24	1.33
30-50 years old	116	6.07	25	1.31	55	3.13	8	0.45	131	7.27	15	0.83
> 51 years old	8	0.42	2	0.10	7	0.40	5	0.28	8	0.44	4	0.22
Total	275				113				215			
Total Employees	1,910				1,760				1,802			
Total New Employees Rate (%)	14.40				6.42				11.93			
Employee Turnover Rate												
Year	2022				2023				2024			
Gender	Male		Female		Male		Female		Male		Female	
Age\Item	Number	Turnover rate (%)	Number	Turnover rate (%)	Number	Turnover rate (%)	Number	Turnover rate (%)	Number	Turnover rate (%)	Number	Turnover rate (%)
< 30 years old	106	5.55	21	1.10	77	4.38	19	1.08	32	1.78	13	0.72
30-50 years old	160	8.38	24	1.26	136	7.73	25	1.42	75	4.16	17	0.94
> 51 years old	18	0.94	17	0.89	34	1.93	19	1.08	22	1.22	12	0.67
Total	346				310				171			
Total Employees	1,910				1,760				1,802			
Total Turnover Rate (%)	18.12				17.61				9.49			

New Hires and Employee Turnover in the Past Three Years

China

New Employee Rate												
Year	2022				2023				2024			
Gender	Male		Female		Male		Female		Male		Female	
Age\Item	Number	New employee rate (%)	Number	New employee rate (%)	Number	New employee rate (%)	Number	New employee rate (%)	Number	New employee rate (%)	Number	New employee rate (%)
< 30 years old	294	8.04	79	2.16	169	3.94	26	0.61	207	4.75	27	0.62
30-50 years old	504	13.79	205	5.61	372	8.66	71	1.65	331	7.59	93	2.13
> 51 years old	36	0.98	0	0.00	3	0.07	4	0.09	22	0.5	6	0.14
Total	1,118				645				686			
Total Employees	3,656				4,294				4,359			
Total New Employees Rate (%)	30.58				15.02				15.74			
Employee Turnover Rate												
Year	2022				2023				2024			
Gender	Male		Female		Male		Female		Male		Female	
Age\Item	Number	Turnover rate (%)	Number	Turnover rate (%)	Number	Turnover rate (%)	Number	Turnover rate (%)	Number	Turnover rate (%)	Number	Turnover rate (%)
< 30 years old	330	9.03	80	2.19	168	3.91	22	0.51	152	3.49	23	0.53
30-50 years old	643	17.59	284	7.77	345	8.03	88	2.05	400	9.18	146	3.35
> 51 years old	35	0.96	29	0.79	17	0.4	24	0.56	177	4.06	18	0.41
Total	1,401				664				916			
Total Employees	3,656				4,294				4,359			
Total Turnover Rate (%)	38.32				15.46				21.01			

New Hires and Employee Turnover in the Past Three Years

Southeast Asia

New Employee Rate												
Year	2022				2023				2024			
Gender	Male		Female		Male		Female		Male		Female	
Age\Item	Number	New employee rate (%)	Number	New employee rate (%)	Number	New employee rate (%)	Number	New employee rate (%)	Number	New employee rate (%)	Number	New employee rate (%)
< 30 years old	1,146	23.77	355	7.36	624	13.77	77	1.7	510	11.32	83	1.84
30-50 years old	581	12.05	221	4.58	403	8.9	45	0.99	309	6.86	64	1.42
> 51 years old	25	0.52	3	0.06	6	0.13	2	0.04	3	0.07	0	0
Total	2,331				1,157				969			
Total of Employees	4,421				4,530				4,506			
Total New Employees Rate (%)	52.73				25.54				21.50			
Employee Turnover Rate												
Year	2022				2023				2024			
Gender	Male		Female		Male		Female		Male		Female	
Age\Item	Number	Turnover rate (%)	Number	Turnover rate (%)	Number	Turnover rate (%)	Number	Turnover rate (%)	Number	Turnover rate (%)	Number	Turnover rate (%)
< 30 years old	956	19.83	329	6.82	763	16.84	126	2.78	418	9.28	90	2.00
30-50 years old	632	13.11	208	4.31	450	9.93	106	2.34	394	8.74	94	2.09
> 51 years old	36	0.75	2	0.04	8	0.18	0	0.00	6	0.13	3	0.07
Total	2,163				1,453				1,005			
Total Employees	4,421				4,530				4,506			
Total Turnover Rate (%)	48.93				32.08				22.30			

New Hires and Employee Turnover in the Past Three Years

Europe

New Employee Rate								
Year	2023				2024			
Gender	Male		Female		Male		Female	
Age\Item	Number	New employee rate (%)	Number	New employee rate (%)	Number	New employee rate (%)	Number	New employee rate (%)
< 30 years old	23	4.48	3	0.58	14	3.13	1	0.22
30-50 years old	25	4.87	7	1.36	10	2.24	1	0.22
> 51 years old	4	0.78	2	0.39	4	0.89	2	0.45
Total	64				32			
Total of Employees	513				447			
Total New Employees Rate (%)	12.48				7.16			
Employee Turnover Rate								
Year	2023				2024			
Gender	Male		Female		Male		Female	
Age\Item	Number	Turnover rate (%)	Number	Turnover rate (%)	Number	Turnover rate (%)	Number	Turnover rate (%)
< 30 years old	36	7.02	1	0.19	27	6.04	1	0.22
30-50 years old	38	7.41	3	0.58	23	5.15	5	1.12
> 51 years old	13	2.53	1	0.19	17	3.80	2	0.45
Total	92				75			
Total Employees	513				447			
Total Turnover Rate (%)	17.93				16.78			

New Hires and Employee Turnover in the Past Three Years

The U.S.

New Employee Rate				
Year	2024			
Gender	Male		Female	
Age\Item	Number	New employee rate (%)	Number	New employee rate (%)
< 30 years old	39	6.11	7	1.10
30-50 years old	51	7.99	17	2.66
> 51 years old	25	3.92	8	1.25
Total	147			
Total of Employees	638			
Total New Employees Rate (%)	23.04			
Employee Turnover Rate				
Year	2024			
Gender	Male		Female	
Age\Item	Number	Turnover rate (%)	Number	Turnover rate (%)
< 30 years old	37	5.80	14	2.19
30-50 years old	58	9.09	18	2.82
> 51 years old	34	5.33	13	2.04
Total	174			
Total Employees	638			
Total Turnover Rate (%)	27.27			

Number of Non-Employee Workers (Taiwan / Tianjin Factory / Europe)		
Worker Type	Contractual Relationship with the Company	Total Number
Factory Physicians	Commissioned	2
Professional Consultants	Commissioned	9
Outsourced Service Providers	Contracted	243
Intermediary Workers	Contracted	704
Hourly-Based Personnel	Contracted	8

Ratio of Standard Compensation for Entry-Level Employees to Local Minimum Wage by Gender			
Region	Factory	Male Entry-Level Salary / Local Minimum Wage	Female Entry-Level Salary / Local Minimum Wage
Taiwan		1.79	1.80
China	KC	1.26	1.15
	KS	1.14	1.14
	KT	2.67	2.58
Southeast Asia	KV	1.04	1.04
	KI	1.00	1.00

Note: These figures represent the ratio of standard salaries for full-time non-managerial employees to the local statutory minimum wage

Ratio of Female to Male Salary and Total Remuneration (Taiwan)					
Remuneration Ratio by Job Classification	Number		Total Annual Remuneration (NTD)		Remuneration Ratio
	Female	Male	Female	Male	Female
Management	33	213	27,193,750	201,228,222	0.87
Non-Management	423	732	227,176,931	440,291,851	0.89
Direct Labor	184	382	103,087,475	241,210,312	0.89
Indirect Labor	272	563	151,283,206	400,309,761	0.78

- Notes:
- 1. Male remuneration ratio is set as 1.00.
 - 2. Data for China and Southeast Asia regions are not disclosed due to differences in compensation structures

Employment of Diverse Staff

The Company employs minority and vulnerable groups in regions such as Taiwan, Europe and the U.S. The employment status of diverse staff in the past three years is shown in the following table:

Employment of Diverse Groups					
Year		2022	2023	2024	
Item/Gender	Age	Number	Number	Number	
Minority or Vulnerable Groups	Male	< 30 years old	8	3	5
		30-50 years old	19	23	23
		> 51 years old	10	10	18
	Female	< 30 years old	1	0	2
		30-50 years old	8	6	5
		> 51 years old	2	1	2

Note:

1. Minority or vulnerable groups: group of individuals with a specific condition or characteristic (e.g., economic, physical, political, social) that could experience negative impacts as a result of the organization's activities more severely than the general population.
2. The data for 2023 adds the number of people in Europe. The data for 2024 add the number of people in the U.S.

Protection of Employees' Human Rights, Anti-Discrimination and Prohibition of Child Labor

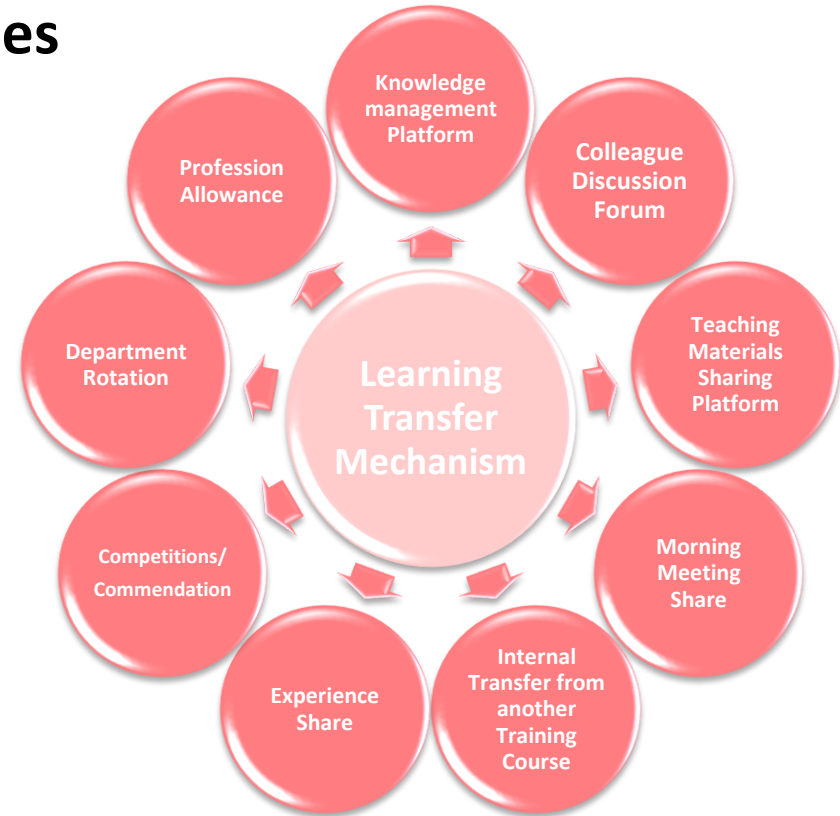
The Company is committed to protecting employees' human rights and recognizes and supports internationally recognized human rights standards such as “United Nations Global Compact”, “United Nations Universal Declaration of Human Rights”, and “ILO Declaration on Fundamental Principles and Rights at Work”. The Company takes practical action to demonstrate its responsibility to respect and protect human rights, abide by the local labor and gender equality applicable laws and regulations, and put an end to any violations of human rights. The Company has established the human rights policy that includes diversity and inclusion, ensuring equal job opportunity, forbidding forced labor and zero tolerance for child labor, setting up a complaint channel to promote harmony between labor and management, providing a safe and healthy workplace, and regularly reviewing and evaluating human rights systems and actions in order to protect employees and safeguard the human rights. During the reporting period, there were no incidents of discrimination or violation of laws in any of factories and suppliers.

6.2 Employee Training and Education

In order to promote various education and training activities proactively and maintain the quality of training, the Company sets up the Education and Training Committee and provides generous learning channels and development resources, including orientation training, induction training, on-the-job training courses and work guidance and rotations, etc., and provides the systematic training from the easy to the difficult in diversified manners, improves employees' professional competitiveness and awareness toward quality optimization to strengthen customer relationship and organizational constitution, save the Company's ability to achieve sustainability, and achieve the Company's vision and goals.

Training Commitment: Integrate the Company's management objectives Implement on-the-job training for employees

- Education and Training and Relevant Development Policies
- Improve the process of new recruits
 - Enhance the ability of current staff
 - Improve the leadership of serving team
 - Improve the quality of the working environment
 - Create a good corporate culture



Employee Education and Training Status

The Company identifies gaps in employee competencies through competency assessments and conducts a survey for the next year's training program in the fourth quarter of each year. The Company develops a training plan that includes new employee orientation, general knowledge (core competencies) training, management skills training, project (functional) training, and self-directed learning, and allocates an annual budget for it. The Company is committed to offering a diverse range of training courses and linking training outcomes to job promotions as a criterion for assessing advanced standards. This approach aims to enhance employee capabilities, build the Company's sustainable competitive advantage, and achieve its annual business goals and vision.

In 2024, the Company passed the Talent Development Quality Management System (TTQS) Enterprise Institutional Edition—Gold Medal Assessment. Through TTQS evaluation and award applications, the Company continuously optimizes its training system to ensure stable employee training quality.



Employee Training Hours Statistics Table												
Region	Item/ Job Classification		Management		Non-Management		Direct Labor		Indirect Labor		Planned Training Hours (Hours)	Training Hours Target Achievement Rate (%)
	Unit / Gender		Male	Female	Male	Female	Male	Female	Male	Female		
Taiwan	Total Number of Trainees	Persons	4,132	655	27,329	10,262	17,329	4,525	14,132	6,392	50,899	112.4
	Total Training Hours	Hour	6,974	1,090	36,296	12,864	21,352	4,755	21,918	9,199		
	Average Training Hours per Trainee	Hour/Persons	1.69	1.66	1.33	1.25	1.23	1.05	1.55	1.44		
	Training Expenses	NTD	1,613,054	211,817	6,825,201	2,171,608	3,603,609	725,951	4,834,647	1,657,473		
China	Total Number of Trainees	Persons	6,972	598	38,546	17,024	31,035	12,676	14,569	4,860	158,630	142.8
	Total Training Hours	Hour	7,759	1,223	149,700	67,913	137,250	53,703	28,312	7,330		
	Average Training Hours per Trainee	Hour/Persons	1.11	2.05	3.88	3.99	4.42	4.24	1.94	1.51		
	Training Expenses	NTD	196,461	44,398	7,357,032	3,408,236	6,925,693	2,743,056	1,100,867	236,512		
Southeast Asia	Total Number of Trainees	Persons	6,865	639	27,722	10,179	24,977	8,054	9,610	2,764	61,723	108.4
	Total Training Hours	Hour	9,160	938	41,251	15,534	38,216	12,451	12,195	4,021		
	Average Training Hours per Trainee	Hour/Persons	1.33	1.47	1.49	1.53	1.53	1.55	1.27	1.45		
	Training Expenses	NTD	0	0	0	0	0	0	0	0		
Europe	Total Number of Trainees	Persons	11	9	338	36	275	9	74	36	-	-
	Total Training Hours	Hour	199	231	1893	819	1428	134	265	274		
	Average Training Hours per Trainee	Hour/Persons	18.09	25.67	5.60	22.75	5.19	14.89	3.58	7.61		
	Training Expenses	NTD	151,330	163,099	685,449	374,277	248,507	44,918	528,788	215,433		
The U.S.	Total Number of Trainees	Persons	76	20	356	127	227	52	205	95	-	-
	Total Training Hours	Hour	566.00	292	702.00	480.00	539.50	263.50	728.00	509.00		
	Average Training Hours per Trainee	Hour/Persons	7.45	14.60	1.97	3.78	2.38	5.07	3.55	5.36		
	Training Expenses	NTD	970,685	500,788	585,622	400,412	450,054	219,825	928,043	648,847		

Note: All training programs in Southeast Asia are conducted internally by the Company, and the training cost is zero.

Photos Related to Course Activities



- Management Competency Training: Executive Succession Training (II) – Change and Risk: Global Dynamic Competitive Analysis



- Sales Department – Project-Based (Functional) Training: Generative AI x Power BI Visualization Applications



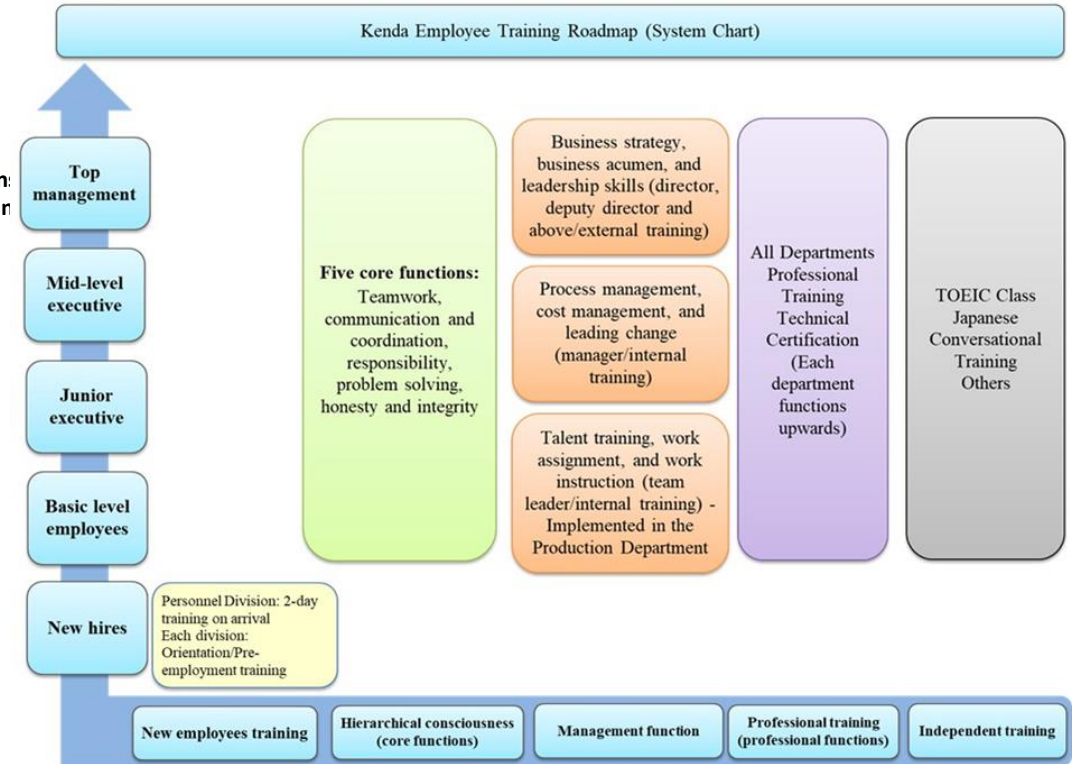
- Hierarchical Consciousness (core function: Training: Course Name – BSC Management



- Hierarchical Consciousness (core functions) Training: Course Name – BSC Management



- Global Technology Center – Project-Based (Functional) Training: Sustainable Materials Testing Program for Rubber Product



Government Grants and Awards

An enterprise’s sustainability depends on the systematic talent training and adaptive development for jobs. The Company is committed to job rotation planning and education and training system to promote the training of talents’ competency and establish a learning-oriented organization. In 2019, the Company was honored by the award for Large-Sized Enterprise-National Talent Development Award by the Ministry of Labor. In 2023, the Company has received the subsidy amounting to NT\$290,218 from the government for education and training awarded the Talent Development Quality Management System (TTQS) Enterprise Version - Gold Medal. The Company continues to pursue the quality of the training system and makes good use of the government subsidies and school’s cooperation resources to strengthen the Company’s training system. With the strong support from the top management and the participation by all employees, the Company organizes the relevant training programs proactively and has them links to practical job performance, thereby enhancing organizational management performance.

Fair Performance Management System

In order to institutionalize the employment system and to provide objective and fair criteria for promotions and rewards, the Company conducts regular performance evaluations based on established scoring criteria. The percentage of employees who undergo regular performance and career development reviews is 100%. For employee performance evaluations: direct employees are assessed twice a month, while indirect employees are assessed twice a year.

Security Education and Training

The Company has established security personnel to ensure the safe and normal operation of the factory and to protect the personal safety and property of employees. The Company clearly defines the scope of duties for security personnel and prohibits them from intimidating, assaulting, or engaging in any form of coercive labor practices with employees. Security personnel are required to undergo professional training and are regularly evaluated to confirm their qualifications for the role.



- 2023 TTQS Gold Medal
- Extension – Certification of Evaluation Grade



- Application for 2024 Recharge and Take-Off Program – Training Subsidy

Security personnel at each plant receive training on human rights policies or procedures as follows:

Region	Description	Training Rate
Taiwan	<ul style="list-style-type: none"> A total of 18 security personnel is employed in Taiwan. The security personnel have to attend the training induction for safety, health and duty. The Company will also implement the human rights-related education and training with respect to the security personnel regularly every year. <p>The training programs include:</p> <ul style="list-style-type: none"> ◆ In response to the education and training of Authorized Economic Operator (AEO) every year, the Company implements the training on inspection and registration of access by external visitors and vehicles with respect to the security personnel; ◆ The Company implements the training on prevention of abuse of human rights, including the use of violence and avoidance of insulting treatment and discrimination. 	100%
China	<ul style="list-style-type: none"> Kunshan Factory: A total of 21 security personnel is employed. In addition to safety and duty-related training for new hires, all gate security personnel receive annual training on human rights. <p>The training includes:</p> <ul style="list-style-type: none"> ◆ Monthly mandatory fire safety education and training. ◆ External visitor and vehicle entry inspection and registration procedures. ◆ Daily pre-shift education. <ul style="list-style-type: none"> Shenzhen Factory: A total of 5 security personnel (guards) is employed. They must undergo regular annual security and emergency response training. <p>The training includes:</p> <ul style="list-style-type: none"> ◆ Annual AEO Certification Training and Visitor/Vehicle Access Control Procedures ◆ Each year, the Company conducts training courses in alignment with the requirements of the Authorized Economic Operator (AEO) certification for quality enterprises. <ul style="list-style-type: none"> Tianjin Factory: A total of 20 security personnel is employed. They receive annual professional training, which includes courses on disaster prevention and response, counterterrorism, human rights protection, and practical security duties. 	100%
Southeast Asia	<ul style="list-style-type: none"> Vietnam Factory: A total of 37 security personnel is employed. In addition to safety and duty-related training for new hires, all gate security personnel receive annual training on human rights. <p>The training includes:</p> <ul style="list-style-type: none"> ◆ External visitor and vehicle entry inspection and registration procedures. ◆ Training on preventing human rights abuse (including the use of force, non-discriminatory treatment.) <ul style="list-style-type: none"> Indonesia Factory: A total of 21 security personnel is employed through an outsourced professional security company. In accordance with occupational health and safety laws, the security personnel receive annual professional training. The training includes: <ul style="list-style-type: none"> ◆ Internal fire safety education and training and external visitor and vehicle entry inspection and registration procedures. ◆ Training on preventing human rights abuse (including the use of force, non-discriminatory treatment). 	100%

Note: Not applicable to Europe/the United States regions.

Photos of Security Training Activities and Records



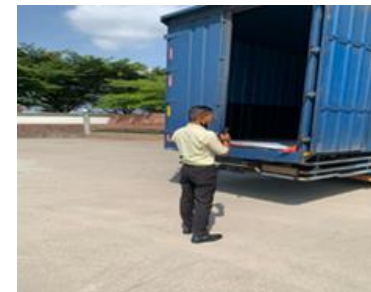
- Registration of External Visitors



- Security Training Activities



- Annual AEO Education Training



- Inspection of Access by External Visitors and Vehicles

6.3 Occupational Health and Safety Management

Material Topic: Occupational Health and Safety	
Significant reasons for this topic	The significance of this issue lies in the fact that employees are the Company 's most important asset. Ensuring the safety of employees in their work positions and implementing occupational health and safety management requirements according to ISO 45001, are crucial matters and commitments for the Company. This includes establishing a compliant and safe working environment.
Policy / Strategy	<ol style="list-style-type: none"> 1. EHS And Energy Management Policy: "Green Production, Safety and Health, and Sustainable Operations." 2. Zero Occupational Accidents. 3. Compliance with the requirements under the Occupational Safety and Health Act.
Goals and Targets	<ol style="list-style-type: none"> 1. Compliance with the requirements under the Occupational Safety and Health Act. 2. Implement management practices based on the zero occupational accident goal and occupational accident prevention.
Management Evaluation Mechanism	<ol style="list-style-type: none"> 1. Implementation of ISO 45001, CNS 45001, and Internal Management Review Procedures 2. Automatically check, confirm and maintain records. 3. Continue to supervise, improve and follow up the safety and health inspection and audit results. 4. Frequency and severity of various incidents.
Performance and Adjustment	Evaluation of Occupational Injury Rate.
Preventive or Remedial Measures	<ol style="list-style-type: none"> 1. The safety of new equipment is ensured through the three-stage safety operation inspection, while the safety devices of existing equipment are inspected regularly to ensure their normal functions. 2. Provide each employee with the safety and health work rules which contain the safety standards of various facilities, health instructions, and protective equipment for compliance, and set up safety and health training classrooms to ensure that employees are aware of safety requirements. 3. Conduct the pre-assessment on hazards to identify and assess the risk, determine various risk control measures, review the adaptation and effectiveness thereof, record and manage the amendments discussed based on the risk assessment result. 4. Convene the Occupational Safety, Health, and Environmental Promotion Meeting regularly to review the implementation of safety and health operations to prevent accidents. 5. In the event of any accidents or violations, conduct an investigation to verify the root cause, prepare the strategies against recurrence of the same accidents and develop the strategies horizontally.

Occupational Safety and Health Management Measures

"Safety First" is the core management philosophy of the Company's production activities. Based on this principle, the Company has established safety production regulations to ensure that employees are not exposed to unsafe environments during production activities, and to safeguard their physical and mental well-being. Once a safe and secure production environment is provided, employees can focus on enhancing product quality and output, thereby contributing to company profits.

In accordance with the ISO 45001 Occupational Health and Safety Management System, the Company continuously promotes regular environmental inspections of the workplace, oversees management and incident reporting systems, and manages safety activities and hazardous chemicals. The Company also regularly conducts relevant training and applies the P-D-C-A management cycle for ongoing improvement, aiming to establish a workplace that meets regulatory and customer requirements.

The Company's workplace safety statements are as follows:

- Employees should wear clothing, hats, safety shoes, and safety gear in accordance with the standards.
- Employees cannot enter hazardous areas or operate others' equipment without permission.
- Employees shall not break safety devices or force them to fail.
- Employees should stop operation of equipment in case of abnormality and report to the group leader/shift supervisor.
- Employees are not allowed to listen to music or use cell phones during work.
- All workplaces are non-smoking areas (except in the smoking area). Alcohol and betel nuts are prohibited in workplace.
- Employees should stop, listen, look, and give priority to vehicles at intersections of workplaces.



Model Safety Recognition Program:



- Annual First Place Award – Finished Products Section 1, Yuanlin Factory



- Annual First Place Award – Manufacturing Section 5, Yunlin Factory



Fire Safety Management

All company factories strictly adhere to local fire safety regulations. In Taiwan, each site is required to submit an annual fire equipment inspection report every November. Additionally, semi-annual self-defense fire drills are conducted for employees to enhance emergency preparedness.

Each factory designates dedicated fire safety personnel to oversee fire safety operations. In Taiwan, these individuals are referred to as “Fire Prevention Managers,” while overseas subsidiaries appoint “Fire Safety Managers.”

These designated personnel are responsible for conducting monthly internal fire safety inspections by the 10th of each month. Inspection items include :

- Verification and update of H-card records
- Control checks of hazardous material quantities
- Management of fire safety certifications
- Inspection of fire protection equipment
- Testing of fire pumps
- Post-inspection

Any identified deficiencies must be documented and submitted to the facility’s Safety and Health Office for review. When necessary, findings are reported during scheduled regularly the Occupational Safety, Health, and Environmental Promotion Meeting.

The detailed procedures for these fire safety self-inspections are outlined in the Company’s standard operating manual and are formally incorporated into corporate regulations.

Chemical Management

The Company manages chemical substances in strict compliance with relevant regulations, including the Toxic and Concerned Chemical Substances Control Act, the Regulations for Labeling and General Communication of Hazardous Chemicals, and the Standards for the Establishment and Safety Management of Public Hazardous Materials and Flammable High-Pressure Gas Manufacturing, Storage, and Handling Sites.

A comprehensive chemical management system has been established, encompassing updates to Safety Data Sheets (SDS), chemical change notifications, SDS database maintenance, and Chemical Control Board (CCB) oversight. These measures are designed to control exposure risks in specialized operational areas.

For toxic chemical substances, designated personnel are responsible for locked and controlled access to operational zones. These areas are equipped with hazardous chemical inventories, emergency response equipment, safety showers, and personal protective gear. All operational quantities remain below the minimum regulatory control thresholds. The Company has obtained official approval for the handling of ten types of toxic chemical substances (Categories 1 to 4), and all operational records are submitted periodically in accordance with regulatory requirements.

Waste liquids generated from operations are collected centrally and disposed of through certified environmental service providers authorized by competent authorities.

In terms of public hazardous materials storage safety, the Company complies with all applicable laws and regulations. Preventive measures include the construction of explosion-proof walls around oil storage tanks, installation of automatic sprinkler systems, anti-static devices in sulfur storage rooms, and placement of hazard identification cards (H-cards) at security checkpoints to safeguard both the facility and surrounding environment. During the reporting period, after the audit by authorities, there are no cases of contamination that can be punished and should be compensated.

Enhancing Workplace Safety and Health

In accordance with the relevant laws and regulations on occupational safety and health, the Company has stipulated automatic safety and health inspection rules. The Company clearly distinguishes the responsibility of each level and implements safety and health observation and supervision. Through the implementation of the daily equipment checklist and SOP for each operation, the Company strictly requires the employees to perform equipment maintenance properly and to protect their safety and health.

Overview of the occupational safety and health management system in each factory of the Company:

Procedure and Contents	After conducting hazard identification and risk assessment for factories, improvements are made based on the level of risk value, and the effectiveness of the improvements is judged through the evaluation of performance indicators.
Scope	Implement employee safety and health management via the systematic mechanism based on ISO 45001:2018/TOSHMS 2.0 (CNS 45001:2018). For high-risk operations, the Company performs hazard identification and risk assessment and adopts control measures such as work permits to strengthen operational risk control and effectively prevent any occupational disasters. So far, the certification has been extended to all factories, accounting for 100% of the total number of personnel, in order to demonstrate the Company's determination to provide comprehensive care and establish a safe workplace.
Procedures for identification of work hazards, risk assessment and accident investigation	
Frequency of Execution	<ol style="list-style-type: none"> 1. Each department amends the identification of hazards and risk assessment subject to the scope applicable to the department before the annual internal audit. 2. Conduct regular monthly inspections, irregular inspections and senior management's inspections. 3. When an occupational disaster occurs, initiate an accident investigation and notification in accordance with the "Incident Investigation Management Regulations" and fill out a disaster report.
Application of Control by Grading	<p>Approach to identify hazards:</p> <ol style="list-style-type: none"> 1. Before identification of hazards, each department should fill out the "Occupational Safety and Health Investigation Flow Chart" and "Investigation on Working Condition" subject to the attributes and operating conditions of their activities. Then, they may proceed to identify the hazards. 2. The identification of hazards is intended to analyze the potential hazards existing in the operations according to the "Identification of Hazards and Risk Assessment Worksheet." Hazard identification considers the interrelationships among personnel, machinery, facilities, methods, materials, energy, and the operating environment. It also analyzes the operational activities in each area according to the operations, activities, steps, and nodes for hazard identification. In addition, hazard identification should consider the possible causes, effects and characteristics of the hazards, of which the characteristics of the hazards should include physical, chemical, biological, human engineering, human factors, unsafe acts, etc. <p>Approach to determine the risk assessment level:</p> <ol style="list-style-type: none"> 1. Insert the exposure rate, probability of occurrence, and severity of consequences of the hazard factors into the "Hazard Identification and Risk Assessment Worksheet" and analyze the results based on the "Risk Level Assessment Rating Criteria." 2. After the risk level is determined, the "Risk Level Rating and Judgment Procedure and Response Measures Table" shall be taken into consideration for determination of the risk control measures, which can be divided into significant and non-significant risk control measures. <p>Risk control planning:</p> <p>When each department decides on risk control measures, or considers changing the existing risk control measures, it shall consider risk mitigation in the following order:</p> <ol style="list-style-type: none"> 1. Elimination of hazards/risks; 2. Replacement of hazards/risks; 3. Engineering control measures; 4. Label/warning and/or management control measures; 5. Personal protective gears.
Continuous Improvement	<p>In order to improve the awareness of the Company's employees on safety and health, it is necessary to continue assessing and recording the safety and health hazard factors potentially existing in operating activities and facilities to evaluate the safety & health risks and opportunities and pursue zero disasters. By means of continuous identification of hazards and assessment of risks and opportunities, and also execution of necessary risk control methods, the Company aims to implement the occupational safety and health policy to satisfy the requirement for continuous improvement.</p> <p>According to the laws and regulations related to occupational safety and health, the Company establishes the enforcement rules for automatic safety and health inspections. Distinguish the job responsibilities of each level and implement safety and health observation and supervision. Based on the routine checklist for the equipment and formulation of SOPs for various operations, the employees are strictly required to conduct the spot checks on the equipment and handle the operations in accordance with the SOPs to protect the employees' health. In order to prevent employees from causing hazards to themselves or other, the Company keeps improving the equipment and operating environment to meet the requirement to create an excellent and safe working environment.</p>
When an employee might suffer some immediate danger when performing his/her job duty	
Can He/She Stop Working or Leave the Site Voluntarily?	Yes
Reporting Channel and Procedure	If any problem is found during operations, work should be stopped immediately and reported to the supervisor on duty. If necessary, the unit supervisor will request assistance from the security personnel and the safety and health department. Additionally, occupational safety personnel can directly communicate with employees during their routine inspections. Employees can also report issues through various channels such as submitting improvement proposals to the Company or using the employee opinion mailbox.
In order to encourage whistleblowers to report any illegal cases bravely, the Company shall provide the following protection measures to whistleblowers: the information about whistleblowers' identity shall be kept confidential; the information sufficient to identify their identity shall not be disclosed for internal reporting; it is not allowed to terminate, demote, reduce wages of or harm the rights and benefits under the law, contract or norm of, the whistleblowers or take any unfavorable measure against them, due to the whistleblowing cases.	





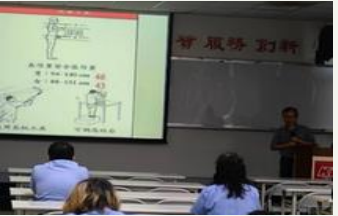
Employee Health Management

The Company is committed to the health of all employees and strives to create a safe working environment. We focus on promoting employees' physical and mental well-being, achieving a balance between work and life, and collaborating with stakeholders to reduce workplace safety and health risks. For statutory special operations involving health hazards such as noise, n-hexane, toluene, xylene, styrene, n-heptane, and high temperatures, the Company arranges annual health checkups for affected employees and conducts re-examinations for those with abnormal findings. By monitoring employees' health and providing resources for self-health management, the Company aims to prioritize prevention over treatment and create a safe and worry-free working environment. Upon confirmation of pregnancy among employees, the Company initiates a series of protective measures. These include internal notification, workplace hazard assessments, suspension of work shifts, and the arrangement of maternal protection counseling with the factory physician. The following table shows the statistics related to employee health checkups:：

Statistics on the Number and Cost of Employee Health Checkups		
Region	Taiwan/China/Southeast Asia	Europe
Applicable Subject	All employees and special hazardous operational workers	All employees and special hazardous operational workers
General Health Checkups		
Item	General labor physical examination	General labor physical examination
Number of Persons in the Checkup (person)	6,666	165
Checkup Expenses (NTD Thousand)	1,154	321
Special Health Checkups		
Item	Formaldehyde, n-hexane, n-heptane, noise, dust	Formaldehyde, n-hexane, n-heptane、butyl acrylate, butanol, noise, dust, toluene, xylene, high temperature
Number of Persons in the Checkup (person)	1,630	4
Checkup Expenses (NTD Thousand)	768	6



The Company's health promotion-related activities for workers in Taiwan is as follows:

Region	Description	Object
Taiwan	1. Metabolic Syndrome Awareness Lecture  	All employees
	2. Dementia Awareness Lecture 	
	3. Heat Hazard Management 	
	4. 1. Prevention of Human Factor Hazards 	

Region	Description	Object
Europe	1.On-site voluntary health checkups by physicians 2. Providing electric bicycles (E-Bikes) for Commuting 3. Stress management training courses	All employees

Occupational Safety and Health

Consultation and Communication

To promote the safety and health of employees, the Company has established the Occupational Safety, Health, and Environment Committee in accordance with the Occupational Safety and Health Act. The General Manager serves as the chairperson of the committee, which includes representatives from management, workers, and department heads. The committee meets quarterly, chaired by the General Manager, to make recommendations and coordinate the Company’s occupational safety and health policies. It also reviews 20 key indicators, including: occupational hazard investigation reports, automatic inspections and safety and health audits, operating environment monitoring plans, monitoring results and measures taken, contractor safety and health management, and assessment of on-site safety and health management performance. These reviews ensure a healthy and safe working environment for employees and fulfill the Company’s corporate social responsibility.

Each factory holds monthly meetings of the Occupational Safety, Health, and Environment Promotion Committee, chaired by the highest-ranking factory manager. These meetings review management functions such as false alarm proposals, occupational hazard prevention investigations, safety and health audits and management, education and training, improvement of safety and health facilities, and enhancement of operational procedures and methods, with the aim of achieving safety and health management objectives.

The participation, consultation, and communication of occupational safety and health workers in each factory are as follows:

Environmental Safety and Health Management Representative	<ul style="list-style-type: none">• Convene departments to review their environmental considerations and hazard risk assessments and review major considerations and unacceptable risks.• Supervise the execution and achievement of ISO 14001/ISO 45001/TOSHMS and communicate with outsiders on the management system; and report the implementation status to the General Manager.• Promote all employees to participate in the EHS management system.
Safety and Health Office	<ul style="list-style-type: none">• Manage the overall planning on the operation of the EHS management system throughout the factory and collect information about laws and regulations, compliance assessment and communication and coordination of information.• Prepare and amend manuals, convene the EHS management review meetings and conduct internal audits.• Investigate and resolve occupational accidents and gather statistics thereof.
By Department (Section)	<ul style="list-style-type: none">• Responsible for the operation of the relevant unit’s EHS management system and promotion of the relevant engineering management improvement projects.• Communication with employees and settlement of EHS disputes.
Employees’ Representatives	<ul style="list-style-type: none">• Participate in occupational safety committee meetings, respond to employees’ opinions, and promotion and communication of review on policy goals and resolutions.

Occupational Safety and Health Education and Training

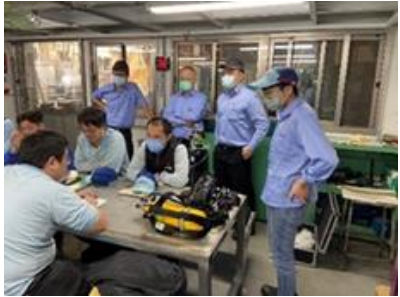
Employees of the Company are required to receive training on occupational safety and health, and the training statistics for the reporting period are as follows:

Region	Training Item	Number of Trainees	Training Fee (NT\$ thousand)
Taiwan	Occupational Safety and Health Training	10,834	3,456
China		55,730	4,577
Southeast Asia		3,255	217
Europe		211	281,301

Photos of Occupational Safety and Health Education and Training Activities



• Occupational Safety and Health Training for Active Employees



• Confined Space Safety Training



• Human Factors Training for Active Employees



• Specialized Occupational Safety and Health Training for Migrant Workers



• Occupational Safety and Health Training for Newly Hired Migrant Workers



• Musculoskeletal Health Training for Active Employees



• Self-Defense Fire Safety Drills at Manufacturing Sites

In compliance with local fire safety regulations, all company facilities in Taiwan conduct semi-annual self-defense fire safety drills. Each drill session includes both theoretical instruction—covering disaster prevention and safety concepts—and practical training, such as hands-on use of fire extinguishers and water hose operation. Participation is mandatory for all newly hired employees to ensure they are familiar with emergency procedures from the outset.

Contractor Management

In 2024, no fire incidents involving contractors occurred within the Company’s operational sites. To prevent hazards, risks, and negative impacts related to occupational health and safety that suppliers and contractors might pose to the Company, each of our plant locations implements the following management and auditing measures for suppliers and contractors:

- I. Purchasing department will evaluate the qualifications of contractors and select qualified suppliers with Safety and Health Office, then the purchasing department will explain and sign the relevant forms.
- II. Execute the “Agreement on Safety and Health of Contractor’s Construction” with the construction contractor to explain the construction procedure and related requirements to the contractor.
- III. Before the construction contractor enters the factory to perform the construction work, all of its personnel must go through the relevant safety education and training and then may be allowed to perform the construction work at the site. The training courses shall include the risk disclosure, required safety measures and emergency response measures, attribution of responsibility, application for special operations and review/approving procedure, and penalty, etc.
- IV. If the construction work is identified as a special operation (per project), it is necessary to send the information, such as the operator's name, special operation certificate, operator's occupational insurance card number, on-site management personnel's name, responsible construction period and contact No., to the safety and health group for recording in advance.
- V. Safety training is organized every six months for the person in charge of the vendor who is permanently stationed in the Company.
- VI. During the construction period, the unit in charge of the construction area shall designate its personnel to supervise on the site. The safety and health department/senior management shall conduct the on-site audit on construction work from time to time, in order to prevent the labor safety accidents during the contractor’s performance of the construction work. Upon completion of the construction work, the contractor shall sort out the materials, equipment and containers based on the 3S principles.

Records of Audit Activities Related to Contractor Construction Work:



Workers Covered in the Occupational Safety and Health Management System

All employees and non-employees (including all external units and contractors entering the Company’s jurisdictional areas to engage in operational activities, such as catering suppliers, security personnel, equipment maintenance providers, etc.) at all our plant locations are covered by the Occupational Health and Safety Management System.

Statistics on Occupational Injuries

According to the laws and regulations related to occupational safety and health, the Company establishes the enforcement rules for automatic safety and health inspections. Distinguish the job responsibilities of each level and implement safety and health observation and supervision. Based on the routine checklist for the equipment and formulation of SOPs for various operations, the employees are strictly required to conduct the spot checks on the equipment and handle the operations in accordance with the SOPs to protect the employees’ health. In order to prevent employees from causing hazards to themselves or others due to their own negligence at work, the Company keeps improving the equipment and operating environment.

The Company’s occupational disaster statistics for each region in 2024 are as follows:

Taiwan

Employee Work-related Injury Statistics				
Category	Item	2022	2023	2024
Total Working Hours	Total Working Hours	4,905,313	3,861,683	3,934,201
The Number of Fatalities as a Result of Work-related Injury	Number of female fatalities (persons)	0	0	0
	Number of male fatalities (persons)	0	0	0
	Total of fatalities (persons)	0	0	0
The Number of High-consequence Work-related Injuries (excluding fatalities)	Total number of high-consequence work-related injuries for female (persons)	0	0	0
	Total number of high-consequence work-related injuries for male (persons)	2	0	0
	Total number of high-consequence work-related injuries (persons)	2	0	0
The Number of Recordable Work-related Injuries (including fatalities, high-consequence work-related injuries)	Total number of work-related injuries for female (persons)	0	1	3
	Total number of work-related injuries for male (persons)	11	5	15
	Total number of work-related injuries (persons)	11	6	18
Rate of Fatalities as a Result of Work-related Injury		0	0	0
Rate of High-consequence Work-related Injuries		0.19	0	0
Rate of Recordable Work-related Injuries		2.07	1.55	4.57

- Note:
- 1. Rate of fatalities as a result of work-related injury =(Number of fatalities as a result of work-related injury /Number of hours worked) × 1,000,000.
 - 2. Rate of high-consequence work-related injuries =(Number of high-consequence work-related injuries (excluding fatalities) /Number of hours worked) × 1,000,000.
 - 3. Rate of recordable work-related injuries =(Number of recordable work-related injuries (including fatalities, high-consequence work-related injuries) / Number of hours worked) × 1,000,000.
 - 4. The calculation of the occupational injury rate is conducted in accordance with the provisions of the Occupational Safety and Health Act. As stipulated, figures are rounded down at the third decimal place to ensure consistency with regulatory standards.
 - 5. High-consequence work-related injuries refers to an occupational injury that cannot be recovered healthily within 6 months.
 - 6. Recordable work-related injuries exclude that caused by commuting.
 - 7. In 2024, the Company had one case of occupational disease among employees; there were zero fire incidents; zero occupational injury incidents for non-employee workers.

8. The types of employee work-related injury incidents that can be recorded are as follows :
Due to an increase in occupational incidents in 2024 compared to 2023, the Safety and Health Office remains unwavering in its commitment to achieving zero workplace accidents and injuries. In response to this challenge, the focus has shifted toward constructing a safe and well-managed working environment that protects employees from potential hazards. In addition to ongoing inspections and audits to ensure effective supervision, the office has formulated relevant strategies and implemented disaster reduction measures through guidance and awareness campaigns. These efforts aim to urge on-site units to strengthen safety and health awareness, improve infrastructure, and instill a stronger sense of safety among employees. Recognizing employees as the Company’s most valuable asset for sustainable development, the Company continues to enhance workplace safety and related practices. Through these initiatives, the Company strive to foster a positive and secure occupational safety and health culture.

Year \ Type of work-related injury Incident	Pressured (smashing) injury	Pinched (rolled) injury	Cut injury	Burn injury	Collision	Fall	Human factors	Total
2022	3	3	1	2	1	1	0	11
2023	1	1	1	0	2	0	1	6
2024	6	5	3	1	2	1	0	18

China and Southeast Asia

Employee Work-related Injury Statistics							
Category	Item	China			Southeast Asia		
		2022	2023	2024	2022	2023	2024
Total Working Hours	Total Working Hours	13,103,565	13,127,284	13,586,922	14,267,165	25,607,020	12,926,614
The Number of Fatalities as a Result of Work-related Injury	Number of female fatalities (persons)	0	0	0	0	0	0
	Number of male fatalities (persons)	0	0	0	1	0	0
	Total of fatalities (persons)	0	0	0	1	0	0
The Number of High-consequence Work-related Injuries (excluding fatalities)	Total number of high-consequence work-related injuries (persons) for female	0	4	2	0	0	0
	Total number of high-consequence work-related injuries (persons) for male	2	7	2	0	0	0
	Total number of high-consequence work-related injuries (persons)	2	11	4	0	0	0
The Number of Recordable Workrelated Injuries (including fatalities, high-consequence work-related injuries)	Total number of work-related injuries for female (persons)	1	9	6	0	0	0
	Total number of work-related injuries for male (persons)	24	27	32	1	0	6
	Total number of work-related injuries (persons)	25	36	38	1	0	6
Rate of Fatalities as a Result of Work-related Injury		0	0	0	0.07	0	0
Rate of High-consequence Work-related Injuries		0.15	0.84	0.29	0	0	0
Rate of Recordable Work-related Injuries		1.91	2.74	2.80	0.07	0	0.46

Note:

1. Rate of fatalities as a result of work-related injury =(Number of fatalities as a result of work-related injury /Number of hours worked) × 1,000,000.
2. Rate of high-consequence work-related injuries =(Number of high-consequence work-related injuries (excluding fatalities) /Number of hours worked) × 1,000,000.
3. Rate of recordable work-related injuries =(Number of recordable work-related injuries (including fatalities, high-consequence work-related injuries) / Number of hours worked) × 1,000,000.
4. The calculation of the occupational injury rate is conducted in accordance with the provisions of the Occupational Safety and Health Act. As stipulated, figures are rounded down at the third decimal place to ensure consistency with regulatory standards.
5. High-consequence work-related injuries refers to an occupational injury that cannot be recovered healthily within 6 months.
6. Recordable work-related injuries exclude those caused by commuting.
7. In 2024, the Company had one case of occupational disease among employees in Shenzhen Factory; 3 minor fire incidents in Kunshan Factory (Minor fire: small-scale fires caused by localized ignition sources and were extinguished immediately without escalation); zero occupational injury incidents for non-employee workers.
8. The types of employee work-related injury incidents that can be recorded are as follows:

Region	Type of work-related injury Incident	Pressured (smashing) injury	Pinched (rolled) injury	Cut injury	Burn injury	Collision	Fall	Human factors	Total
	Year								
China	2022	0	23	0	0	1	1	0	25
	2023	12	11	1	2	6	3	1	36
	2024	11	13	1	3	4	5	1	38
Southeast Asia	2022	0	1	0	0	0	0	0	1
	2023	0	0	0	0	0	0	0	0
	2024	2	1	0	0	2	1	0	6

Europe

Employee Work-related Injury Statistics			
Category	Item	2023	2024
Total Working Hours	Total Working Hours	956,550	842,566
The Number of Fatalities as a Result of Work-related Injury	Number of female fatalities (persons)	0	0
	Number of male fatalities (persons)	0	0
	Total of fatalities (persons)	0	0
The Number of High-consequence Work-related Injuries (excluding fatalities)	Total number of high-consequence work-related injuries (persons) for female	0	0
	Total number of high-consequence work-related injuries (persons) for male	7	2
	Total number of high-consequence work-related injuries (persons)	7	2
The Number of Recordable Workrelated Injuries (including fatalities, high consequence work-related injuries)	Total number of work-related injuries for female (persons)	0	0
	Total number of work-related injuries for male (persons)	22	28
	Total number of work-related injuries (persons)	22	28
Rate of Fatalities as a Result of Work-related Injury		0	0
Rate of High-consequence Work-related Injuries		7.32	2.37
Rate of Recordable Work-related Injuries		23.00	33.23

Note:

- 1. Rate of fatalities as a result of work-related injury =(Number of fatalities as a result of work-related injury /Number of hours worked) × 1,000,000.
- 2. Rate of high-consequence work-related injuries =(Number of high-consequence work-related injuries (excluding fatalities) /Number of hours worked) × 1,000,000.
- 3. Rate of recordable work-related injuries =(Number of recordable work-related injuries (including fatalities, high-consequence work-related injuries) / Number of hours worked) × 1,000,000.
- 4. The calculation of the occupational injury rate is conducted in accordance with the provisions of the Occupational Safety and Health Act. As stipulated, figures are rounded down at the third decimal place to ensure consistency with regulatory standards.

- 5. High-consequence work-related injuries refers to an occupational injury that cannot be recovered healthily within 6 months.
- 6. Recordable work-related injuries exclude that caused by commuting.

Type of work-related injury incident	Pressured (smashing) injury	Pinched (rolled) injury	Cut injury	Burn injury	Collision	Fall	Human factors	Total
Year								
2023	11	1	6	0	1	1	2	22
2024	9	3	6	0	7	1	2	28

The U.S.

Employee Work-related Injury Statistics		
Category	Item	2024
Total Working Hours	Total Working Hours	1,429,431
The Number of Fatalities as a Result of Work-related Injury	Number of female fatalities (persons)	0
	Number of male fatalities (persons)	0
	Total of fatalities (persons)	0
The Number of High-consequence Work-related Injuries (excluding fatalities)	Total number of high-consequence work-related injuries (persons) for female	0
	Total number of high-consequence work-related injuries (persons) for male	2
	Total number of high-consequence work-related injuries (persons)	2
The Number of Recordable Workrelated Injuries (including fatalities, high consequence work-related injuries)	Total number of work-related injuries for female (persons)	4
	Total number of work-related injuries for male (persons)	19
	Total number of work-related injuries (persons)	23
Rate of Fatalities as a Result of Work-related Injury		0
Rate of High-consequence Work-related Injuries		1.39
Rate of Recordable Work-related Injuries		16.09

Note:

- 1. Rate of fatalities as a result of work-related injury =(Number of fatalities as a result of work-related injury /Number of hours worked) × 1,000,000.
- 2. Rate of high-consequence work-related injuries =(Number of high-consequence work-related injuries (excluding fatalities) /Number of hours worked) × 1,000,000.
- 3. Rate of recordable work-related injuries =(Number of recordable work-related injuries (including fatalities, high-consequence work-related injuries) / Number of hours worked) × 1,000,000.
- 4. The calculation of the occupational injury rate is conducted in accordance with the provisions of the Occupational Safety and Health Act. As stipulated, figures are rounded down at the third decimal place to ensure consistency with regulatory standards.

- 5. High-consequence work-related injuries refers to an occupational injury that cannot be recovered healthily within 6 months.
- 6. Recordable work-related injuries exclude that caused by commuting.

Type of work-related injury incident	Pressured (smashing) injury	Pinched (rolled) injury	Cut injury	Burn injury	Collision	Fall	Human factors	Total
Year								
2024	3	4	2	0	0	7	7	23

6.4 Employee Welfare and Labor Relations

Employee Welfare

A well-established employee benefits system not only helps attract top talent but also strengthens internal cohesion and loyalty. The company places great importance on employee welfare and provides the following benefits to all full-time employees (excluding temporary or part-time staff) across major operational sites: All kinds of statutory insurance, group insurance, Marriage subsidy, Funeral subsidy, Hospitalization subsidy, Children's education scholarship, Language allowance, Gift certificates and coupon in festivals, Special merchant stores, Birthday benefits, Provision of free lunch, Retirement Pension and Commemorative Gold Medals for Legacy System Retirees, Designated childcare services, kindergartens, and childcare subsidies, Provision of uniform and safety shoes and so on.

- Employee self-empowerment activity: Held Company trip for all employees in Taiwan.



- Labor Day Employee Role Model Award Ceremony: The Company conducts internal nominations to identify outstanding employees from each department and formally acknowledges their contributions through recognition programs.
- Joy Dumplings Charity Group Purchase: Employees regularly organize group purchases of Joy Dumplings Charity Group.



- Changhua County's 2024 Filial Piety Commendation Ceremony was held on May 21, 2024, organized by the county government. The Company nominated outstanding employees internally to participate in the event as representatives."



- Changhua County Government Employee Role Model Award Ceremony:



- Regular gatherings for foreign migrant workers: the Company regularly hosts social gatherings for foreign migrant workers



Employee Pension System and Implementation

The Company 's retirement plan for employees is based on government laws and regulations such as the " Labor Standards Act" and "Labor Pension Act". In addition to the policies under laws and regulations, the Company also provides other retirement benefits, such as awarding plaques and gold ornaments to retired employees, and providing re-employment opportunities until they attain the age of 67 years old, in order to appreciate their contribution and hard work. Based on these retirement benefits, the Company hopes to make the employees feel the Company's appreciation and care even after their retirement and encourages the employees to engage in their work proactively to contribute more to the Company.



• Retirement Commemorative Medal

Implementation of Baby-sitting Leave without Pay

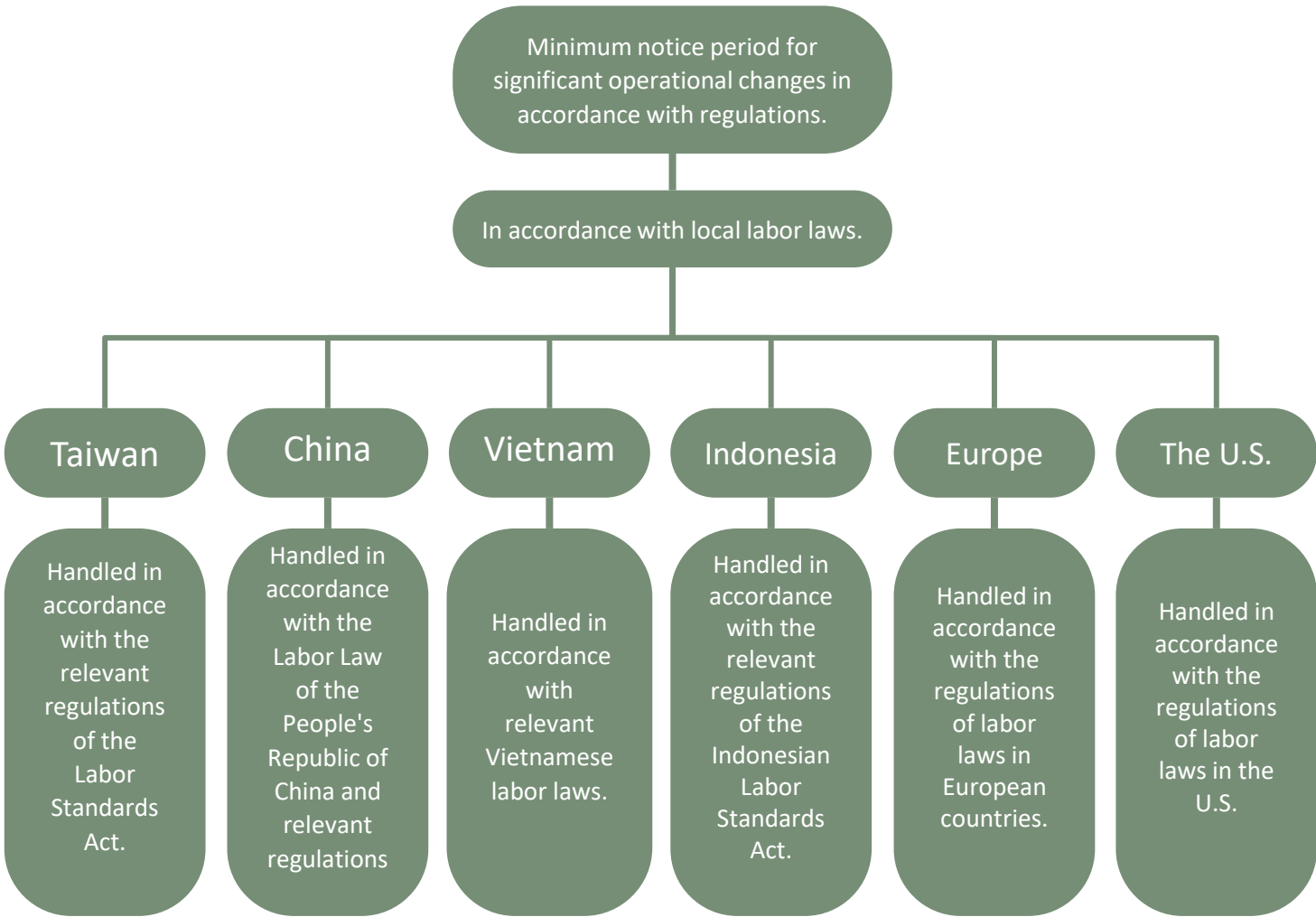
The implementation of baby-sitting leave without pays in each factory of the Company:

Year	2024					
Region	Taiwan			Europe		
Gender/Total	Male	Female	Total	Male	Female	Total
Number of Applicants Eligible to Stay as Baby-sitting Leave without Pay A	18	12	30	30	5	35
Actual Number of Applicants for Staying as Baby-sitting Leave without Pay in the Year B	7	10	17	27	5	32
Number of People Who Should Be Reinstated on Baby-sitting Leave without Pay in the Current Year C	8	12	20	26	2	28
Actual Number of Reinstated Baby-sitting Leave without Pay in the Current Year D	5	9	14	26	1	27
Actual Number of Reinstated Baby-sitting Leave without Pay in the Previous Year E	13	12	25	19	1	20
Number of Employees Who Continued to Work for One Year After Being Reinstated from Baby-sitting Leave in the Previous Year F	13	9	22	18	0	18
Return to Work Rate of Baby-sitting Leave without Pay in the Current Year %(D/C)	63	75	70	100	50	96
Retention Rate of Baby-sitting Leave without Pay in the Current Year %(F/E)	100	75	88	95	0	90

- Note:
1. Number of employees to be retained = the number of persons expected to be reinstated in the year with baby-sitting leave without pay.
 2. Number of employees remained for N years = the number of officers actually reinstated in N-1 year and still working in the N year/12/31.
 3. In China and Southeast Asia, the Company offers maternity and parental leave benefits as part of its employee welfare program, without imposing unpaid leave requirements.

Minimum Period of Advance Notice for Changes in Operations

The requirements about minimum period of advance notice adopted by factories before any major operating changes(which might seriously affect the employees’ rights), in accordance with relevant labor laws in various regions.





Collective Bargaining

“Employees are the most important asset of the Company.” The Company is committed to safeguarding employee rights and interests. A labor union has been established within the Company, and the Company upholds a respectful and harmonious relationship between the union and management. Employees may raise issues through union representatives during regular meetings. Additionally, various channels are available for employees to express opinions, offer suggestions, and report concerns, including morning briefings, weekly meetings, employee suggestion boxes, grievance hotlines, email correspondence, and the Welfare Committee.

Management supervisors respond to employee feedback by providing clear guidance and support, thereby continuously improving the workplace environment.

During the reporting period, the number of labor union participants in Taiwan totaled 1,771 employees, with 5 employer representatives involved. The collective agreement covered 100% of the employees. At the Vietnam facility, 3,106 employees participated in the labor union, with 11 employer representatives, and the collective agreement coverage rate reached 99.90%.

Freedom of association

The information about business locations which might face the risk over freedom of association and collective negotiation at factories of the Company:

Region	Related Requirements	Whether Any Club or Labor Union is Established	Management Policy
Taiwan	1. In order to safeguard the health and rights of employees and improve the working environment, the Company established the "Occupational Safety and Health Committee" and also respects employees' freedom of association and rights permitted by laws, and is committed to providing uninterrupted channels for labor-management communication, including labor-management meetings, annual employee interviews and employee lunch meetings, hoping to integrate all resources and work together to pursue the common goals.2. The Company convenes the labor-management meeting regularly. During the reporting period, a total of 11 labor-management meetings has been convened, attended by workers' representative and management representatives accounting for 50% each; therefore, the related laws and regulations should be considered complied with.	Yes	1.Handle related matters in accordance with charter of the corporate union. 2.Handle related matters in accordance with the regulations of the labor-management meeting implementation rules. 3.Union members are composed of 100% internal employees of the Company, and the Company cannot intervene in their activities.
China	1. The employees may form, join and organize a labor union in accordance with the "Labor Contract Law of the People's Republic of China" and "Constitution of Labor Union of China" and have the union represent themselves to engage in the collective bargaining with the Company. The Company respects the employees' rights in freedom of association, collective bargaining and peaceful assembly, without any interference, restriction or force. 2. The Company supports and assists employees to elect workers' representatives and form the fundamental committee of the Company's labor union. 3. The Company shall provide necessary conditions for the committee's organization, such as venue, meeting rooms and employee home, etc.	Yes	1.Handle related matters in accordance with charter of the corporate union. 2.Handle related matters in accordance with the regulations of the labor-management meeting implementation rules. 3.Union members are composed of 100% internal employees of the Company, and the Company cannot intervene in their activities.
Southeast Asia	Indonesia Factory: According to the "Labor Law of Indonesia", the union is established to actively promote understanding of the difficulties and issues faced by the employees in the work and life , to care and help the employees with difficulties, recommend model labors, collect the labor union's budget in a timely manner. The union holds regular union meetings to review the progress of the work. Vietnam Factory: In order to enable the employees to communicate with the Company successfully and achieve the promotion of the Company's various businesses and internal regulations, an internal labor group is established in accordance with the national laws of Vietnam. Any matters, such as the Company's national holiday arrangements, promotion of internal regulations, discipline and punishment and raise, shall be announced officially by the responsible unit only upon discussion by the labor group. The labor group shall report the Company's internal governance efforts to the provincial labor group regularly, while the Company shall not interfere with the group's report.	YES	1.Handle related matters in accordance with charter of the corporate union. 2.Handle related matters in accordance with the regulations of the labor-management meeting implementation rules. 3.Union members are composed of 100% internal employees of the Company, and the Company cannot intervene in their activities.

The information about business locations which might face the risk over freedom of association and collective negotiation at factories of the Company:

Region	Related Requirements	Whether Any Club or Labor Union is Established	Management Policy
Europe	<p>1. Employees have the right to register, participate in, and form unions in accordance with the “Croatian Labor Law”, and to bargain collectively with the Company on their own behalf. The Company respects employees' freedom of association, the right to collective bargaining, and the right to peaceful assembly, and shall not interfere with, restrict, or coerce these rights.</p> <p>2. The Company provides the necessary conditions for union organizational activities, such as venues, meeting rooms, equipment, and so on.</p>	Yes	<p>Since the establishment of the union, the Company has actively supported its related activities:</p> <p>1. Achieve labor-management agreements that specify the number of work hours guaranteed for union activities each year and provide venues and related equipment.</p> <p>2. Provide allowances for union representatives performing their duties.</p> <p>3. Subsidize expenses related to participation in seminars and sports activities.</p> <p>4. Regular meetings are held to jointly discuss improvements to employee working conditions and rights, as well as other measures to assist employees.</p>
The U.S.	Employees have the right to register, join, and establish labor unions in accordance with the regulations of the National Labor Relations Board.	YES	<p>Since the establishment of the union, the Company has actively supported its related activities.</p> <p>All contract renewals are conducted in good faith, ensuring that union members receive fair and reasonable compensation and benefits through the negotiation process.</p>



VII. Social Care

7.1 Social Welfare

Kenda Culture and Education Foundation

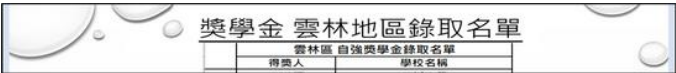
The founder of the Company is Mr. Jin-Bao Yang. He was a lifelong philanthropist, especially in the field of education and local charity work. His children were inspired by him and inherited his spirit, and on September 14, 1995, they made a donated to establish the Kenda Culture and Education Foundation. The Foundation is managed by a board of directors composed of distinguished members of the community who are passionate about education, culture and public service.

To encourage students to pursue their studies, the Foundation has two scholarships:

- Kenda Outstanding Self-Empowerment Scholarship: Scholarships are awarded annually to college students located in Changhua County, and Yunlin County, with \$25,000 each, amounting to 725,000 NTD (starting from 2023).
- Scholarship for College Freshmen from Low Income Families: To encourage Changhua County’s students with low income to pursue higher education, we provide \$10,000 scholarship for each new college student, amounting to 40,000 NTD in 2024 (starting from 2003).



- Announcement of Kenda outstanding self-empowerment scholarship on the website



- Announcement of scholarship for college freshmen from low-income families on the website



Investing in and Supporting the Infrastructure

Participation in China Motor Corporation (CMC) Activities:

1. Actively engaged in environmental initiatives in response to World Oceans Day;
2. Took part in the removal of invasive species in Yangmingshan;
3. Participated in beach cleanup activities in Changhua;
4. Participated in beach cleanup activities in Tainan.



7.2 Social Care Activities

Taiwan

- Financial support for economically disadvantaged students and students from rural areas: education is essential for giving the children a future, so that the children will not lose learning opportunity due to poverty.
- Organize music activities: provide residents with proper leisure activities and improve their quality of life through the cultivation of art and culture.
- Organize summer camps: advocate proper leisure activities and provide knowledgeable and fun learning for elementary and middle school children, teaching through joyful activities.
- Dialogue with Young Students: Experts and scholars were invited to deliver lectures at senior high schools, aiming to broaden students' horizons and enhance their understanding of diverse topics.
- Encourage outstanding scholars: Reward teachers who excel in teaching within the school, acknowledging their efforts and contributions in education.
- Organize environmental education lectures: invite Hiin Studio to give speech to teach elementary and junior high school students the marine pollution and enhance their awareness toward environmental protection.

2024 Activity Record
Awarded the " Outstanding Self-improvement Scholarship"and "Scholarship for College Freshmen from Low Income Families"
Donated graduation scholarships to Jiouguan Elementary School
Hosted the 28th Mr. Jin-Bao Yang Memorial Concert - Vox Nativa Choir Taiwan - Encountering Vox Nativa
Held "Newton Science Camps' and 'Dodolon Children's Summer Camps"
"Daren Young" lecture featuring Director Mai Jue-Ming at National Hu-Wei Senior High School.
Hosted environmental education seminars: 3 sessions for junior high schools and 8 sessions for elementary schools.
Awarded the "Yang Jin-Bao Alumni Teaching Excellence Award" from National Taichung University of Education.

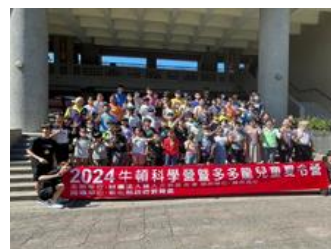




- 2024“Daren Young” lecture



- 2024 environmental education seminars



- 2024 Newton Science Camps



- 2024 Dodolon Children’s Summer Camps



- Community Engagement: On December 7, 2024, we participated in a volunteer activity organized by the Zhongyang Village Community.



- Volunteer Firefighter Appreciation Events: We regularly participate in appreciation gatherings organized for volunteer firefighters.

The U.S.



- NBC4 Television Public Welfare Initiative
- Hurricane Hilary and Milton Relief Operations



- Award Recipient — Associate Professor Mr. Lin Ren-Jie , Department of Education



- The 28th Mr. Jin-Bao Yang Memorial Concert-Vox Nativ Choir Taiwan- Encountering Vox Nativ

A photograph of a dense forest with tall, slender trees. Sunlight filters through the canopy, creating a misty, ethereal atmosphere. The forest floor is covered in a thick layer of green moss and fallen branches. The word "Appendix" is centered in the image in a white, sans-serif font.

Appendix

Appendix 1: GRI Sustainability Reporting Guidelines (GRI Standards)

Terms of Use	The Company has reported in in accordance with the GRI Standards for the period of January 1, 2024, to December 31, 2024, referencing the information in the GRI Index.
GRI 1 Utilization	GRI 1: Foundation 2021
Applicable GRI Industry Standards	N/A

GRI Criteria Category/Topic	Code	GRI Standards Disclosure	Corresponding Chapters	Page	Omit/ Note
1. The organization and its reporting practices					
GRI 2: General Disclosures 2021	2-1	Organizational details	About Kenda	12	
	2-2	Entities included in the organization's sustainability reporting	About the Sustainability Report	3	
	2-3	Reporting period, frequency and contact point	About the Sustainability Report	3	
	2-4	Restatements of information	About the Sustainability Report	3	
	2-5	External assurance	About the Sustainability Report	3	
2. Activities and workers					
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	About the Sustainability Report	3	
	2-7	Employees	6.1 Human Resource Management	149	
	2-8	Workers who are not employees	6.1 Human Resource Management	149	
3. Governance					
GRI 2: General Disclosures 2021	2-9	Governance structure and composition	1.1ESG Committee 2.1 Corporate Governance	26 49	
	2-10	Nomination and selection of the highest governance body	2.1Corporate Governance	49	
	2-11	Chair of the highest governance body	2.1Corporate Governance	49	

GRI Criteria Category/Topic	Code	GRI Standards Disclosure	Corresponding Chapters	Page	Omit/ Note
3. Governance					
GRI 2: General Disclosures 2021	2-12	Role of the highest governance body in overseeing the management of impacts	1.1ESG Committee 2.2 Ethical Corporate Management	26 68	
	2-13	Delegation of responsibility for managing impacts	1.1ESG Committee	26	
	2-14	Role of the highest governance body in sustainability reporting	1.1ESG Committee	26	
	2-15	Conflicts of interest	2.1 Corporate Governance	49	
	2-16	Communication of critical concerns	1.2 Stakeholder Communication 1.3Analysis and Identification of Material Topics 2.1Corporate Governance	28 34 49	
	2-17	Collective knowledge of the highest governance body	2.1Corporate Governance	49	
	2-18	Evaluation of the performance of the highest governance body	2.1Corporate Governance	49	
	2-19	Remuneration policies	2.1Corporate Governance	49	
	2-20	Process to determine remuneration	2.1Corporate Governance	49	
	2-21	Annual total compensation ratio	Confidentiality of the company's information	-	

GRI Criteria Category/Topic	Code	GRI Standards Disclosure	Corresponding Chapters	Page	Omit/ Note
4. Strategy, policies and practices					
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	A Message from the Management	7	
	2-23	Policy commitments	2.2 Ethical Corporate Management	68	
	2-24	Embedding policy commitments	2.2 Ethical Corporate Management 2.3 Risk Control	68 73	
	2-25	Processes to remediate negative impacts	1.2 Stakeholder Communication 1.3 Analysis and Identification of Material Topics 2.2 Ethical Corporate Management 5.1 Supplier Management	28 34 68 138	
	2-26	Mechanisms for seeking advice and raising concerns	2.2 Ethical Corporate Management	68	
	2-27	Compliance with laws and regulations	2.4 Compliance with Regulations	77	
	2-28	Membership associations	About Kenda	12	
5. Stakeholder engagement					
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	1.2 Stakeholder Communication	28	
	2-30	Collective bargaining agreements	6.1 Human Resource Management	149	

GRI Criteria Category/Topic	Code	GRI Standards Disclosure	Corresponding Chapters	Page	Omit/ Note
Topic specific GRI Standard in the 200 series (Economic topics)					
Indirect Economic Impacts					
GRI 203 Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	7.1 Social Welfare	185	
	203-2	Significant indirect economic impacts	7.1 Social Welfare	185	
Anti-corruption					
GRI 205 Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	2.2 Ethical Corporate Management	68	
	205-2	Communication and training about anti-corruption	2.2 Ethical Corporate Management	68	
	205-3	Confirmed incidents of corruption and actions taken	2.2 Ethical Corporate Management	68	
206 Anti-competitive Behavior					
GRI 206 Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.4 Compliance with Regulations	77	

GRI Criteria Category/Topic	Code	GRI Standards Disclosure	Corresponding Chapters	Page	Omit/ Note
Tax					
GRI 207 Tax 2019	207-1	Approach to tax	2.5 Economic Performance	78	
	207-2	Tax governance, control, and risk management	2.5 Economic Performance	78	
	207-3	Stakeholder engagement and management of concerns related to tax	2.5 Economic Performance	78	
	207-4	Country-by-country reporting	2.5 Economic Performance	78	
Topic specific GRI Standard in the 300 series (Environmental topics)					
Materials					
GRI 301 Materials 2016	301-1	Materials used by weight or volume	5.2 Material Management	142	
	301-2	Recycled input materials used	5.2 Material Management	142	
	301-3	Reclaimed products and their packaging materials	5.2 Material Management	142	

GRI Criteria Category/Topic	Code	GRI Standards Disclosure	Corresponding Chapters	Page	Omit/ Note
Topic specific GRI Standard in the 400 series (Social topics)					
Diversity and Equal Opportunity					
GRI 405 Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	6.1 Human Resource Management	149	
	405-2	Ratio of basic salary and remuneration of women to men	-		
Non-discrimination					
GRI 406 Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	6.1 Human Resource Management	149	
Freedom of Association and Collective Bargaining					
GRI 407 Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	6.4 Employee Welfare and Labor Relations	178	
Child Labor					
GRI 408 Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	6.1 Human Resource Management	149	

GRI Criteria Category/Topic	Code	GRI Standards Disclosure	Corresponding Chapters	Page	Omit/ Note
Forced or Compulsory Labor					
GRI 409 Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	6.1 Human Resource Management	149	
Security Practices					
GRI 410 Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	6.2 Employee Training and Education	158	
Local Communities					
GRI 413 Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	7.2 Social Care Activities	187	

Material Topics Disclosure

GRI Criteria Category/Topic	Code	GRI Standards Disclosure	Corresponding Chapters	Page	Omit/ Note
GRI 3: Material Topics 2021	3-1	Process to determine material topics	1.3 Analysis and Identification of Material Topics	34	
	3-2	List of material topics	1.3 Analysis and Identification of Material Topics	34	
Material Topics: Economic Performance (GRI 201)					
GRI 3: Material Topics 2021	3-3	Management of material topics	2.5 Economic Performance	78	

GRI Criteria Category/Topic	Code	GRI Standards Disclosure	Corresponding Chapters	Page	Omit/ Note
GRI 201 Economic Performance 2016	201-1	Direct economic value generated and distributed	2.5 Economic Performance	78	
	201-2	Financial implications and other risks and opportunities due to climate change	3.1 Climate Change Management	84	
	201-3	Defined benefit plan obligations and other retirement plans	6.4 Employee Welfare and Labor Relations	178	
	201-4	Financial assistance received from government	2.5 Economic Performance	78	
Material Topics: Procurement Practices (GRI 204) and Supplier Management (Supplier Environmental Assessment GRI 308 and Supplier Social Assessment GRI 414)					
GRI 3: Material Topics 2021	3-3	Management of material topics	5.1 Supplier Management	138	
GRI 204 Procurement Practices 2016	204-1	Proportion of spending on local suppliers	5.1 Supplier Management	138	
GRI 308 Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	5.1 Supplier Management	138	
	308-2	Negative environmental impacts in the supply chain and actions taken	5.1 Supplier Management	138	
GRI 414 Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	5.1 Supplier Management	138	
	414-2	Negative social impacts in the supply chain and actions taken	5.1 Supplier Management	138	

GRI Criteria Category/Topic	Code	GRI Standards Disclosure	Corresponding Chapters	Page	Omit/ Note
Material Topics: Energy and Emissions (GRI 302 and GRI 305)					
GRI 3 : Material Topics 2021 Management approach for Energy and Emissions	3-3	Management of material topics	3.2 Energy and Greenhouse Gas Emissions Management	92	
GRI 302 Energy 2016	302-1	Energy consumption within the organization	3.2 Energy and Greenhouse Gas Emissions Management	92	
	302-2	Energy consumption outside of the organization	3.2 Energy and Greenhouse Gas Emissions Management	92	
	302-3	Energy intensity	3.2 Energy and Greenhouse Gas Emissions Management	92	
	302-4	Reduction of energy consumption	3.2 Energy and Greenhouse Gas Emissions Management	92	
	302-5	Reduction in energy requirements of products and services	3.2 Energy and Greenhouse Gas Emissions Management	92	
GRI 305 Emissions 2016	305-1	Direct (Scope 1) GHG emissions	3.2 Energy and Greenhouse Gas Emissions Management	92	
	305-2	Energy indirect (Scope 2) GHG emissions	3.2 Energy and Greenhouse Gas Emissions Management	92	
	305-3	Other indirect (Scope 3) GHG emissions	3.2 Energy and Greenhouse Gas Emissions Management	92	
	305-4	GHG emissions intensity	3.2 Energy and Greenhouse Gas Emissions Management	92	

GRI Criteria Category/Topic	Code	GRI Standards Disclosure	Corresponding Chapters	Page	Omit/ Note
GRI 305 Emissions 2016	305-5	Reduction of GHG emissions	3.2 Energy and Greenhouse Gas Emissions Management	92	
	305-6	Emissions of ozone-depleting substances (ODS)	3.2 Energy and Greenhouse Gas Emissions Management	92	
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	3.2 Energy and Greenhouse Gas Emissions Management	92	
Material Topics: Water and Effluents (GRI 303)					
GRI 3: Material Topics 2021	3-3	Management of material topics	3.3 Water Resources Management	103	
GRI 303 Water and Effluents 2018	303-1	Interactions with water as a shared resource	3.3 Water Resources Management	103	
	303-2	Management of water discharge-related impacts	3.3 Water Resources Management	103	
	303-3	Water withdrawal	3.3 Water Resources Management	103	
	303-4	Water discharge	3.3 Water Resources Management	103	
	303-5	Water consumption	3.3 Water Resources Management	103	

GRI Criteria Category/Topic	Code	GRI Standards Disclosure	Corresponding Chapters	Page	Omit/ Note
Material Topics: Waste (GRI 306)					
GRI 3: Management approach for Waste 2021	3-3	Management of material topics	3.4 Waste Management	108	
GRI 306 Waste 2020	306-1	Waste generation and significant waste-related impacts	3.4 Waste Management	108	
	306-2	Management of significant waste-related impacts	3.4 Waste Management	108	
	306-3	Waste generated	3.4 Waste Management	108	
	306-4	Waste diverted from disposal	3.4 Waste Management	108	
	306-5	Waste directed to disposal	3.4 Waste Management	108	
GRI 306 Effluents and Waste 2016	306-3	Significant spills	-	-	None of this happened

GRI Criteria Category/Topic	Code	GRI Standards Disclosure	Corresponding Chapters	Page	Omit/ Note
Material Topics: Market Presence, Employment, Labor/Management Relations and Training and Education (GRI 202 、GRI 401 、GRI 402 、GRI404)					
GRI 3: Management approach for Market Presence, Employment and Labor/Management Relations 2021	3-3	Management of material topics	6.1 Human Resource Management	149	
GRI 202 Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	6.1 Human Resource Management	149	
	202-2	Proportion of senior management hired from the local community	6.1 Human Resource Management	149	
GRI 3: Management approach for Market Presence, Employment and Labor/Management Relations 2021	3-3	Management of material topics	6.1 Human Resource Management	149	
GRI 202 Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	6.1 Human Resource Management	149	
	202-2	Proportion of senior management hired from the local community	6.1 Human Resource Management	149	

GRI Criteria Category/Topic	Code	GRI Standards Disclosure	Corresponding Chapters	Page	Omit/ Note
GRI 401 Employment 2016	401-1	New employee hires and employee turnover	6.1 Human Resource Management	149	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.1 Human Resource Management	149	
	401-3	Parental leave	6.4 Employee Welfare and Labor Relations	178	
GRI 402 Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	6.4 Employee Welfare and Labor Relations	178	
GRI 404 Training and Education 2016	404-1	Average hours of training per year per employee	6.2 Employee Training and Education	158	
	404-2	Programs for upgrading employee skills and transition assistance programs	6.2 Employee Training and Education	158	
	404-3	Percentage of employees receiving regular performance and career development reviews	6.2 Employee Training and Education	158	
GRI 404 Training and Education 2016	404-1	Average hours of training per year per employee	6.2 Employee Training and Education	158	
	404-2	Programs for upgrading employee skills and transition assistance programs	6.2 Employee Training and Education	158	
	404-3	Percentage of employees receiving regular performance and career development reviews	6.2 Employee Training and Education	158	

GRI Criteria Category/Topic	Code	GRI Standards Disclosure	Corresponding Chapters	Page	Omit/ Note
Material Topics: Occupational Health and Safety (GRI 403)					
GRI 3: Management approach for Occupational Health and Safety 2021	3-3	Management of material topics	6.3 Occupational Health and Safety	164	
GRI 403 Occupational Health and Safety 2018	403-1	Occupational health and safety management system	6.3 Occupational Health and Safety	164	
	403-2	Hazard identification, risk assessment, and incident investigation	6.3 Occupational Health and Safety	164	
	403-3	Occupational health services	6.3 Occupational Health and Safety	164	
	403-4	Worker participation, consultation, and communication on occupational health and safety	6.3 Occupational Health and Safety	164	
	403-5	Worker training on occupational health and safety	6.3 Occupational Health and Safety	164	
	403-6	Promotion of worker health	6.3 Occupational Health and Safety	164	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.3 Occupational Health and Safety	164	
	403-8	Workers covered by an occupational health and safety management system	6.3 Occupational Health and Safety	164	

GRI Criteria Category/Topic	Code	GRI Standards Disclosure	Corresponding Chapters	Page	Omit/ Note
GRI 403 Occupational Health and Safety 2018	403-9	Work-related injuries	6.3 Occupational Health and Safety	164	
	403-10	Work-related ill health	6.3 Occupational Health and Safety	164	
Material Topics: Management approach for Customer Health and Safety(GRI 416)					
GRI 3: Management approach for Customer Health and Safety 2021	3-3	Management of material topics	4.1 Green Production	112	
GRI 416 Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	4.1 Green Production	112	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4.1 Green Production	112	
Material Topics: Marketing and Labeling (GRI 417)					
GRI 3: Management approach for Marketing and Labeling 2021	3-3	Management of material topics	4.2 Product Quality Assurance	124	
GRI 417 Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	4.2 Product Quality Assurance	124	

GRI Criteria Category/Topic	Code	GRI Standards Disclosure	Corresponding Chapters	Page	Omit/ Note
GRI 417 Marketing and Labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling	4.2 Product Quality Assurance	124	
	417-3	Incidents of non-compliance concerning marketing communications	4.2 Product Quality Assurance	124	
Material Topics: Customer Privacy (Customer Privacy Policy) (GRI 418)					
GRI 3: Management approach for Customer Privacy (Customer Privacy Policy)	3-3	Management of material topics	4.3 Customer Service Management	133	
GRI 418 Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.3 Customer Service Management	133	
Material Topics: Fuel Efficiency Design					
GRI 3: Management approach for Fuel Efficiency Design2021	3-3	Management of material topics	4.1 Green Production	112	

Appendix 2: SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

Industry: Transportation Automotive Parts					
Topic	Code	Accounting Metric	Category	Corresponding Chapters in the Report	Page
Energy Management	TR-AP-130A.1	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable	Quantitative	3.2 Energy and Greenhouse Gas Emissions Management	92
Waste Management	TR-AP-150A.1	(1) Total amount of waste from manufacturing (2) Percentage hazardous (3) Percentage recycled	Quantitative	3.4 Waste Management	108
Product Safety	TR-AP-250A.1	Number of recalls issued, total units recalled	Quantitative	4.1 Green Production	112
Design for Fuel	TR-AP-410A.1	Revenue from products designed to increase fuel efficiency and/or reduce emissions	Quantitative	4.1 Green Production	112
Materials Sourcing	TR-AP-440A.1	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	5.1 Supplier Management	138
Materials Efficiency	TR-AP-440B.1	Percentage of products sold that are recyclable	Discussion and Analysis	5.2 Material Management	142
		Percentage of input materials from recycled or remanufactured content			144
Competitive Behavior	TR-AP-440B.2	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Discussion and Analysis	2.4 Compliance with Regulations	77

Code	Activity Metric	Category	Content
TR-AP-000.A	Number of parts produced	Quantitative	<ul style="list-style-type: none"> Quantity of Product Type Produced (in thousand units): Bicycle tires: 32,769 Tires for motorcycles and other bias tires: 28,903 Radial tires: 9,216 Tubes: 45,121 Wheel rim: 2,845
TR-AP-000.B	Weight of parts produced	Quantitative	<ul style="list-style-type: none"> Production Product Type Weight (tons): Bicycle tires: 23,218 Tires for motorcycles and other bias tires: 95,567 Radial tires: 105,856 Tubes: 10,285 Wheel rim: 15,448
TR-AP-000.C	Area of manufacturing plants	Quantitative	<ul style="list-style-type: none"> Taiwan 164,991 m2 China 1,095,052 m2 Southeast Asia 530,627 m2 Europe 59,541 m2 The U.S. 63,174 m2

Appendix 3: TCFD Disclosure Comparison Table

Topic	Recommendation	Corresponding Chapter	Page
Governance	The Board oversees climate-related risks and opportunities	3.1 Climate Change Management	84
	The role of management in assessing and managing climate-related risks and opportunities		84
Strategy	Identification of short-, medium-, and long-term climate-related risks and opportunities	3.1 Climate Change Management	84
	Climate-related risks and opportunities that have a significant impact on the organization's business, strategy, and financial planning		84
	Potential impacts of different scenarios on the organization's business, strategy, and financial planning		84
Risk Management	The process for identifying and assessing climate risks within the organization	3.1 Climate Change Management	84
	The process for managing climate-related risks within the organization		84
	The process of identifying, assessing, and managing climate-related risks and how it is integrated into the overall risk management		84
Indicators and Goals	Objectives for the management of climate-related risks and opportunities and their effectiveness within the organization	3.1 Climate Change Management	84
	Disclosure of emissions and related risks for Scope 1, 2, and 3	3.2 Energy and Greenhouse Gas Emissions Management	100
	Indicators used by the organization to assess climate-related risks and opportunities in accordance with strategy and risk management processes	3.2 Energy and Greenhouse Gas Emissions Management	84

• GHG Inventory and Assurance

The Company's profile
<input type="checkbox"/> A company with the capital amounting to more than NT\$10 billion, the steel industry or the cement industry <input checked="" type="checkbox"/> A company with the capital amounting to more than NT\$5 billion but less than NT\$10 billion <input type="checkbox"/> A company with the capital amounting to less than NT\$5 billion
According to the Sustainable Development Roadmap, it is necessary to disclose as a minimum
<input checked="" type="checkbox"/> Inspection on parent company only <input type="checkbox"/> Assurance to parent company only <input type="checkbox"/> Inspection on Subsidiaries included into the consolidated financial statements <input type="checkbox"/> Assurance to subsidiaries included into the consolidated financial statements

Scope 1	Total Emissions (Tons CO2e)	Intensity (Tons CO2e/NTD Thousand)	Assurance Institution	Descriptions about Assurance
Taiwan - Yunlin Factory	11,434.57	0.0003343	SGS Taiwan Ltd. (SGS)	The Verification Statement specifies the information related to reasonable assurance in detail.
China-Kunshan Factory	1,505.94	0.0000440	China Quality Certification Center (CQC)	
China-Tianjin Factory	25,113.84	0.0007343	Shenzhen Yu Chi Testing Technology Co., Ltd.	
Total	38,054.35	0.0011126		

Scope 2	Total Emissions (Tons CO2e)	Intensity (Tons CO2e/NTD Thousand)	Assurance Institution	Descriptions about Assurance
Taiwan - Yunlin Factory	15,282.72	0.0004468	SGS Taiwan Ltd. (SGS)	The Verification Statement specifies the information related to reasonable assurance in detail.
China-Kunshan Factory	121,324.46	0.0035472	China Quality Certification Center (CQC)	
China-Tianjin Factory	7,179.12	0.0002099	Shenzhen Yu Chi Testing Technology Co., Ltd.	
Total	143,786.30	0.0042040		

- Verification Statement of Greenhouse Gas Emission: Kunshan Factory

- Kunshan Factory



- Yunlin Factory / Tianjin Factory: The Company expects to obtain the third-party verification statement for its greenhouse gas inventory between late September and early October.

Appendix 4: Scope of Sustainability Topic Information Collection

● Full Information Collected ○ Partial Information Collected

- Topics not included in the scope of information collection are those deemed immaterial to the organization or applicable solely to office-based operations.

Scope Topic	Taiwan					China			Southeast Asia		Europe	The U.S.
	Headquarter (Yuanlin Factory)	Yunlin Factory	Douliu Factory	Taipei Office	Kenfong Office	Shenzhen Factory	Kunshan Factory	Tianjin Factory	Vietnam Factory	Indonesia Factory		
Ethical and Integrity Corporate Management	●	●	●	●	●	●	●	●	●	●	○	○
Risk Control	●	●	●	●	●	●	●	●	●	●	●	●
Compliance with Regulations	●	●	●	○	○	●	●	●	●	●	●	●
Economic Performance	●	●	●	●	●	●	●	●	●	●	●	●
Climate Change Management	●	●	●	●	●	●	●	●	●	●	●	●
Energy and Greenhouse Gas Emissions Management	●	●	●	●	●	●	●	●	●	●	●	●
Water Resources Management	●	●	○	-	-	●	●	●	●	●	○	○
Waste Management	●	●	●	-	-	●	●	●	●	●	●	●
Green Production	●	●	●	-	-	●	●	●	●	●	-	-
Product Quality Assurance	●	●	●	-	-	●	●	●	●	●	-	-
Customer Service Management	●	●	●	○	○	●	●	●	●	●	-	-
Supplier Management	●	●	●	-	-	●	●	●	●	●	-	-
Supply Management	●	●	●	-	-	●	●	●	●	●	-	-
Human Resource Management	●	●	●	●	●	●	●	●	●	●	●	●
Employee Training and Education	●	●	●	●	●	●	●	●	●	●	●	●
Occupational Health and Safety Management	●	●	●	●	●	●	●	●	●	●	●	●
Employee Welfare and Labor Relations	●	●	●	●	●	●	●	●	●	●	●	●

Appendix 5: Limited Assurance Report



安永聯合會計師事務所

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English Translation of a Report Originally Issued in Chinese

Independent Accountant's assurance report

To Kenda Rubber Industrial Co., Ltd.

Scope

We have been engaged by Kenda Rubber Industrial Co., Ltd. (hereinafter referred to as “Kenda”) to perform a ‘limited assurance engagement’, hereinafter referred to as the “Engagement”, as defined by the Taiwan Accounting Research and Development Foundation, to report on Kenda’s selected sustainability information (the “Subject Matter”) contained in Kenda’s 2024 Sustainability Report (“the Report”).

The Subject Matter selected by Kenda and their Applicable Criteria

Regarding the Subject Matter selected by Kenda and their applicable criteria, please refer to Appendix A.

Kenda’s responsibilities

Kenda’s management is responsible for preparation of the Report referencing to GRI Standards issued by Global Sustainability Standards Board. Kenda’s management is responsible for selecting the Criteria, and for presenting the Report in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY’s responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

Our responsibility is to plan and perform a limited assurance engagement in accordance with the Statements on Assurance Engagements 3000 “Assurance Engagements Other than Audits or Reviews of Historical Financial Information”, issued by the Taiwan Accounting Research and Development Foundation. The standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.



Our independence and quality management

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which basic principles are integrity, objectivity, professional competence, due care and professional behavior.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we 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.

Description of procedures performed

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 a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Conducted interviews with Kenda’s personnel to understand Kenda’s business, sustainability implementation and reporting process;
- Understand the key stakeholders of Kenda, their expectations and requirements, the specific communication channels between the two parties, and how Kenda responds to such expectations and requirements through interviews and inspection of relevant documents;
- Conducted interviews with Kenda’s key personnel to understand the process for collecting, collating and reporting the Subject Matter during the reporting period;



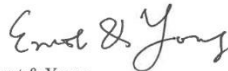
- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria;
- Performing analytical procedures on selected information; Collecting and assessing other supporting documentation and the obtained management representation letter. Testing samples if necessary;
- Reading the Sustainability Report to confirm with the consistency of the indicators in the Sustainability Report which contribute to the selected information.

Inherent Limitations

Non-financial information contained within the Subject Matter are subject to measurement uncertainties. The selection of different measurement techniques can result in materially different measurement. Also assurance engagements are based on selective testing of information being examined. Any internal control is subjected to limitations. Consequently, it is not possible to detect all existing material misstatements whether resulting from fraud or error.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter, in order for it to be in accordance with the Criteria.



Ernst & Young
July 31, 2025
Taipei, Taiwan, Republic of China

Notice to Readers
The reader is advised that the assurance report has been prepared originally in Chinese. In the event of a conflict between the assurance report and the original Chinese version or difference in interpretation between the two versions, the Chinese language assurance report shall prevail.

Appendix 5: Limited Assurance Report



Appendix A:

No.	Chapter	Title	Subject Matter				Applicable Criteria
1	3.2	Energy and Greenhouse Gas Emissions Management	Quantitative Indicators		Unit	2024	The consumption of renewable and non-renewable energy in Kenda Taiwan for the year 2024, measured in gigajoules (GJ).
			Electricity Consumption	Self-Generated and Self-Consumed Renewable Energy	kWh / Year	665,239.00	
					GJ	2,394.86	
				Purchased Non-Renewable Energy	kWh / Year	43,732,994.39	
					GJ	157,438.77	
			Liquefied Petroleum Gas (LPG) (Heat Supply)		kg / Year	3,358.00	
					GJ	169.48	
			Gasoline Consumption		L / Year	40,900.17	
					GJ	1,302.15	
			Diesel Fuel Consumption		L / Year	473,082.54	
					GJ	17,106.19	
			Liquefied Natural Gas Consumption (LNG) (Heat Supply)		m³	8,127,150.00	
					GJ	272,040.10	
			Total Renewable Energy Consumption		GJ	2,394.86	
			Total Non-Renewable Energy Consumption		GJ	448,056.69	
Note 1: The calorific value of electricity is converted at 1kWh=0.0036GJ. According to the Energy Statistics Manual published by the Energy Administration, Ministry of Economic Affairs (last updated: October 4, 2024), the calorific value for electricity consumption is uniformly calculated as 860 kcal/kWh; 1 GJ = 239,000 kcal.							
Note 2: The 2024 conversion factor source calculates the calorific value of the fuel based on the announcement by the Ministry of Environment dated February 5, 2024. Gasoline 7,609 kcal/L; Diesel 8,642 kcal/L; Natural Gas 8,000 kcal/m³; Liquefied Petroleum Gas (LPG) 1 kg = 1.818 L, 1 L = 6,635 kcal (1 GJ =1,000,000 KJ) . Liquefied Petroleum Gas (LPG) 1 L = 0.027762 GJ; Diesel 1 L = 0.036159 GJ; Gasoline 1 L = 0.031837 GJ; Liquefied Natural Gas Consumption (LNG) 1 m³ = 0.033473 GJ.							

The consumption of renewable and non-renewable energy in Kenda Taiwan for the year 2024, measured in gigajoules (GJ).

Appendix 5: Limited Assurance Report



No.	Chapter	Title	Subject Matter						Applicable Criteria
2	3.3	Water Resources Management	Taiwan						The total water consumption and total water withdrawal in Kenda Taiwan for the year 2024, categorized by groundwater and third-party water (tap water), measured in megaliters.
			Year				2024		
			Tap Water Consumption (Megaliters)				24.36		
			Groundwater Consumption (Megaliters)				170.41		
			Water Withdrawal (Megaliters)				194.77		
			Water Discharge (Megaliters)				43.44		
3	3.4	Waste Management	Taiwan						The total weight of waste generated in Kenda Taiwan for the year 2024 , categorized by the waste composition components, measured in metric tons.
			Municipal Solid Waste (Metric Tons)		Non-Hazardous Industrial Waste (Metric Tons)				
			Incineration (inclusive of energy recycling)	Proportion (%)	Incineration (inclusive of energy recycling)	Incineration (exclusive of energy recycling)	Recycling and Reuse	Proportion (%)	
			129.32	6.50	82.69	89.51	1,680.86	93.14	
			Hazardous Industrial Waste (Metric Tons)					Total	
			Landfill	Incineration (inclusive of energy recycling)	Incineration (exclusive of energy recycling)	Recycling and Reuse	Proportion (%)		
			0	0	7.25	0	0.36		

Appendix 5: Limited Assurance Report



No.	Chapter	Title	Subject Matter										Applicable Criteria
4	6.1	Human Resource Management	Taiwan										<p>The total number of new employees and employee turnover in Kenda Taiwan for the year 2024, categorized by age and gender.</p> <p>The New Employee Rate is the number of new hires divided by year-end headcount in 2024.</p> <p>The Employee Turnover Rate is the number of employee departures divided by year-end headcount in 2024.</p>
			New Employee Rate					Employee Turnover Rate					
			Year	2024				Year	2024				
			Gender	Male		Female		Gender	Male		Female		
			Age\Item	Number	New Employee Rate (%)	Number	New Employee Rate (%)	Age\Item	Number	Turnover Rate (%)	Number	Turnover Rate (%)	
			< 30 years old	33	1.83	24	1.33	< 30 years old	32	1.78	13	0.72	
			30-50 years old	131	7.27	15	0.83	30-50 years old	75	4.16	17	0.94	
			> 51 years old	8	0.44	4	0.22	> 51 years old	22	1.22	12	0.67	
			Total	215				Total	171				
			Total Employees	1,802				Total Employees	1,802				
			Total New Employees Rate (%)	11.93				Total Turnover Rate (%)	9.49				

Appendix 5: Limited Assurance Report



No.	Chapter	Title	Subject Matter			Applicable Criteria
5	6.3	Occupational Health and Safety Management	Taiwan			<p>The number and rate of fatalities as a result of work-related injury, the number and rate of high-consequence work-related injuries (excluding fatalities), the number and rate of recordable work-related injuries in Kenda Taiwan for the year 2024.</p> <p>Rate of fatalities as a result of work-related injury = Number of fatalities as a result of work-related injury / Number of hours worked*1,000,000.</p> <p>Rate of high-consequence work-related injuries (excluding fatalities) = Number of high-consequence work-related injuries (excluding fatalities) / Number of hours worked*1,000,000.</p> <p>Rate of recordable work-related injuries = Number of recordable work-related injuries / Number of hours worked*1,000,000.</p>
			Category	Item	2024	
			Total Working Hours	Total Working Hours	3,934,201	
			The Number of Fatalities as a Result of Work-Related Injury	Number of Female Fatalities (Persons)	0	
				Number of Male Fatalities (Persons)	0	
				Total of Fatalities (Persons)	0	
			The Number of High-Consequence Work-Related Injuries (Excluding Fatalities)	Total Number of High-Consequence Work-Related Injuries for Female (Persons)	0	
				Total Number of High-Consequence Work-Related Injuries for Male (Persons)	0	
				Total Number of High-Consequence Work-Related Injuries (Persons)	0	
			The Number of Recordable Work-Related Injuries (Including Fatalities, High-Consequence Work-Related Injuries)	Total Number of Work-Related Injuries for Female (Persons)	3	
				Total Number of Work-Related Injuries for Male (Persons)	15	
				Total Number of Work-Related Injuries (Persons)	18	
			Rate of Fatalities as a Result of Work-Related Injury		0	
			Rate of High-Consequence Work-Related Injury		0	
			Rate of Recordable Work-Related Injury		4.57	