



# ENVIRONMENT SOCIAL GOVERNANCE

China Motor Corporation  
2023 Sustainability  
Report

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## Sustainability Commitment from the Chairperson

Chairperson Li-Lian Yen Chen

嚴陳莉蓮



In 2023, the Company sold 52,663 vehicles domestically, generating a consolidated annual revenue of NTD 38.507 billion with a consolidated EPS of NTD 10.36, setting a new record. Beyond stable operations, we have made significant strides in our ESG endeavors. For ten consecutive years, we have ranked in the top 5% among publicly listed companies in the TWSE Corporate Governance Evaluation. In 2023, CMC was included as a constituent of the FTSE4Good TIP Taiwan ESG Index and earned several prestigious awards, including the "Top 10 Large Enterprises" in the CommonWealth Magazine's Excellence in Corporate Social Responsibility Award, the CommonWealth Talent Sustainability Award, the Family Friendly Workplace Award by Parenting Magazine, First Prize for Age-Friendly Outstanding Solution at the 19th Annual Corporate Social Responsibility and ESG Award by Global Views Monthly, and the Taiwan Corporate Sustainability Awards (TCSA) – Gold Award for Corporate ESG Report and Leadership in Senior-Friendly Practices, as well as the Ministry of Labor Workforce Development Agency's "Job Redesign - Winner", among others.

#### We continue to develop proprietary technology, accelerating the launch of new models and promoting the electric vehicle market.

In response to the global net-zero carbon emission trends, we are advancing our capabilities in smart and electrified technologies and in localized production, continuing investments in both vehicle and key systems development. In Q2 2023, we launched the upgraded e-Veryca E300 electric commercial vehicle with extended range and fast-charging capabilities, alongside a "battery leasing" option and a 10-year battery warranty. This strategy has alleviated upfront costs for business owners, boosting interest in purchasing electric vehicles and driving market growth. To cater to personalized consumer preferences and new lifestyle attitudes, we also introduced the next-generation

Zinger in Q4, featuring enhanced performance and safety, which has been well-received by the market post-launch.

Furthermore, as part of our multi-brand strategy, we introduced the Mitsubishi Eclipse Cross PHEV and locally produced the MG ZS. The electric two-wheeler brand eMOVING not only launched new colors for the EZ1 model but also introduced the new platform-based EZ-R, delivering a superior riding experience. Looking ahead, CMC will continue to roll out new energy vehicles and offer diverse low-carbon mobility solutions, advancing green transportation.

#### Creating Shared Value – Leveraging Our Influence to Expand Carbon Reduction Efforts

CMC is committed to energy conservation and carbon reduction. Since our establishment, we have allocated annual budgets for energy-saving projects and actively developed low-carbon manufacturing processes while investing in energy-efficient upgrades to production equipment, significantly reducing electricity consumption. Since 2018, we have conducted external verifications based on the results of greenhouse gas inventories in our factories, achieving a 10.19% reduction in carbon emissions across Scope 1 and Scope 2 categories.

In 2023, CMC participated in the "Large Enterprise Leading Small and Medium Enterprises in Low-Carbon and Smart Manufacturing Upgrade Subsidy Grant" project by the Industrial Development Administration and officially launched the "2050 Net-Zero Carbon Large Leading Small Carbon Reduction Initiative" at the annual Supplier Conference. This initiative aims to lead our supply chain and distributors in collective efforts toward carbon reduction, positioning CMC as an industry trailblazer in this effort. The project is expected to be fully implemented within two years (ending May 2025). Upon completion, it is estimated to reduce carbon emissions by approximately 1,650 t/yr annually, achieving a carbon reduction rate of 24.8% (calculated as of December 31, 2023).

#### First Enterprise in Taiwan to Commit to SBTi: Leading the Way in Scientific-Based Carbon Reduction Goals

#### CMC is actively participating in international initiatives, simultaneously introducing Internal Carbon Pricing (ICP) and promoting biodiversity efforts

CMC became the first automotive company in Taiwan to sign and commit to the Science-Based Targets initiative (SBTi) in December 2023, with approval granted in January 2024. This marks another milestone following the release of our "2050 Net-Zero Pledge" in May 2023, further showcasing CMC's strong commitment to energy conservation and carbon reduction, and aligning with the global goal to limit temperature rise to 1.5°C.

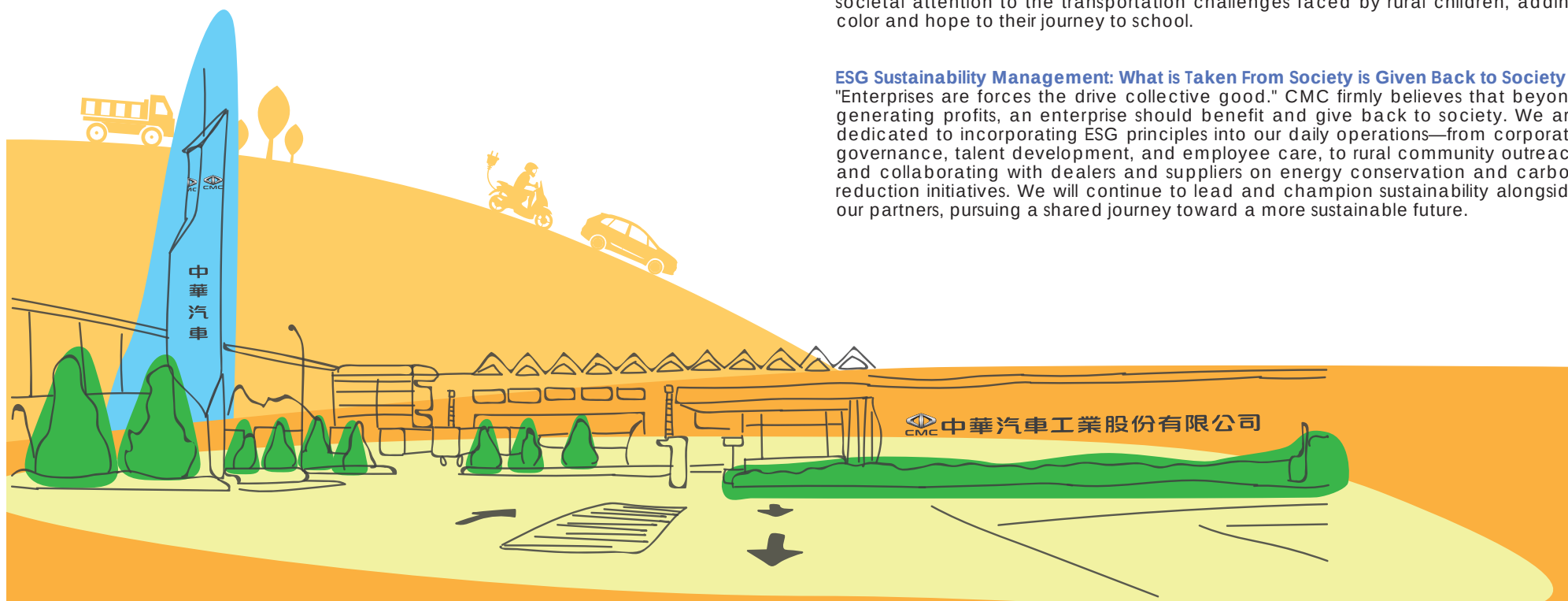
In addition, in 2024, CMC will begin implementing the Carbon Disclosure Project (CDP) to enhance carbon reduction assessments across our facilities and introduce Internal Carbon Pricing (ICP), embedding a carbon reduction management mechanism within all departments. As the world faces the large-scale crisis of biodiversity loss due to climate change, CMC is also driving biodiversity initiatives. We are assessing our impact on the environment, species restoration, and habitat protection, and working alongside global companies through the Taskforce on Nature-related Financial Disclosures (TNFD) to implement biodiversity protection actions.



### Comprehensive Employee Care – Employees Are Our Most Valuable Asset

At CMC, taking care of our employees stands as our core value. Over 20 years ago, we pioneered the establishment of in-house kindergartens and after-school care centers for elementary school children. We continue to support our employees at every stage of life through our “CMC All-Age Talent Ecosystem Co-Creation Program,” offering care from childbirth, child care, summer family camps, to industry-academia cooperation for youth, talent development, and support for senior employees. We are committed to enabling a balance between work, family, and health for all our employees.

In terms of talent development, CMC integrates both corporate development and employee satisfaction by nurturing professional talent, fostering personal potential, and creating a learning organization that supports the mutual growth of the company and its employees. For middle-aged and elderly employees, in addition to redesigning roles and adjusting workloads, we encourage them to extend their careers by sharing their knowledge with other enterprises or acting as consultants for our partners or as lecturers at Brilliant Insight International Consultancy Service Co., Ltd. (BiCS), an investee company of CMC. To date, 40 senior employees have successfully transitioned to new roles.



### Safeguarding Happiness Commitment to Corporate Social Responsibility

As part of its core business, CMC has initiated the “Rural Transportation Improvement Project.” In addition to leveraging our professional maintenance services and extensive service network, we launched the “Vehicle Maintenance Tour Service” for rural areas. As the only brand for domestically-produced passenger vehicles for children, we also started providing transportation services for disadvantaged children through the “Happiness Guardian Program.” Furthermore, we have been conducting traffic safety camps for rural elementary schools for many years and collaborated with the Ministry of Transportation and Communication (MOTC) on the “PuPu Ride Sharing Program,” offering ride sharing services in rural areas. Our goal is to bring justice to rural transportation by improving mobility in rural areas through various means and aspects, making the journey home easier than ever.

In 2023, the “Happiness Guardian Program” focused on SDG 10 “Reduced Inequalities.” As part of this effort, vehicles were donated to remote regions in neither mountainous nor urban regions, with Car No. 13 given to the Taiwan Fund for Children and Families (TFCF) Kinmen Branch, Car No. 14 to the Yilan Penglai Youth Baseball Team, and No. 15 to BoYo Yunlin. These vehicles are represented in pink to symbolize the SDG goal of “Reduced Inequalities.” Since its inception in 2016, the program has donated 15 vehicles, benefiting 954 children. Through this initiative, we aim to draw societal attention to the transportation challenges faced by rural children, adding color and hope to their journey to school.

### ESG Sustainability Management: What is Taken From Society is Given Back to Society

“Enterprises are forces the drive collective good.” CMC firmly believes that beyond generating profits, an enterprise should benefit and give back to society. We are dedicated to incorporating ESG principles into our daily operations—from corporate governance, talent development, and employee care, to rural community outreach and collaborating with dealers and suppliers on energy conservation and carbon reduction initiatives. We will continue to lead and champion sustainability alongside our partners, pursuing a shared journey toward a more sustainable future.

Sustainability  
Commitment  
from the  
Chairperson

ESG  
Highlights

About CMC

Vision  
Blueprint for  
Corporate  
Sustainability

Innovative  
Technologies  
and Forward-  
Looking  
Value

Excellent  
Governance  
and  
Proactive  
Action

Circular  
Reduction  
and  
Safeguarding  
Environment

Safe  
Workplace  
and  
Outstanding  
Development

Giving Back  
to Society  
in Every Way  
Possible

Appendix



## About the Report

Thank you for taking the time to read the 2023 Sustainability report published by China Motor Corporation (stock code: 2204; hereinafter referred to as CMC). This report has been collaboratively prepared by CMC employees across various departments, with the hope that all stakeholders invested in CMC can gain a comprehensive understanding of our philosophies and practices in sustainable management, environmental protection, and social inclusion. CMC is firmly committed to biodiversity conservation, achieving net-zero carbon emissions, and continuously engaging with various sustainability-related issues, demonstrating our ongoing efforts and determination.

To support environmental sustainability and promote paperless operations, the full content of this report is available in electronic format on the CMC corporate website (<http://www.china-motor.com.tw/>) for public download and viewing.

### Reporting Period

This report discloses CMC's performance and implementation status in corporate governance, society and environment in 2023 (January 1 to December 31). To ensure the integrity of the project and activity performance, some content involves the information of 2022 and offers insights into our vision for 2024.

- Previous issue: June 2023
- Current issue: June 2024
- Next report expected to be issued in: June 2025

### Scope of the Report

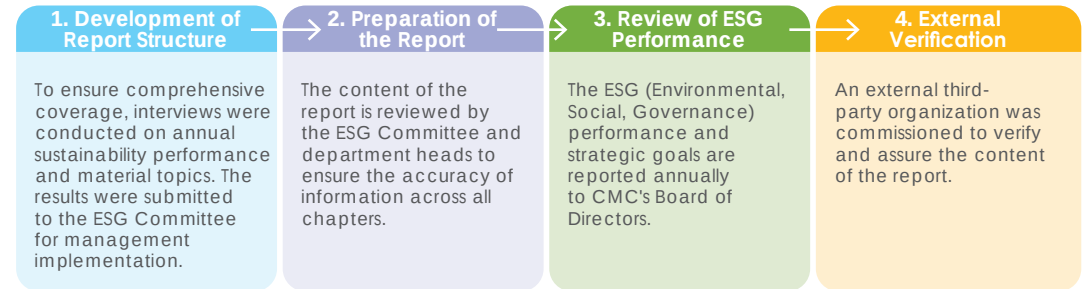
The scope of this report mainly covers the activities as well as services of CMC (Yangmei Plant and Hsinchu Plant) and Sino Diamond Motors. The scope of the financial performance corresponds to Page 8 of the 2023 Consolidated Financial Statements, with all the financial figures calculated in NTD. If any affiliates are involved, such matter will be explicitly specified in this report.

What needs to be noted is that our Youshi Plant is currently the distribution location of Shung Ye Motors and the talent training center of Brilliant Insight International Consultancy Service Co., Ltd. It is not operated for production, therefore it is excluded from the scope of this report except for the performance disclosures of its renewable energy infrastructure development.

### Principles for Compilation

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards (2021) and incorporates the Sustainability Accounting Standards Board (SASB) automotive industry standards. It also references the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The report covers the Company's sustainability management strategies, material topics, key issues, and project performance.

## Report Management



- **Internal Review:** This report has been reviewed by the heads of relevant departments and the Chairperson of the ESG Committee, ensuring the accuracy of the content based on their expertise and management experience.
- **External Verification:** The report is independently assured by Ernst & Young, following Statement No. 3000 of the Accounting Research and Development Foundation in Taiwan, which is based on the International Standard on Assurance Engagements (ISAE 3000 Revised). For assurance methods and results, please refer to the appendix.

## Contact Information

Should you have any questions or suggestions regarding this report, please contact us through the following methods:

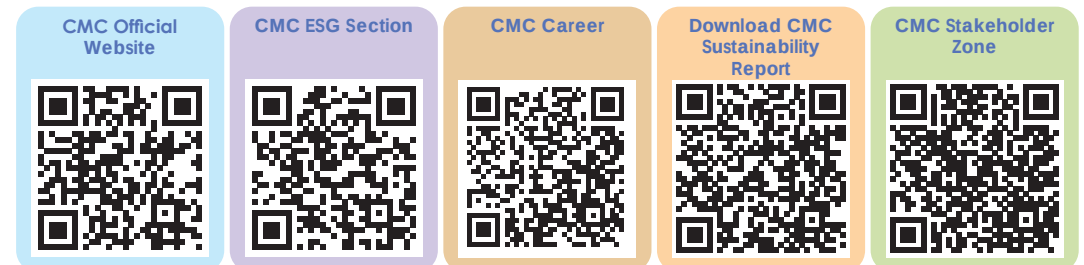
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## ESG Performance in 2023

### Highlights and Performances in the Aspect of Environment



**Awarded the "Water Conservation Outstanding Performance Awards" by the Ministry of Economic Affairs**  
We have actively promoted water-saving and recycling solutions to ensure sustainable water resources. CMC was the first to establish a comprehensive water resource information management system, introducing ISO 46001 Water Efficiency Management Systems to maintain effective water management.



**Low-Carbon Transportation Development – Realizing Green Living**  
Through the integration of new energy vehicles (NEVs) into sustainability and tourism, CMC continues to assist cities in developing low-carbon transportation systems. In addition to actively promoting low-carbon tourism on offshore islands, we have partnered with local governments on electric scooter subsidy programs to accelerate the replacement of traditional motorcycles and scooters with electric ones. In 2023, Keelung City achieved the best results, with 1,200 e-scooters replaced.



**Aligning with International Commitments: SBTi Science-Based Carbon Reduction Targets and ICP Implementation**  
CMC has long been focused on addressing climate change. In December 2023, we became the first automotive company in Taiwan to sign onto the Science-Based Targets initiative (SBTi). Additionally, we established an internal carbon price (ICP) of NTD 1,039 and integrated the ICP system into our environmental management processes.



**For seven consecutive years, CMC has been recognized as an "Outstanding Enterprise in Taoyuan City's River Adoption Program."** CMC has adopted the Xiucaiwo section of the Shezi River in Yangmei District, where we regularly conduct environmental maintenance and organize educational outreach activities, earning this honor year after year for seven years in a row.

### Highlights and Performances in the Aspect of Society

**Winner of the 19th Global Views Monthly Magazine ESG Corporate Sustainability Award "Top Age-Friendly Award"**  
CMC's senior workforce development strategy of "Zero Workplace Barriers, Zero Health Burdens, and Zero Limits on Development", forms the basis of the "CMC Triple Zero Evergreen Program." Through job redesign and senior workforce second career transition, this initiative is designed to extend the careers of senior employees and ensure their continued contribution in the workplace.



**Won Two Awards 8th Ministry of Labor Job Redesign Creative Competition**  
CMC's Yangmei Plant won two awards for its active promotion of workplace improvements. These efforts included enhancing the handling and lifting of heavy items, streamlining tasks, and improving the operational environment to reduce fatigue and risks. In 2023, CMC participated in the competition again, with three teams entering the finals, two of which won the top prize.



**CMC was honored with the "Sustainable Leading Enterprise in Healthy Workforce" from the Ministry of Labor's Occupational Safety and Health Administration, and our Hsinchu Plant received the prestigious "Occupational Safety and Health 5-Star Award."**  
The Ministry of Labor organized the "Sustainable Leading Enterprise in Healthy Workforce Selection" to assess companies' performance in occupational health and safety indicators. CMC was selected as one of the top 10% of outstanding companies. In the same year, our Hsinchu Plant was also awarded the "Occupational Safety and Health 5-Star Award." These dual recognitions affirm CMC's commitment to creating the healthiest, safest, and most secure workplace for its employees.



**Support rural transportation through the PuPu Ride Sharing Program by providing four Delica vehicles for shuttle services, with total mileage to date equivalent to circling Taiwan 144 times.**  
Through the PuPu Ride Sharing Program, CMC has supported rural transportation by providing four Delica vehicles for shuttle services. These vehicles have served the townships of Fuli, Zhuoxi, and Wanrong in Hualien County, and Yanping Township in Taitung County. The service has benefited 58,795 passengers, covering a total distance of 193,878 kilometers (equivalent to circling Taiwan 144 times).



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Circular Reduction and Safeguarding Environment

Safe Workplace and Outstanding Development

Giving Back to Society in Every Way Possible

Appendix



## Highlights and Performances in the Aspect of Governance



### Top 5% in Corporate Governance Evaluation for 10 consecutive years

In the 10th Corporate Governance Evaluation, companies were assessed on four key dimensions: "protecting shareholder rights and equitable treatment," "strengthening board structure and operations," "enhancing information transparency," and "promoting sustainable development." Among the 952 publicly listed companies evaluated, CMC stood out, receiving top recognition for corporate governance for 10 consecutive years.



### No. 1 in the Automotive Industry: CMC Wins "CommonWealth Magazine Excellence in Corporate Social Responsibility Award," "CommonWealth Talent Sustainability Award," and "Parenting Magazine Family Friendly Workplace Award."

CMC has long been committed to sustainability, focusing on the three pillars of ESG. By integrating our efforts with clients, suppliers, and local communities, we have built a sustainable value chain and ecosystem for CMC.



### Selected once again as a constituent of the FTSE4Good TIP Taiwan ESG Index

The FTSE4Good TIP Taiwan ESG Index is the first domestic investment index to incorporate comprehensive environmental, social, governance, and financial metrics. In 2023, CMC was once again selected as a constituent stock, providing a new benchmark for both domestic and international investors, enhancing our competitiveness in the capital markets.



### ESG Transformation Forum: Paving the Pathway to Net-Zero Carbon Emissions

To prepare for the net-zero era and understand the green transportation needs and carbon reduction strategies of Taiwan's SMEs, CMC partnered with CommonWealth Magazine to conduct a Green Transportation Transformation Survey and host an ESG Forum. This initiative is helping SMEs plan ahead for green transportation and work toward a net-zero future.

## Co-prosperity of Supply Chain



### CMC Receives Dual Green Procurement Certifications

CMC actively promotes green procurement by expanding the use of eco-labeled components and green products. Our Hsinchu Plant has been recognized as an Outstanding Green Procurement Unit by the Hsinchu County Government for three consecutive years, while the Yangmei Plant received the same recognition from the Taoyuan City Government in 2023.



### Promoting "Net-Zero by 2050", initiating "CMC and Supplier ESG Net-Zero Carbon Emissions Pledge."

CMC is collaborating with and mentoring its suppliers by providing resources and technical exchanges to help them implement greenhouse gas inventory programs and develop low-carbon upgrade plans. We are also actively promoting smart energy-saving initiatives with our suppliers.



### Guiding Suppliers in Smart Transformation

Focusing on "Smart Energy Saving," "Smart Logistics," and "Smart Factory Plants," CMC selected suppliers for expert guidance from both internal and external specialists. The results and benefits were shared with all suppliers. In 2023, we assisted six suppliers in transitioning to smart operations, generating benefits of NTD 11.06 million per year and reducing carbon emissions by 1,121 tCO<sub>2</sub>e.



### Partnering with Suppliers for Environmental Sustainability Initiatives

In 2023, CMC and suppliers implemented environmental sustainability activities. Together, we organized three events: beach cleanups at Xucugang in Taoyuan and Qingshui in Taichung, and invasive species removal at Zhouzai Wetlands in Kaohsiung. These efforts resulted in the removal of 179 kilograms of invasive plants and 578 kilograms of marine debris.



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## Driving Electric, Building Green Cities — CMC New Energy Vehicles Connecting Urban and Rural Areas with a Sustainable Transportation Network



Transportation-related carbon emissions account for nearly a quarter of global emissions and are a critical issue for Taiwan's carbon reduction efforts. To achieve the 2050 net-zero carbon emission target, CMC has been actively promoting low-carbon transportation in Taiwan. We have engaged both businesses and the public through multiple channels, with a particular focus on promoting low-carbon transportation on offshore islands. Since 2012, CMC has introduced 5,000 electric scooters to Xiaoliuqiu, Penghu, Matsu, Kinmen, and Green Island to promote low-carbon tourism.

In 2023, eMOVING responded to the Keelung City Government's "Public Welfare Youth Employment Electric Scooter Subsidy Program", assisting the city in gradually replacing 12,000 traditional gas-powered motor scooters. This initiative helped increase the adoption rate of e-scooters to 16%. To accommodate Keelung's hilly terrain and ensure convenience for residents, eMOVING launched the iE125 model, which prioritizes home charging with external charging as a backup. To date, 1,200 units of the iE125 model have been introduced, advancing Keelung's low-carbon transformation. Additionally, eMOVING has expanded into Green Island to support sustainable tourism. By providing mini electric two-wheeler vehicle rental services to snorkeling operators, tourists can enjoy eco-friendly travel around the island.

### Promoting Low-Carbon Transportation and Building Sustainable Living Hubs

**Kinmen** CMC, in collaboration with the Kinmen County Government and the Low-Carbon Island team, is promoting low-carbon tourism by introducing eco-friendly electric vehicles. These vehicles provide tourists with a quiet, pollution-free way to enjoy the natural scenery. This also injects new momentum into the tourism industry and contributes to Taiwan's green tourism efforts.



Each round trip across the Kinmen Bridge will reduce carbon emissions by **1.47kgCO<sub>2</sub>e**.



On Kinmen Island, a total of **400** eMOVING e-scooters are available for tourist rentals.



Introduced **22** CMC e-VERYCA EVs to Kinmen.

**Penghu** eMOVING continues its expansion in Penghu, partnering with hiPower GreenTech to establish the first five hydrogen-powered charging stations on the island, providing a cleaner renewable energy source for e-scooters. In collaboration with local B&B operators, 30 iE125 scooters have been introduced, with plans to expand to 200 iE125 scooters to further promote low-carbon tourism rental services in Penghu.



Introduced **200** iE125 e-scooters



Set up **5** hydrogen fuel charging stations



Introduced **30** iE125 e-scooters

**Xiaoliuqiu** CMC has been committed to the development of Xiaoliuqiu since 2017, when eMOVING was introduced to the island. This initiative has improved air quality and fostered a low-carbon tourism environment, making CMC a pioneer of green tourism in the area. The e-scooters not only meet the diverse transportation needs of tourists during low-carbon trips, but also allow them to experience the convenience of fast charging. This contributes to reducing the carbon footprint of travel and supports Xiaoliuqiu's journey toward sustainable development.



From 2020 to 2023, the promotion of low-carbon tourism on Lanyu resulted in **29,493** trips



Cumulative distance traveled reached of **558345.5** kilometers

**Matsu Islands** In 2015, CMC introduced **200** eMOVING e-scooters to the Matsu Islands. In 2019, with the support of the Ministry of Economic Affairs' "Smart City and Rural Life Application Program," CMC, in collaboration with the Lienchiang County Government, introduced **100** iE125 smart e-scooters, launching Matsu's smart tourism initiative.

**Green Island** eMOVING introduced **30** Bobe mini electric two-wheelers for snorkeling operators to rent. These scooters have the range to circle the island three times on a full charge, making them ideal for a three-day, two-night trip. This initiative supports low-carbon travel and helps Green Island live up to its name as a truly "Green Island."

**Lanyu** A plan for replacing traditional gas-powered motor scooters with electric ones in Lanyu is currently under discussion between CMC, the central government, and the local government. The plan aims to introduce **1,000** e-scooters between 2024 and 2026 to meet the demand for low-carbon tourism on the island.

**Keelung City** To transform Keelung into a green city, eMOVING responded to the Keelung City Government's Public Welfare Youth Employment Electric Scooter Subsidy Program, launching the iE125 as the subsidized model. To alleviate residents' concerns about range anxiety, the city government coordinated with district offices in Keelung's seven districts to establish charging stations, ensuring convenient access to charging at all times.



To gradually develop a green transportation network, **1,200** iE125 e-scooters have been subsidized.



**2** supercharging stations have been installed at the Xinyi District Office and the Anle District Office in Keelung.

## Bringing Happiness to Remote Areas by Providing Transportation Resources — CMC's Happiness Guardian Program Bridges the Gap to Realizing Dreams

In recent years, rural areas have faced significant population loss, an increase in grandparent-led households, and high-risk families, alongside transportation difficulties that make it harder for children to attend school. These challenges have made improving traffic safety in rural areas an urgent priority. Since 2016, CMC has launched the "Happiness Guardian Program" to comprehensively protect the transportation safety of disadvantaged children in rural areas. The program is centered around two key initiatives: the "Safeguarding Children's Shuttle Service Plan" and the "Safeguarding Children's Transportation Safety Plan", which allocate vehicle resources and use automotive expertise to safeguard the driving safety of children in rural communities. Now in its ninth year, the Happiness Guardian Program continues to invest corporate resources and volunteer manpower. Through vehicle donations, maintenance and repair services, recruitment promotion, and operational support, CMC assists the recipient beneficiary organizations in their development. Statistics indicate that over 63.6% of the recipient organizations under the Happiness Guardian Program have experienced a significant increase in the number of students. Notably, the No. 4 Car, which supports the Xiaoxiucui Education Association's after-school program in Xigang, Tainan and the No. 8 Car, which supports the Taitung Hongye Junior League, saw an over 20% increase in student and player participation. Good news about the program's contributions to after-school tutoring in rural areas have continued to grow. For example, the No. 10 Car at the Grass Book House Daxi Branch added junior high school care services this year, while the No. 4 Car in Tainan Xigang expanded its services to include high school tutoring, providing after-school learning spaces for students from Tseng-Wen Agricultural & Industrial High School and Pei-Men Senior Agricultural & Industrial Vocational High School. Through mixed-age interactions, the younger students' character development has become more stable. In addition to vehicle donations, the Happiness Guardian Program also offered free vehicle maintenance in 2023 through the HOME RUN Little League Tire Inspection campaign, reducing maintenance costs for the recipient organizations.

### Resource Investments Associated with the Happiness Guardian Program

#### Enrollment Promotion

To assist recipient organizations with enrollment, promotional videos were filmed in collaboration with a popular YouTube channel.

#### Operational Support

Recipient organizations receive operational support through donations from CMC Cup Baseball Tournament prize money and small grants.



#### Maintenance and Repair

Gift vehicles are invited annually for Tire Check Services to reduce maintenance costs.

#### Vehicle Donations

Each year, child welfare groups and rural elementary schools are invited to apply for Happiness Guardian Program vehicles.

### Happiness Guardian Program: Connecting Resources Across Taiwan's Rural Areas



## Happiness Guardian Car No. 13, 14, 15 – Investing in transportation resources to safeguard rural areas, lighting the way home and carrying children's dreams.

As of the end of 2023, under the Happiness Guardian Program, CMC had donated 4 vehicles to rural Youth Baseball teams and 11 vehicles to the front lines of education to assist child welfare organizations in providing after-school care services for disadvantaged children. In 2023, CMC donated three Happiness Guardian Program vehicles: Car No. 13 to the Taiwan Fund for Children and Families Kinmen Branch, Car No. 14 to the Penglai Youth Baseball Team in Yilan, and Car No. 15 to the BOYO Yunlin Center. These vehicles were painted in pink to symbolize the SDGs goal of "Reduced Inequalities", representing not only the brightening of transportation for rural children but also the hope of raising more societal awareness.



**Happiness Guardian Car No. 13**

Happiness Guardian Car No. 13, low-carbon transportation heading to Kinmen, shortening the distance to happiness.



**Happiness Guardian Car No. 14**

Happiness Guardian Car No. 14m bringing together the love of baseball in the hearts of children from Suao and Nanao, lighting the safe road between them.



**Happiness Guardian Car No. 15**

Happiness Guardian Car No. 15, carrying the dreams of children in rural Yunlin, using education to help break the cycle of poverty.





## Maintenance and Repair

## Safe Travel

**"HOME RUN Little League Tire Inspection"**

CMC Mitsubishi cheers for Taiwanese baseball! In partnership with CPC Taiwan and Maxxis Tires, CMC launched the "HOME RUN Little League Tire Inspection" campaign. This initiative calls for all Delica shuttle vehicles used by elementary school youth baseball teams across Taiwan to return for free checkups (including free oil changes, oil filters, and labor costs). Given the frequent participation of youth baseball teams in nationwide tours, this inspection ensures that vehicles with worn tires are kept safe, protecting the players as they travel to competitions.



# HOME RUN Little League

## CMC Cup Baseball Tournament

## Operational Support

**Accompanying Growth: "Amis Music Concert from Taitung"**

In 2019, CMC donated Car No. 7 to Fudafudak Book House to serve as a shuttle vehicle for children. With stable operations, the association expanded by adding a new free after-school class in Taitung City in 2023. Through referrals from schools and NGOs, 15 disadvantaged children from Malan Elementary School, Ren-Ai Elementary School, Xinsheng Elementary School, and Kangle Elementary School are now enrolled.

To showcase the musical talents of Amis children, 35 children from Fudafudak Book House performed in a concert, highlighting the beauty of ancient songs and indigenous dances. The event was also a way to express gratitude to corporate partners who have supported the book house over the years.



## Enrollment Promotion

**Happiness Continues: "HOME RUN Little League CMC Cup Tournament"**

At the end of 2023, CMC organized the "HOME RUN Little League CMC Cup" at Tafalong Elementary School in Hualien, inviting three youth baseball teams to compete alongside CMC staff and automotive media partners. The event featured YouTube star Teacher Chiang (@teacherchiang) as the opening guest, and a "Mountain Music Concert" was held by Taiwanese vocalist Grace Lin, allowing the children to enjoy professional-grade musical feast alongside their competition.



## Becoming a Holistically Happy Enterprise: CMC's Commitment to Sustainable Talent Development – First Prize for Age-Friendly Outstanding Solution at the 2023 Annual Corporate Social Responsibility and ESG Award by Global Views Monthly

CMC was awarded the "Age-Friendly Outstanding Solution" at 2023 Annual Corporate Social Responsibility and ESG Award by Global Views Monthly. Through the establishment of a friendly workplace, CMC has enhanced the mental and physical well-being of employees, allowing them to balance work, family, and health. CMC strongly believes that employees are its greatest asset, and beyond creating a secure workplace through comprehensive care, the Company also offers services such as "One-Stop Health Service," "Employee Care for Middle-Aged and Elderly Employees Care," and "Comprehensive Childcare Mechanisms". Furthermore, in an era of severe labor shortages, where "finding talent" has become a critical issue, companies face a threat to their very survival due to the scarcity of talent. CMC has launched the "CMC Triple Zero Evergreen Program" to ensure talent sustainability. This initiative not only helps CMC address the labor shortage but also transforms senior employees into critical "rescue players" on production lines and within the supply chain. These efforts enhance the Company's competitiveness and help achieve long-term sustainability goals.



### CMC's On-Site Nursery

To date, the nursery has supported the healthy growth and development of 1,725 children.

At various life stages, from pregnancy to childcare, CMC offers a wide range of resources to its employees. Pregnant employees are provided with dedicated parking spaces and pregnancy consultations. The Company's nursery and after-school programs assist with the care of children aged 2 to 12, offering flexible childcare hours that align with employees' work schedules. This ensures that new parents can balance family and work effectively.



CMC provides both online and in-person fitness exercise classes  
Each year, the Yulon Basketball Family Day is held to build team spirit.

CMC offers various internal and external sports and wellness services, including daily online and in-person exercise classes to help employees maintain healthy habits. The Company also hosts an annual "Yulon Basketball Family Day" and a "Yulon Kids Basketball Summer Camp," inviting employees and their families to enjoy free basketball games, promoting a healthy work-life balance through sports. Additionally, CMC has set up a "One-Stop Health Service Hotline" to provide immediate assistance with health and welfare services for employees.



Job Redesign for Middle-Aged and Elderly Employees  
Creative solutions from employees make car assembly easier

CMC is committed to the career planning and post-retirement life of senior employees. In 2023, over 1,115 improvement proposals were implemented, reducing the need for heavy lifting, bending, and walking, which lightened the physical workload for employees. The Company has introduced AGV (Automated Guided Vehicles) and Robot Automation Systems while also implementing ergonomic improvements, making operations easier for employees.



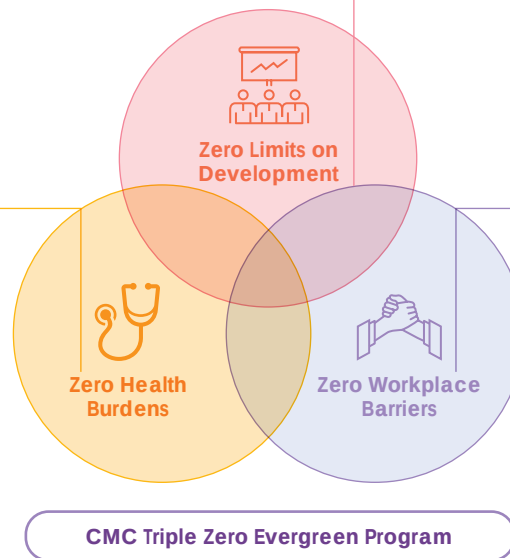
## CMC "Triple Zero Evergreen Program" – Creating New Career Opportunities for Senior Employees

In recent years, Taiwan has faced a severe labor shortage, and effectively extending the careers of senior employees has become a critical area of focus for CMC's planning and execution. According to our statistical data, 36.80% of CMC employees have over 20 years of service, and around 31% of employees are over the age of 51. This is particularly evident among production line workers, where some senior employees find assembly work increasingly physically demanding. CMC's senior workforce development strategy of "Zero Workplace Barriers, Zero Health Burdens, and Zero Limits on Development", forms the basis of the "CMC Triple Zero Evergreen Program." Through job redesign, experienced senior employees with valuable skills contribute to various improvement projects. Through "job adjustments," senior employees are transferred to less physically demanding and less complex positions on the production line. At the same time, CMC has introduced an "Improvement Proposal System" on the production line to optimize processes and move towards more humane production methods. This helps reduce workplace fatigue and provides a healthier, more senior-friendly work environment, minimizing the risks or impacts caused by physical decline.



### Zero Health Burdens

In an effort to ensure the health of our middle-aged and older employees, we have a comprehensive health management procedure in place. In addition to having nurses conduct health management and follow-ups for the employees at risk, several measures, such as "overwork control, health promotion, health management activities, and the development of assistive aids for the employees with disabilities", are implemented to continuously improve the health of our middle-aged and older employees.



### Zero Limits on Development

Taiwan has an integrated automotive supply chain with globally competitive technologies and experiences. To allow our middle-aged and senior workers to prolong their careers and continue exerting their professionalism, CMC formed Brilliant Insight International Consultancy Service Co., Ltd. (BiCS) in 2012 to engage internal talent as advisors in professional fields. We offer customized training courses, advisory guidance planning, and comprehensive solutions to enterprises. The company serves as a new stage for the internal senior talent to carve out and develop a career.



### Zero Workplace Barriers

To enhance the employees' satisfaction with work and respond to the aging workforce of on-site operators, we have adopted improvement proposals and approved improvements proposed by the employees to lead the plant towards human-oriented production.



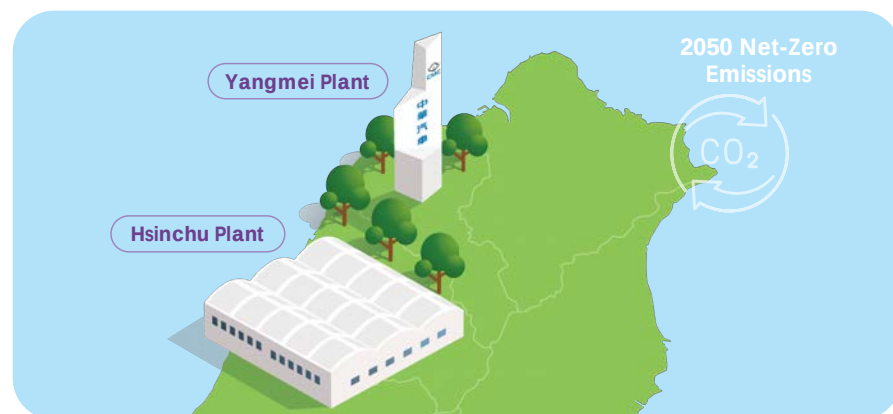
## Carrying the legacy of Taiwan's automotive industry – CMC's Corporate Value.

CMC upholds the HITS (Harmony, Innovation, Top, Sustainability) management philosophy, striving for excellence through continuous innovation in harmony. We have expanded our business scope to the green energy industry in response to the trends, thereby creating values for the employees, enterprises and society, fulfilling sustainable operation, and giving back to society.



### CMC's Vision

Carrying happiness and delivering touching warmth with new forms of convenience and power, we endeavor to become the most reliable diversified mobile partner



### Company name

China Motor Corporation (stock code: 2204)

### Headquarters address

No. 618, Xiucai Road, Yangmei District, Taoyuan City

### Date of establishment

June 13, 1969

### Paid-in capital

NTD 5.54 billion

### Total Number of Employees

2,372

### Main Products

Production and sales of commercial vehicles, RVs, sedans, motor vehicles, and the related parts and components thereof

### Business locations

Yangmei Plant, Hsinchu Plant

## Main Products and Services



### Sedan

GRAND LANCER series  
COLT PLUS series

### RV

OUTLANDER Series OUTLANDER PHEV  
ECLIPSE CROSS series

### Commercial vehicle

DELICA series



### Commercial RV

ZINGER series ZINGER PICK UP series

### Commercial Vehicle

Veryca Series  
CMC Veryca Series  
CMC e-VERYCA EV Series



### Sedan

MG HS MG HS PHEV MG ZS



### Commercial Vehicle

FUSO Series  
CANTER Series



### Electric Two-wheeler

Electric Scooter Series  
Mini Electric Scooter Series



### AGV Automated Guided Vehicle (AGV)

Heavy-duty AGV  
Magnetic Tape Guided AGV  
Mobile Robot

### Autonomous Mobile Robot (AMR)

GreenTrans AMR

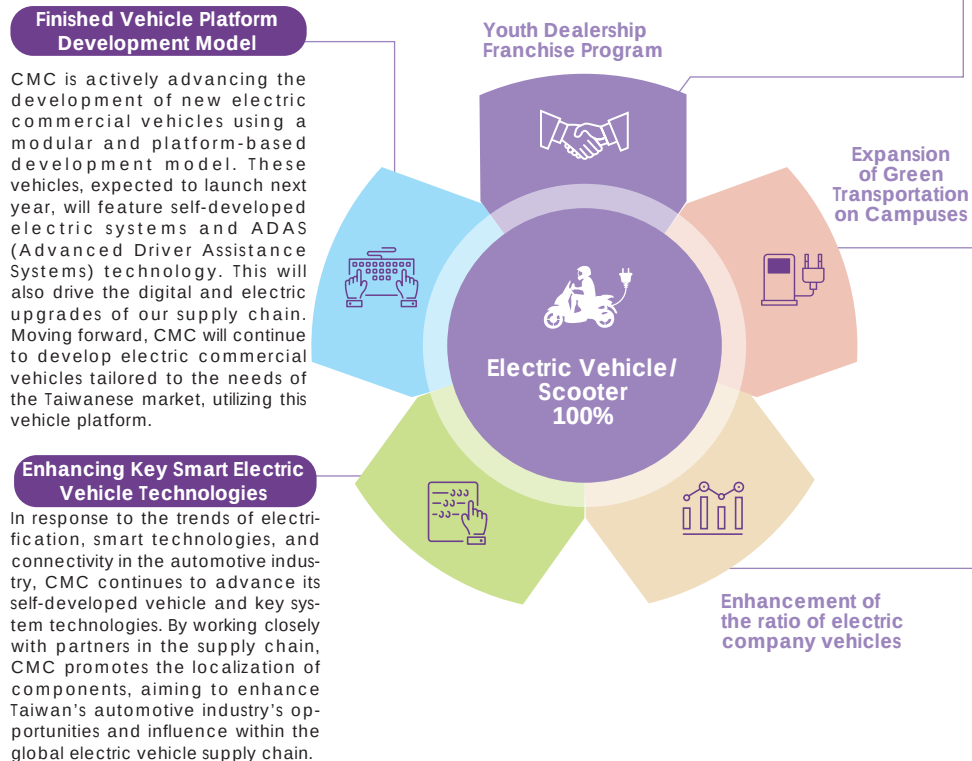
Note: CMC is a partner of MFTBC (Mitsubishi Fuso Truck and Bus Corporation) for the production of their domestic cars, and is responsible for the implementation testing and verification of the FUSO and CANTER series, procurement and development of locally manufactured parts, assembly and production of completed cars, sales of locally manufactured parts, etc.

## Operational Focus and Strategy



### NEV Promotion Strategies to Embrace the Era of Electric Vehicles

To keep in line with the government's pathway planning for net zero carbon emissions and the goal of achieving 100% price-to-sales ratio of electric vehicles/scooters in Taiwan by 2040, CMC is actively promoting new energy vehicle sales. By leveraging multiple channels, we encourage businesses and consumers to adopt our electric vehicle products, thereby enhancing the market visibility of our electric cars and scooters.



### Youth Dealership Franchise Program - Engagement in Social Participation and Environmental Sustainability Promotion



To attract younger generations to join the eMOVING network, increase the number of exclusive stores, and enhance both sales and service capabilities, eMOVING launched the Youth Dealership Franchise Program. This initiative provides diverse resources to help young entrepreneurs realize their dreams while promoting the concept of environmental sustainability and expanding social influence. As a result of the program, 11 exclusive dealerships have been established.

### Expanding the Green Transportation Network on Campuses – eMOVING Establishes Campus Charging Stations

In collaboration with Chung Yuan Christian University, National Tsing Hua University, and National Cheng Kung University, eMOVING is committed to implementing ESG principles.

eMOVING is proactively entering campuses, aiming to provide sustainable environments. In collaboration with Chung Yuan Christian University and National Tsing Hua University, eMOVING has set up campus charging stations and formed campus patrol fleets to work toward net-zero emissions. Additionally, in partnership with National Cheng Kung University, eMOVING launched the first batch of smart green electric scooters for campus patrols and other safety-related tasks, jointly implementing ESG principles.

Additionally, to improve the domestic electric scooter usage environment, establishing charging stations has become a top priority! Adopting the concept of "eco-friendly and green campuses", eMOVING has invested in infrastructure to build a green transportation network on campuses. So far, eight charging stations have been completed at Chung Yuan Christian University, ten at National Tsing Hua University, and two supercharging stations at National Cheng Kung University, making energy access more convenient.



### Adoption of Green Fleets by the Public Sector

Over 4,000 eMOVING Scooters Contribute to Net-Zero Carbon Emissions

To achieve the goal of banning gas-powered vehicles by 2040, the MOTC has initiated this transition starting with public sector fleets. Chunghwa Post took the lead among state-owned enterprises by adopting a "green fleet" and has been gradually replacing its gas-powered vehicles. Since 2017, it has purchased over 3,200 eMOVING electric scooters for mail delivery. With the addition of other public entities such as Taiwan Power Company, Taiwan Water Corporation, and various township offices, the total number of eMOVING vehicles used in the public sector has exceeded 4,000. This low-carbon transportation network reduces 696 tCO<sub>2</sub>e in emissions annually, equivalent to the carbon absorption capacity of 1.8 Da'an Forest Parks, contributing significantly to carbon reduction efforts.

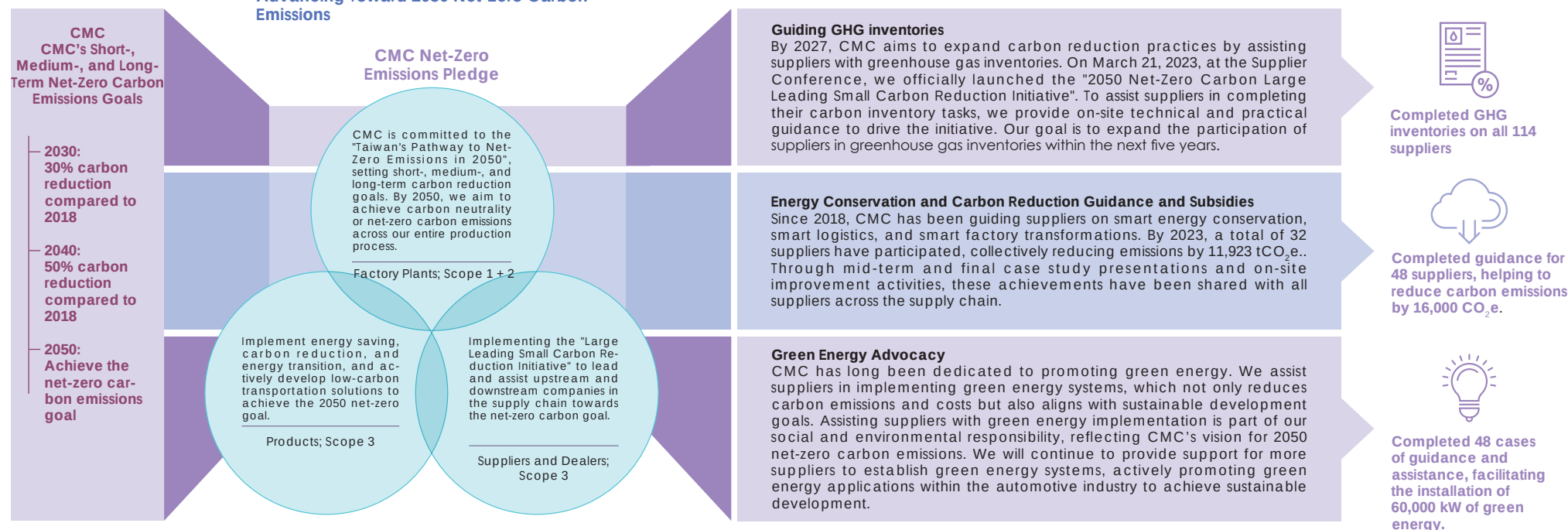


## To Achieve the 2050 Net-Zero Carbon Emissions Goal, CMC is Collaborating with the Supply Chain to Drive the ESG Ecosystem Through "Large Leading Small" Carbon Reduction Initiative, Working with Suppliers and Dealers to Collectively Reduce Carbon Emissions

Faced with future sustainability challenges, ESG implementation, government regulations, and the market trend towards green energy, CMC will actively integrate internal and external resources to launch various new energy vehicle products that meet market demands and support environmental sustainability. We have pledged to follow the "Taiwan's Pathway to Net-Zero Emissions in 2050", setting short-, medium-, and long-term carbon reduction goals. Our aim is to achieve carbon neutrality throughout the entire production process by 2050. This will be achieved through focused efforts on energy conservation and carbon reduction, energy transition, active development, and low-carbon transportation vehicles. We aim to promote the "Large Leading Small Carbon Reduction Initiative" with a mindset of collective benefit, guiding and assisting companies throughout the supply chain. Together with our partners, we will strive toward achieving the 2050 net-zero carbon emissions goal.



### CMC's Three Arrows for Sustainability – Advancing Toward 2050 Net-Zero Carbon Emissions





CMC not only pledges to follow the framework of the "Taiwan 2050 Net-Zero Carbon Pathway" by setting short-, medium-, and long-term carbon reduction goals and achieving full carbon neutrality in production by 2050, but also focuses on four major areas: energy conservation and carbon reduction, energy transition, active development, and low-carbon transportation vehicles to fully realize the 2050 net-zero carbon emissions goal. Additionally, CMC has formulated the "Supply Chain Five-Year Carbon Emissions Reduction Plan", based on clear, quantifiable annual targets, starting from short-term goals and working towards the 2050 net-zero carbon emissions target.



### Supply Chain Five-Year Carbon Emissions Reduction Plan



#### Low-carbon transportation for deliveries

To reduce carbon emissions from logistics, CMC has been requiring suppliers to obtain green certification for their delivery vehicles. In 2023, seven suppliers achieved green certification, including CTE, Tai Yue Electric, Yazaki, LSH, Tayih, CTE, and Tai Yue Electric. Additionally, suppliers such as Baomax, Inventec, and Hsyang Yi Hang Trading have reduced material transportation trips by utilizing logistics center transfers.

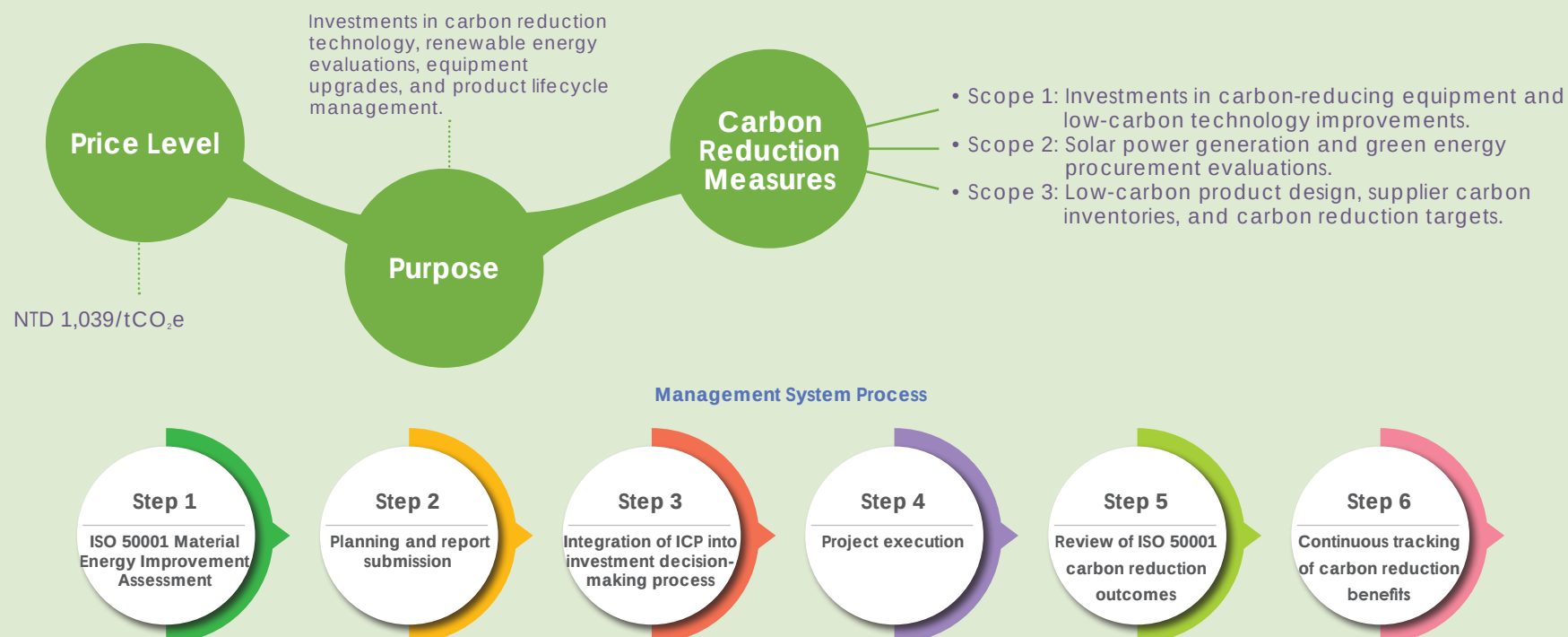
## Three Major Internal Carbon Reduction Measures: Targeting Carbon Emission Hotspots

CMC has long been focused on addressing challenges from climate change. In early 2023, in partnership with suppliers, we committed to achieving net-zero carbon emissions by 2050. Additionally, in December 2023, CMC became the first automotive company in Taiwan to sign the Science Based Targets Initiative (SBTi) commitment, passing the commitment by January 2024. CMC also introduced Internal Carbon Pricing (ICP) and implemented the Carbon Disclosure Project (CDP) to enhance carbon reduction assessments and transparency within our facilities. Moving forward, CMC will gradually launch new energy vehicle models, assisting small and medium-sized enterprises (SMEs) in promoting green transportation. Internally, CMC is actively developing low-carbon manufacturing processes, investing in energy-saving equipment upgrades, and increasing the use of renewable and clean energy to meet SBTi carbon reduction targets.



CMC is the first in Taiwan's automotive manufacturing industry to implement Internal Carbon Pricing (ICP) and an associated management system.

In future equipment, machinery, or investment decisions, carbon reduction benefits will be integrated into decision-making to account for the implicit costs of government-imposed carbon fees.



# 1 Vision Blueprint for Corporate Sustainability



1.1 Mission and Vision  
of Sustainable  
Development

1.2 Materiality Analysis

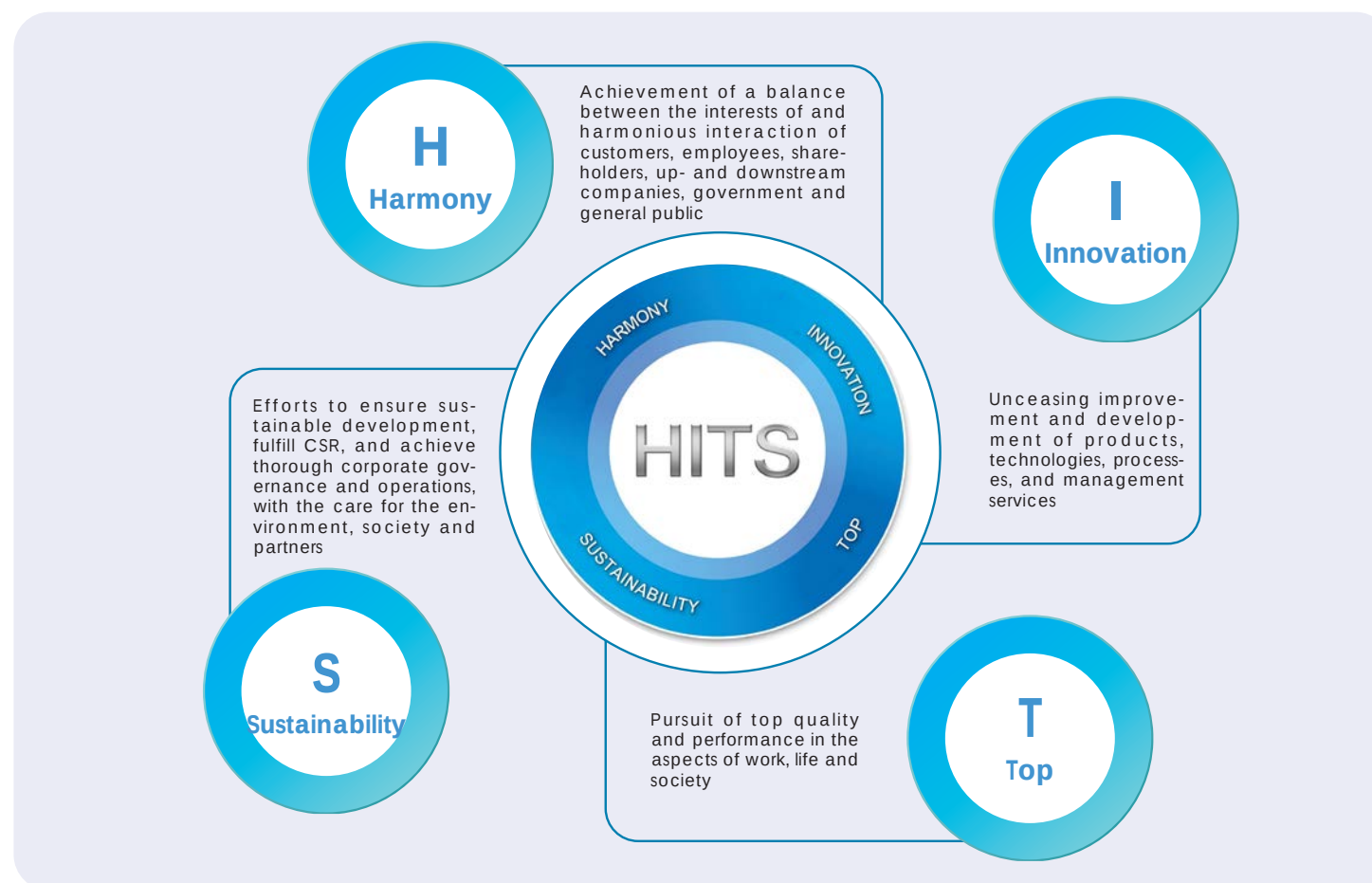




## 1.1 Mission and Vision for Sustainable Development

### 1.1.1 Incorporation of Sustainability into Business Philosophy

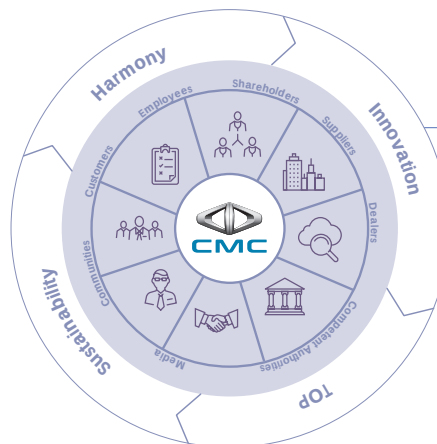
CMC has long been a cornerstone of Taiwan's automotive industry. For over 54 years, closely tied to Taiwan's economic growth, CMC has collaborated closely with upstream and downstream suppliers, customers, employees, and society, jointly building our solid brand image. We profoundly understand that beyond striving for excellent corporate governance and financial performance, we must value environmental and social resources, responding to the concerns and needs of stakeholders through tangible and meaningful actions. CMC considers Harmony, Innovation, Top, and Sustainability as inseparable principles. We believe that continual innovation in harmony, pursuing excellence while ensuring sustainability, is the ultimate pursuit of the Company's existence. Through the business philosophy of "HITS," the Company has implemented the sustainability strategies in a progressive manner, innovating in the regards of manufacturing, corporate governance and social benefits.



### 1.1.2 Sustainability Strategy Blueprint

To create greater value in the field of sustainability, CMC has implemented the Task Force on Nature-related Financial Disclosures (TNFD) starting in 2024. This initiative analyzes the issues, risks, and opportunities related to biodiversity in depth at its production sites, taking concrete action in response. Additionally, in response to climate change issues, CMC became the first automotive company in Taiwan to sign the Science Based Targets Initiative (SBTi) commitment in December 2023, passing the commitment in January 2024. Over the next two years, we will establish targets for submission to the SBTi for review. To build a more robust carbon management system and improve facility-level carbon reduction assessments, CMC has implemented Internal Carbon Pricing (ICP), ensuring each department enforces carbon management mechanisms and realizes carbon reduction benefits.

As the echo to the 17 United Nations Sustainable Development Goals (SDGs), the “sustainable development strategies” have also been established, and “stable governance,” “top innovation,” “harmony and co-prosperity,” “environmental sustainability” and “social care” have been formulated as the five major pillars for implementation and management. We are gradually implementing corporate sustainability strategies by introducing reforms in corporate governance, production, and social responsibility, aiming to establish a stronger, safer, and more sustainable governance framework. This helps foster deeper, more trusting relationships with stakeholders, addressing their needs and driving development in the automotive industry ecosystem. We strive to become a reliable and diverse mobility partner, enhancing corporate sustainability value.



|                                           |                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Stable Governance</b>                  |                                                                                                                                                                                   | CMC has established a whistleblower system to ensure ethical and transparent management, executing risk management to become a role model for sustainable enterprises.<br>CMC is committed to addressing the diverse needs of its customers by developing a wide range of product lines and continuously expanding into international markets.<br>We have implemented and obtained ISO 27001 certification for Information Security Management Systems (ISMS) to continually enhance information security.<br>In 2023, CMC elevated the Risk Management Committee to a functional committee, ensuring comprehensive management of corporate risk issues. |
| <b>Ethical management</b>                 |                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Market Expansion</b>                   |                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Enhancing Information Security</b>     |                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Risk Management</b>                    |                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Top Innovation</b>                     |                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Smart manufacturing</b>                |                                                                                                                                                                                                                                                                                                                                                         | We integrate cloud technologies to develop smart plants and promote data-based decisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Quality enhancement</b>                |                                                                                                                                                                                                                                                                                                                                                         | Continue to expand the application of AI in quality inspection, developing digital service tools to enhance operational efficiency and product reliability.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Digital transformation</b>             |                                                                                                                                                                                                                                                                                                                                                         | Moving beyond the traditional mindset of automotive manufacturing, CMC is advancing its strategy towards Mobility as a Service (MaaS), aligning with the future of transportation services and innovation.                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Low-carbon development</b>             |                                                                                                                                                                                                                                                                                                                                                         | In response to the global movement towards net-zero carbon emissions, CMC is investing resources in the research and development of new energy vehicles, staying true to our commitment to sustainability principles.                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Harmony and Co-prosperity</b>          |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Buying products from small farmers</b> |                                                                                                                                                                                                                                                                                                                                                         | We promote sustainable farming by purchasing organic vegetables from indigenous smallholder farmers, supporting their economic development over the long term.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Safe workplace</b>                     |                                                                                                                                                                                                                                                                                                                                                         | We treat employees as family, focusing on talent development, valuing senior employees, and creating an equal and safe working environment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Creation of values hand in hand</b>    |                                                                                                                                                                                                                                                                                                                                                         | Strengthen cooperation with suppliers and dealers, CMC adopts the "Big Leads Small" strategy to create sustainable value across the supply chain.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Talent development</b>                 |                                                                                                                                                                                                                                                                                                                                                         | We partner with various educational institutions to provide courses that foster exchange and promote talent cultivation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Environmental Sustainability</b>       |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Development of new energy</b>          |                                                                                                                                                                                                                                                                                                                                                         | By promoting net-zero emissions, we independently develop safe and comfortable electric models, structuring a diversified ecosystem of energy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Low-carbon operation</b>               |                                                                                                                                                                                                                                                                                                                                                         | Committed to the SBTi carbon reduction targets, we are dedicated to energy conservation, carbon reduction, and the implementation of renewable energy, putting green manufacturing into practice.                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Beach cleanup for sustainability</b>   |                                                                                                                                                                                                                                                                                                                                                         | Locally, we organize departmental beach clean-ups to support sustainable coastal management.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Ecological rehabilitation</b>          |                                                                                                                                                                                                                                                                                                                                                         | CMC has also integrated TNFD to advance biodiversity management, restoring Taiwan native species and Fagaceae plants in on-site ecological ponds and training environmental volunteers for ecological education.                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Social Care</b>                        |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Carrier of happiness</b>               |                                                                                                                                                                                                                                                                                                                                                         | With the goal of sustainable urban and rural development, CMC actively integrates its core automotive business by providing vehicle maintenance and donations, contributing to the well-being of children in remote areas.                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Delivery of warmth</b>                 |                                                                                                                                                                                                                                                                                                                                                         | CMC provides strong support for indigenous people, increases the effectiveness of our employees' volunteer services, and pays attention to local issues                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Rural transportation</b>               |                                                                                                                                                                                                                                                                                                                                                         | CMC dedicates corporate resources to ensuring transportation justice for rural areas, supporting equitable travel for remote communities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Passing on cultural heritage</b>       |                                                                                                                                                                                                                                                                                                                                                         | Through organizing exhibitions and assisting in the production of local programs, CMC promotes the preservation and development of arts and culture.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

Sustainability Commitment from the Chairperson

ESG Highlights

About CMC

Vision Blueprint for Corporate Sustainability

Innovative Technologies and Forward-Looking Value

Excellent Governance and Proactive Action

Circular Reduction and Safeguarding Environment

Safe Workplace and Outstanding Development

Giving Back to Society in Every Way Possible

Appendix

### 1.1.3 UN SDGs

In 2015, the United Nations announced the Sustainable Development Goals (SDGs), the 17 global sustainability issues of the utmost urgency identified. All the fields and sectors in the world have been invited to work hand in hand to improve the global problems. Fulfilling the responsibility as a global citizen, CMC actively responds to 12 UN SDGs based on the corporate business philosophy of "HITS" and the commitment of becoming an "enterprise of well-being." It is our hope to transform our internal ESG actions into global sustainability strategies, and relevant actions have been taken to make active contributions to the goal of global sustainable development.



Corresponding chapter: CH6

**We have supported the production and marketing activities of the indigenous people, providing procurement prices that are better than that of distributors,**

Since 2015, CMC has purchased 80,570 kg of organic vegetables from indigenous smallholder farmers, contributing to their economic development.

#### Deepening Roots in Indigenous Communities with the "Dream Project"

In support of grassroots baseball, CMC used funds raised through employee clubs to provide new uniforms for the Wufeng Elementary School baseball team, further nurturing young athletes in rural areas. So far, the Dream Project has had a total of 15,000 beneficiaries since it's first launched



Corresponding chapter: CH5

**CMC has implemented a variety of comprehensive measures and equipment to care for the physical, mental, and emotional well-being of its employees.**

To ensure food safety, CMC provides organic vegetables as part of its employee benefits. Regular health checks are conducted, diverse fitness facilities are built, and weight-loss activities are organized to improve employees' fitness levels. A health center has been set up in factory plants, staffed with professional physicians to offer medical consultations and emergency services.



Corresponding chapter: CH5  
Corresponding chapter: CH6

**CMC promotes the "Anchor Program," utilizing its automotive expertise.**

We donate test vehicles to vocational schools to enhance students' hands-on skills. By collaborating with academia, we aim to impart automotive testing, vehicle design, and repair knowledge. By deepening collaborations with vocational schools, we aim to cultivate automotive professionals. Additionally, we organize Traffic Safety Camps to educate rural children on road safety.

**"Through diverse career development programs and projects, we shape our employees into versatile professionals."**

By building a learning organization and providing opportunities, we assist employees in enhancing their professional skills and fostering lifelong learning. Talent cultivation ensures that employees are placed in suitable roles, with a focus on their strengths, nurturing their talents to their fullest potential.



Corresponding chapter: CH3  
Corresponding chapter: CH5

#### Gender Equality Measures

Approximately 15% of managerial positions are held by women (including Sino Diamond Motors; excluding secondments and overseas assignments), and there are two female directors on the Board. We ensure equal pay and benefits for male and female employees and have established a sexual harassment prevention reporting mechanism to protect the rights of female employees.

#### Comprehensive Maternity Care and Welfare Policy

Both male and female employees receive equal parental leave benefits. For pregnant employees, we provide a personalized 'Good Pregnancy Card' to ensure thoughtful support during pregnancy. Additional services include dedicated parking spaces, rest areas for pregnant employees, protective maternity clothing, and access to parenting books and magazines, offering thoughtful care throughout their journey.



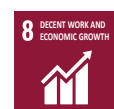
Corresponding chapter: CH4

**We have adopted the Xiucai Village water area of Shezi River, Yangmei, maintaining the environment on a regular basis**

CMC's Yangmei Plant has participated in the corporate river adoption program for seven consecutive years, earning recognition with the 'Outstanding River Adoption Award' from the Taoyuan City Government. In 2023 alone, CMC conducted 25 environmental sustainability beach and stream cleanup activities, 1 eco-pond volunteer training event, and 7 environmental awareness campaigns.

#### Wastewater Treatment and Eco-Pond Improvements

We appropriately dispose of the wastewater from the plants, reducing the amount from the beginning and the processes, and raising the level of effluent monitoring and water consumption reduction. The fundamental improvement work of in-plant ecological pools has been carried out to rebuild the environment for wetland species to grow and develop the aquaponics system



Corresponding chapter: CH3  
Corresponding chapter: CH5

#### Building a Strong Foundation for Corporate Governance and Achieving Excellence

CMC has long been recognized for its outstanding corporate governance, ranking in the top 5% for ten consecutive years. With a solid corporate governance framework and effective performance, CMC continues to achieve steady and robust growth.

#### Superior Compensation and Benefits

CMC offers a compensation and benefits package that surpasses industry standards, ensuring employees receive rewarding returns for their contributions. Diverse range of leave options, including a 9-day mid-summer break, allowing employees ample time to relax and recharge. Moreover, the Company boasts a 100% retention rate for employees on parental leave, giving new parents peace of mind in balancing family and career development.

#### 2023/2024 TALENT, in Taiwan

CMC is dedicated to building a 'Happy Workplace' and a sustainable talent development program. Through initiatives like a safe work environment, skills promotion, open communication channels, industry-academia collaboration, competitive compensation, and new employee training, CMC remains competitive and committed to long-term talent cultivation."





Corresponding chapter: CH2

#### Advancing smart and innovative production technologies, constructing a sustainable manufacturing ecosystem.

We have established smart production plant, smart supply chain system and digital production line management platform to achieve productivity 4.0. The introduction of automated guided vehicles (AGVs), supplier management platforms, and global logistics systems has paved the way for a smart supply chain. Additionally, with the implementation of a smart energy management system, energy-saving and carbon-reduction goals are being set to effectively lower carbon emissions. As we push for digital transformation, we continue to improve production efficiency while contributing to green sustainability and fostering long-term development.



Corresponding chapter: CH6

#### We run the "Happiness Guardian Program," donating designated cars to provide shuttle services for underprivileged children in rural areas

For nine years, the Program has provided transportation resources for underprivileged children in rural areas, shortening the distance to safe transportation, education, and the realization of their dreams. By donating vehicles, we aim to expand the children's horizons and infinite possibilities

#### Promote "Vehicle Maintenance Tour Service" to offer vehicle safety review services to the car owners in rural areas.

CMC continues to expand the "Vehicle Maintenance Tour Service," providing vehicle safety inspections for car owners in rural areas. In addition, the "Vehicle Checkup Service" was introduced to offer further support, featuring complimentary engine oil changes in partnership with CPC and a "buy one, get one free" promotion on Maxxis tires. These services help reduce maintenance costs for child welfare organizations, ensuring the smooth operation of their vehicles and supporting their mission to serve underprivileged children. We are continuously committed to public welfare and vehicle safety

#### We uphold mobility justice through initiatives such as the "PuPu Ride Share" and the "Rural School Central Kitchen Program."

In partnership with the MOTC, CMC has introduced Delica shuttle vehicles to rural areas like Fuli Township, Zhuoxi Township, Wanrong Township in Hualien, and Yanping in Taitung, providing shared transportation services to local residents. In 2022, we further expanded our efforts by customizing Delica food delivery trucks, which now serve 240,000 rural schoolchildren with nutritious lunches.

#### Actively support Taiwan's film and music industries, fostering local culture and arts development

CMC actively supports local arts and cultural activities, investing approximately NTD 5.86 million to promote cultural development within Taiwan. We have hosted numerous art exhibitions such as the "CMC Autumn Art Exhibition" and participating in events like the "2023 Taiwan Design Expo." We also co-produced local reality shows like *Island Odyssey Taiwan* and *Mysterious Hardware Store*. We also promote the *Mitsubishi Green Life* initiative, encouraging employees and their families to enjoy ecological films.



Corresponding chapter: CH2  
Corresponding chapter: CH4

#### In line with our commitment to sustainability, CMC prioritizes the procurement of eco-friendly vehicle components

We actively promote the acquisition of environmental and energy-saving certifications for its products. To date, the procurement of parts for eco-labeled vehicle models has reached NTD 8.56 billion, representing 39% of the total procurement value.

#### Promoting a circular economy, implementing resource-saving initiatives

The Company implements the recycling plan for "packaging materials of parts," with a recycling rate up to 59.5%



Corresponding chapter: CH2  
Corresponding chapter: CH4

#### Actively develop NEVs and enhancing vehicle energy efficiency

We have developed electric four-wheelers and eMOVING electric scooters, and PHEV plug-in hybrid vehicle series, with a strong focus on marketing to reduce carbon emissions in transportation.

#### In response to climate action, CMC has implemented various carbon reduction measures

The Hsinchu Plant has been awarded Green Factory Certification and the Golden Green Building Label. The Yangmei Plant has introduced a regenerative thermal oxidizer and automated robotic spraying systems to reduce VOC emissions and improve air quality. Additionally, solar photovoltaic panels have been installed at all factories to generate renewable energy on-site.



Corresponding chapter: CH2  
Corresponding chapter: CH6

#### Procure organic produce from smallholder farmers

We promote sustainable farming practices by leveraging the Mitsubishi LINE official account to help commercial vehicle owners market crops grown under eco-friendly conditions. Additionally, organic vegetables cultivated by indigenous smallholder farmers are introduced into the employee cafeteria, and staff can support local agriculture through group purchases of these products, safeguarding local farming development.

#### Promote beach and mountain clean-up activities both internally and externally

Encourage employees and partner suppliers to participate in these initiatives, contributing to environmental sustainability.



Corresponding chapter: CH3  
Corresponding chapter: CH5

#### Maintain an internal transparent system and open communication channels

We are committed to promoting "business ethical management," with all new employees receiving relevant training. We fully protect human rights at workplace and prohibit child labor and forced labor. Multiple communication channels, including hotlines, mailboxes, and employee surveys, are provided to facilitate smooth communication for employees.

#### Strengthen stakeholder engagement

We strengthen stakeholder engagement through the sustainability section on the CMC's corporate website, which features dedicated areas for "Corporate Social Responsibility," "Stakeholders," and "Business Ethical Management." CMC has also incorporated "Corporate Social Responsibility" policies and "Ethical Corporate Management Best Practice Principles" into contracts with suppliers.

## 1.2 Materiality Analysis

### 1.2.1 Materiality Analysis Process

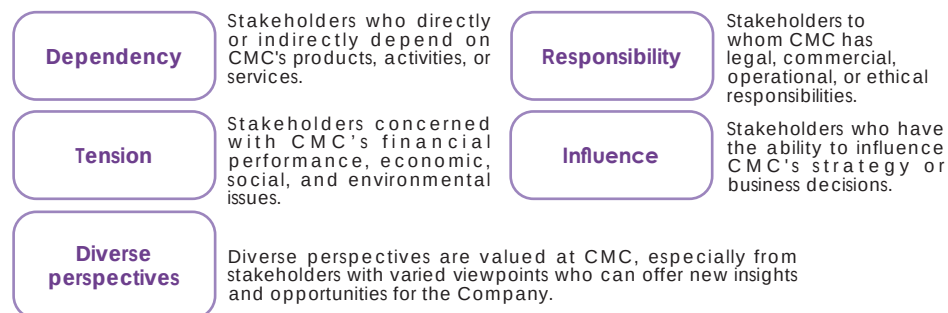
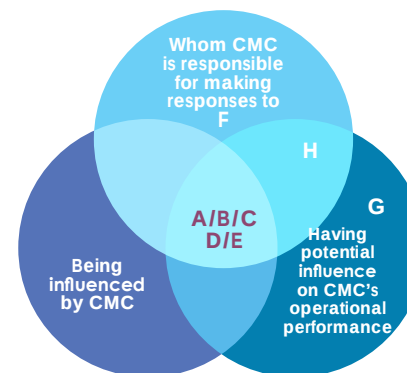
In line with the updated GRI Standards (2021) definition of materiality, CMC analyzes both domestic and international sustainability trends and regulatory changes. The Company consolidates sustainability issues of concern from various stakeholders through ESG Committee subgroup members and stakeholder ESG issue of concern surveys. Using the principle of Double Materiality, such as assessing "the degree and frequency of positive and negative impacts on CMC's operations" and "the extent of economic, environmental, and human (human rights) impacts," CMC identifies 23 sustainability topics to gain a clear understanding of the actual impacts CMC causes and the expectations of its stakeholders.



### 1.2.2 Identification of Stakeholders



CMC identifies stakeholders starting from the daily interactions across various departments, focusing on those directly engaged in its daily operations. The analysis does not extend to other subsidiaries within the group. Through a comprehensive stakeholder analysis, we can pinpoint those with the greatest influence on CMC. Based on assessments by CMC's ESG Committee, the AA1000 Stakeholder Engagement Standard (SES) was employed, using five evaluation criteria: responsibility, influence, tension, diverse perspectives, and dependency. This process identified eight key stakeholders. The ranking is determined by the materiality of their relationship with CMC, beginning with (A) employees, followed by (B) suppliers, (C) dealers, (D) government agencies, (E) customers, (F) shareholders, (G) industry associations/non-profit organizations, and (H) media.



### 1.2.3 Engagement with stakeholders

CMC places great importance on the needs and opinions of stakeholders. In addition to providing open communication channels, CMC collaborates with key stakeholders on projects related to social inclusion, environmental sustainability, and low-carbon operations. Through ongoing interaction, performance metrics for material topics are established, and sustainability efforts are periodically reviewed. The table below highlights the frequency and key communication topics with stakeholders in 2023.

|                                                                                                                     | Importance and Value to CMC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Engagement Method and Frequency                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Engagement Outcome and Achievements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <div></div> <div>Employees</div>   | <p>Employees are CMC's most important stakeholders and pivotal to the Company's sustainable development. The Company strives to create a friendly work environment free from bias and discrimination, continuously enhancing the employee experience. CMC is also focused on strengthening its data-driven operational capabilities, ensuring that intergenerational teams work with agility and flexibility.</p> <div>Issues of Concern</div> <ul style="list-style-type: none"><li>• Talent recruitment and retention</li><li>• Safe workplace</li><li>• Product safety and quality management</li></ul> | <div><div>[Regular]</div><ul style="list-style-type: none"><li>• Labor-Management Meetings [monthly]</li><li>• Employee Welfare Committee [quarterly]</li><li>• Member Representative Assembly [annually]</li><li>• Training and Development Meetings [annually]</li><li>• Occupational Safety and Health Committee [quarterly (indirect departments/company-wide), monthly (direct departments)]</li></ul></div> <div><div>[As needed]</div><ul style="list-style-type: none"><li>• Together for ESG Section</li><li>• Regular communication meetings between managers and staff (as needed)</li><li>• Grievance hotlines via phone, fax, and email for general and sexual harassment complaints.</li><li>• Hotline, fax number and email address for sexual harassment complaints</li><li>• LINE@ 5680, 2460 (dedicated channels for feedback or reporting by employees)</li></ul></div> | <div><div>”</div><div><div>Building an all-age talent ecosystem to support employees' livelihoods and career development</div><p>For over 20 years, CMC has led the way in Taiwan by operating its own after-school care centers and kindergartens. The "CMC All-Age Talent Ecosystem Co-Creation Program" offers support at various life stages, from childbirth and childcare, to youth summer camps, industry-academia cooperation for young professionals, skill development, and care for senior employees. CMC provides diverse leave options, including volunteer leave, leave for first-graders, wedding host leave, sibling marriage leave, as well as summer and winter vacations. For middle-aged and senior employees, CMC extends career opportunities by enabling them to share their expertise with partner companies or by serving as consultants at BiCS, an investee company of CMC. CMC holistically cares for employees, both in life and at work.</p></div></div> |
| <div></div> <div>Suppliers</div> | <p>Suppliers are key partners in producing high-quality products and are essential to CMC's low-carbon sustainability efforts. CMC collaborates closely with suppliers to gradually build a sustainable supply chain, ensuring that the services provided align with CMC's vision and customer expectations.</p> <div>Issues of Concern</div> <ul style="list-style-type: none"><li>• Product safety and quality management</li><li>• Low-carbon products and services</li><li>• Product and service innovation</li></ul>                                                                                  | <div><div>[Regular]</div><ul style="list-style-type: none"><li>• Supervisory Board Meetings [Held every one to two years]</li><li>• Supplier Conferences [annually]</li><li>• SCM Platform: Supplier Activities [9-11 times per year]</li></ul></div> <div><div>[As needed]</div><ul style="list-style-type: none"><li>• SCM Platform: Through regulatory briefings, explain design specification requirements to suppliers.</li><li>• Support suppliers in obtaining ISO 14001 Certification</li><li>• Organize supplier events</li><li>• Telephone / e-mail</li><li>• Customer complaint email</li></ul></div>                                                                                                                                                                                                                                                                           | <div><div>”</div><div><div>Promoting Low-Carbon Transformation and Building a Sustainable Supply Chain</div><p>Amid the global push for sustainability, we work with CMC to establish a sustainable supply chain that exceeds regulatory standards. Over the past year, we have actively participated in CMC's sustainability and energy-saving activities. Together, we have secured government subsidies through a large-to-small low-carbon transformation project. The initiative focuses on three main pillars: "Energy-Saving and Carbon Reduction Guidance and Subsidies," "Greenhouse Gas Inventory Assistance," and "Green Energy Advocacy and Infrastructure." Through collaborative efforts, we are driving the low-carbon transformation of the entire supply chain.</p></div></div>                                                                                                                                                                                     |



## Importance and Value to CMC



Government agencies play a crucial role in influencing CMC's competitiveness and development. CMC complies with automotive safety laws, environmental regulations, and trade policies. CMC actively cooperates with government authorities in product and safety assessments, maintaining positive relationships.

## Issues of Concern

- Ethical management and legal compliance
- Product safety and quality management
- Customer privacy

## Engagement Method and Frequency

- [Regular]
- Evaluation by government agencies [annually]
  - Corporate Governance Evaluation [annually]

- [As needed]
- Official document and visits • Regulatory briefings
  - Announcement of management status and timely disclosure of material information on the Company's website and the Market Observation Post System
  - Policy discussions and seminars • Public hearings • Certifications and audits

## Engagement Outcome and Achievements

## Strengthening Corporate Sustainability Governance to Create a Long-term Sustainability Blueprint

In recent years, CMC has actively promoted ESG, integrating "sustainability" into its corporate governance. While pursuing operational performance, CMC has gradually enhanced various corporate governance indicators. In 2023, the "Risk Management Committee" was elevated to a functional committee. Additionally, CMC formulated the "Intellectual Property Management Plan," which is disclosed annually on the official website. Through outstanding green production and energy-saving initiatives at factory sites, CMC has been recognized with the "National Enterprise Environmental Protection Award." CMC has continually refined its corporate governance policies, earning a top 5% ranking in corporate governance evaluations for 10 consecutive years.



”



Shareholders' financial support is crucial for expanding and developing our business, as they have a direct interest in our financial status, business decisions, and future growth. We prioritize shareholder rights by regularly disclosing corporate governance information, allowing shareholders to better understand our operations.

## Issues of Concern

- Product safety and quality management
- Economic performance and profitability
- Talent recruitment and retention

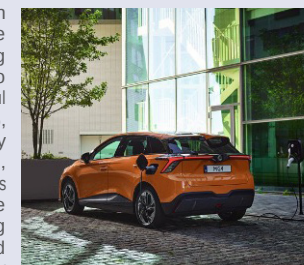
- [Regular]
- Annual General Shareholders' Meeting [annually]
  - The Company's Annual Report [annually]
  - Investor Conferences [quarterly]

- [As needed]
- Accepting institutional investor visits
  - Shareholder inquiry by phone
  - Announcement of management status and timely disclosure of material information on the Company's website and the Market Observation Post System

## Driving Sustainable Products and Diversified Operations, Shaping a Benchmark in Corporate Sustainability

CMC's goal is to secure and maintain a solid market position while pursuing ESG sustainable development. Therefore, we have enhanced the competitiveness of existing products by improving car designs and introducing multiple brands, including MG, to build a more robust product lineup and drive corporate financial performance. Over the past year, sales growth reached 22%, and we expect continued growth next year, as we are currently actively expanding production capacity. At the same time, we are also developing various new energy vehicle products in response to renewable energy trends, creating a more environmentally friendly consumer environment, and promoting greening within the automotive industry. Through innovative and diverse business strategies, we aim to continuously expand our market, increase our scale, generate profits, and enhance overall growth efficiency.

--- Excerpt from the 2023 Annual Report



”



Customers are the main source of the Company's revenue, directly impacting sales performance and market position. Customer satisfaction and loyalty are critical to business success. We place great importance on customer needs and feedback, offering high-quality products and services to establish stable customer relationships.

## Issues of Concern

- Customer privacy
- Customer relationship management
- Product and service innovation

- [Regular]
- Customer satisfaction survey [weekly]

- [As needed]
- Contact points of new model development projects, email, conference call, formal meeting and regular project meeting
  - Online inquiry through 0800 hotline of Customer Care Center (8:00~22:00)
  - Customer care activity from time to time
  - Dissemination of SOPs for vehicle delivery
  - SMS and YES APP promotion information

## Pursuing Excellent Service and Promptly Addressing Customer Needs

At the end of last year, after a car accident, a customer visited the CMC Mitsubishi dealership to urgently handle bumper repairs and insurance claims but arrived late due to traffic delays. Despite it being past closing time, the service representative remained patient and carefully explained the insurance claim procedures and arranged for follow-up repairs two days later. The representative also ensured the bumper was secure before the customer left the premises. Although the car was over a decade old, and the customer had visited various CMC Mitsubishi service centers without requesting a specific technician, every service representative and technician demonstrated exceptional professionalism and enthusiasm. This left a strong impression on the customer, and the seamless claims process, from emergency repairs to final paintwork, further reinforced the customer's trust in Mitsubishi's service quality.



”

--- Mr. Tsai, Customer

## Importance and Value to CMC

## Engagement Method and Frequency

## Engagement Outcome and Achievements



Industry Associations / Nonprofit Organizations

Industry associations and nonprofit organizations provide us with support and guidance, fostering industry collaboration and advocating for policy support. We actively participate in collaborative efforts with industry associations to enhance cooperation within the industry and maintain long-term, mutually beneficial partnerships with nonprofit organizations to create the best possible future for the industry.

## Issues of Concern

- Ethical management and legal compliance
- Product and service innovation
- Waste discharge management

[Regular]

- "Anchor" program of the year [quarterly]
- Vehicle Maintenance Tour Service [monthly]
- Traffic safety camp [quarterly]

[As needed]

- Remote Agricultural Community Partner Development Program
- Dream Project
- Happiness Guardian Program
- PuPu Ride Sharing
- 0800 Care Center (8:00 AM - 10:00 PM) for online consultations

## Promoting Industry-Academia Collaboration

CMC collaborates with the Ministry of Education's Talent Development Platform, the National Kaohsiung University of Science and Technology Executive Office, and Chien Hsin University of Science and Technology through industry-academia cooperation to enhance educational capabilities. The "National Senior High School and Vocational School Teacher Energy Vehicles and Electric Scooters Training Program" attracted teachers from 17 vocational schools for cross-school learning, focusing on the practical operation of "Electric Scooter Principles" and "Real Vehicle Component Diagnostics." This initiative helps vocational school teachers align with industry developments, enhancing their practical teaching capabilities and resources, demonstrating CMC's active promotion of talent cultivation and sustainable development.

--- Ministry of Education Talent Development Platform




Dealers

As a bridge between CMC and consumers, dealers help promote products to a wider market, assisting in expanding market share. They also support customers in resolving issues and concerns, improving CMC's brand reputation, which is critical to our market position and brand image.

## Issues of Concern

- Economic performance and profitability
- Ethical management and legal compliance
- Product safety and quality management

[Regular]

- Dealer conferences [monthly]
- Dealer board of directors financial report analysis [quarterly]
- Dealer Teams online training courses [monthly]
- Dealer technical training sessions [every four months]

[As needed]

- Dealer conferences or online video conferences held in each region
- Hold dealer training sessions

## Instilling Green Concepts, Developing Diverse Sustainable Sales Pathways

Sustainability is evolving rapidly, and dealers need to stay updated on the latest regulations to answer customer inquiries. Through training, CMC educates management and frontline staff on environmental sustainability and net-zero carbon practices, embedding sustainability into their services. This creates mutual growth between CMC and customers, enhancing sales by showcasing Mitsubishi's environmental commitment. Every year, CMC leads dealers in participating in the "Earth Hour" energy-saving event, effectively improving dealers' carbon reduction image.



--- Fortune Motors, Dealer



Media

The media serves as a crucial link between CMC and the public, shaping societal perceptions and reputation, potentially influencing sales and market value. CMC actively maintains stable, positive relationships with the media, enhancing trust through open and transparent communication.

## Issues of Concern

- Product safety and quality management
- Customer privacy

[Regular]

- Corporate Governance Evaluation [annually]
- Test drive/ride and meetup event for the media [annually]

[As needed]

- Test drive/ride event for the media
- Product launch press conference
- Hosting ESG events
- Issuing press releases
- Media interviews
- Certifications and audits

At the end of 2023, CMC hosted the "HOME RUN Little League CMC Cup" baseball game at Tafalong Elementary School in Hualien County, inviting three youth baseball teams, CMC employees, and automotive media partners to participate. The event featured YouTube star Teacher Chiang (@teacherchiang) as the opening guest, and a "Mountain Music Concert" was held by Taiwanese vocalist Grace Lin, allowing the children to enjoy professional-grade musical feast alongside their competition. In addition to media test drives (rides), product innovation, and launch press conferences, CMC collaborates with the media through diverse activities to support Taiwanese youth baseball, fostering deeper communication and cooperation with media partners. This demonstrates CMC's emphasis on media relations and maintaining positive, stable connections.

--- Media



## 1.2.4 Material Topic Identification and Matrix Analysis



CMC identifies potential material issues by referencing international sustainability standards and regulations, the UN SDGs, responsible investment principles, industry trends, and stakeholder interactions. These issues are narrowed down into 23 sustainability topics, which are further analyzed for their impacts.

## Sources of Sustainability Issues

|  |                                                                                                                                                                                                                                                                                                                                                                                                             |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <b>International Sustainability Standards and Regulations</b><br>We reference GRI Sustainability Reporting Standards, Responsible Business Alliance (RBA), Task Force on Climate-related Financial Disclosures (TCFD), Task Force on Nature-related Financial Disclosures (TNFD), Carbon Disclosure Project (CDP), and Science Based Targets initiative (SBTi) for international sustainability guidelines. |
|  | <b>Sustainable Development Goals (SDGs)</b><br>Evaluating the 17 goals and 169 targets of SDGs to identify actions CMC can contribute to.                                                                                                                                                                                                                                                                   |
|  | <b>Responsible Investments</b><br>Referencing rating indices such as MSCI ESG Leaders Indexes and Sustainability Accounting Standards Board (SASB).                                                                                                                                                                                                                                                         |
|  | <b>Industry Development Trends</b><br>Referring to sustainability concerns from global leaders, Taiwan-based peers such as Hota Motor, and cross-industry benchmarks like Taiwan Cement and ASUS.                                                                                                                                                                                                           |
|  | <b>Stakeholder Concerns</b><br>Issues of concern to employees, suppliers, dealers, government agencies, customers, shareholders, industry associations/nonprofits, and the media.                                                                                                                                                                                                                           |

## Sustainability Topics

|  |                                                                                                                                                                                                                                                                                                                                                               |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <b>Enhancing Corporate Governance</b> <ul style="list-style-type: none"> <li>Economic performance and profitability</li> <li>Customer privacy</li> <li>Customer relationship management</li> <li>Ethical management and legal compliance</li> <li>Anti-corruption and anti-competition</li> <li>Whistleblower system</li> <li>Information security</li> </ul> |
|  | <b>Resource Circulation Management</b> <ul style="list-style-type: none"> <li>Waste discharge management</li> <li>GHG management</li> <li>Energy management</li> <li>Climate change</li> <li>Water resource management</li> <li>Use of renewable energy</li> </ul>                                                                                            |
|  | <b>Product Innovation and Application</b> <ul style="list-style-type: none"> <li>Product safety and quality management</li> <li>Product and service innovation</li> <li>Low-carbon products and services</li> </ul>                                                                                                                                           |
|  | <b>Strengthening Value Chain Integration</b> <ul style="list-style-type: none"> <li>Sustainable supply chain</li> <li>Business continuity management</li> </ul>                                                                                                                                                                                               |
|  | <b>Sustainability for Collective Good</b> <ul style="list-style-type: none"> <li>Talent recruitment and retention</li> <li>Safe workplace</li> <li>Collective bargaining</li> <li>Labor rights protection</li> <li>Community engagement</li> </ul>                                                                                                            |







### Impact Calculation Process

Following GRI Standards (2021) guidelines, CMC assesses the impact of 23 sustainability topics on the economy, environment, and human rights, both internally and externally. In internal evaluations, the impact index serves as the main assessment tool, considering stakeholder perspectives to understand CMC's external impacts.

#### Phase 1: Calculating Impact Index

CMC evaluates its daily operations and, by referencing sustainability trends, identified 23 sustainability issues that could have both positive and negative impacts. Each issue was assessed based on the severity and frequency of its impact. Additionally, an impact index was calculated for each topic, taking into account factors such as the scale of the impact, its scope, reversibility, and its effects on human rights.

#### Phase 2: Stakeholder Surveys and Analysis

CMC adopts "impact level" as the standard for evaluating the importance of issues. Key stakeholders closely interacting with CMC are surveyed to ensure sufficient understanding of the Company's impacts. This year, CMC collected 78 stakeholder surveys, and through quantitative analysis, assessed the importance and impact level of each issue, identifying potential sustainability issues and management strategies.

### Explanation of Changes to Sustainability Issues

|   | 2023 Sustainability Issues | Explanation of Changes to Sustainability Issues | 2023 Topic Adjustments and Explanations                                                                                                                                                                                                                    |
|---|----------------------------|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Information security       | Newly Added Issues                              | This issue was newly disclosed in 2023. Due to a cyberattack on the information system, which caused partial production line shutdowns, the cross-department ESG team discussed and adjusted this issue to be a high-priority material topic for the year. |

#### Adoption

Opinions closely related to CMC were adopted as a reference for identifying material topics.

#### Questionnaire Surveys

A comprehensive review of stakeholders' perspectives, including their background and observations.

#### Analysis

Quantification of stakeholder opinions, ensuring alignment and differences in perspectives on CMC are identified.

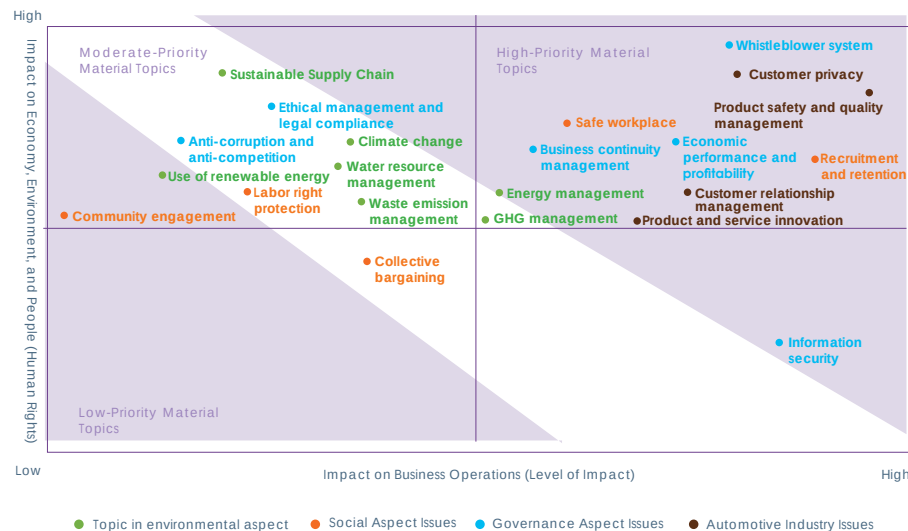


In line with the principles of the updated GRI Standards (2021), CMC conducts a cross-analysis matrix on 23 sustainability issues based on their impact on the economy, environment, and human rights, as well as the degree of impact on the Company's operations. The result is the creation of CMC's Materiality Matrix. CMC develops sustainability strategies and regularly reviews performance and goal achievement. Through internal validation and independent third-party verification, the reliability of performance results is enhanced. Based on the management approach for material topics, performance management metrics are set to track progress and confirm alignment with sustainability principles. CMC defines topics with pronounced impacts on operations, the economy, environment, and people as "high-priority material topics."

**Definition of Materiality and Management Strategies**

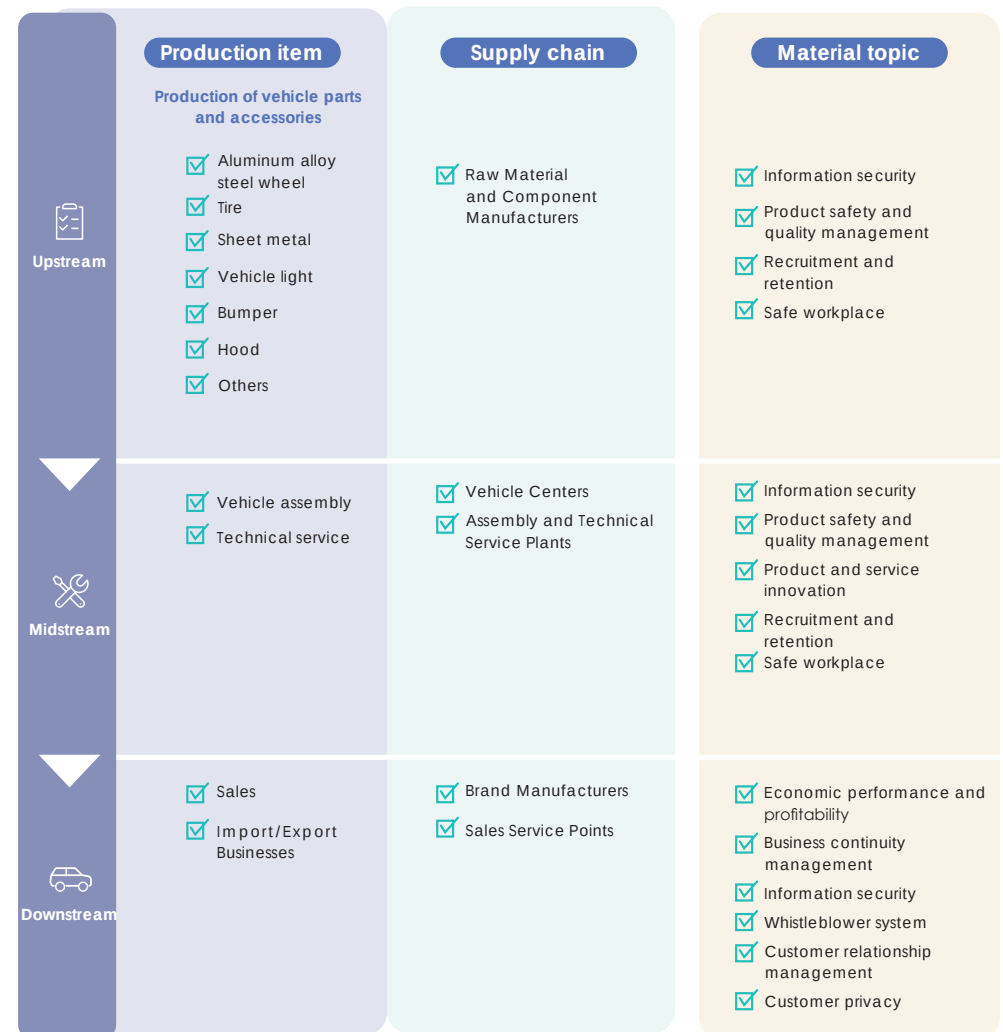
- High-Priority Material Topics: Set goals and monitor regularly.
- Moderate-Priority Material Topics: Establish management policies, with designated units responsible for oversight.
- Low-Priority Material Topics: Limited short-term impact, with continued observation.

Based on the calculated impact index and stakeholder engagement results, CMC selected and confirmed 10 material topics for this year.



### 1.2.5 Material Topics and the Automotive Value Chain

In the global wave of climate change, automotive industries and supply chains worldwide are actively transitioning toward low-carbon operations. As a benchmark in Taiwan's automotive manufacturing industry, CMC collaborates with different value chain suppliers across upstream raw material and component manufacturers, midstream vehicle assembly centers and technical service factories, and downstream brand manufacturers and sales service points. CMC focuses on evaluating the environmental and social impacts of the automotive value chain and aligning these with material topics. By fostering close cooperation with value chain suppliers across all levels, CMC strives toward sustainable development and aims to enhance the sustainable competitiveness of Taiwan's automotive manufacturing sector.



### Review of Impact Boundaries

Following benchmarks from domestic and international peers and sustainability trends, CMC identified 23 sustainability issues. These were further analyzed and consolidated based on feedback from the ESG Committee. This year, 10 material topics were identified and evaluated for their significance to operations and their impact on CMC's industrial value chain, as outlined below.

### Impact Hotspots and Explanations on the Value Chain

| Material topic                         | Company Operations | Upstream                                        | Downstream       | Downstream                 | Description                                                                                                                                                                                                                                                            | Contributions to SDGs                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------|--------------------|-------------------------------------------------|------------------|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                        |                    | Raw Material Procurement/ Product Manufacturing | Use by Customers | Recycling and Regeneration |                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                 |
| Product safety and quality management  | ○                  | ○                                               | ○                |                            | CMC has established a comprehensive product quality management system to ensure stable safety and reliability, reducing risks associated with product use and ensuring that all products meet relevant regulations, standards, and customer expectations.              |                                                                                                                                                                           |
| Customer privacy                       | ○                  |                                                 | ○                |                            | CMC maintains high-standard information security systems, ensuring customer privacy is safeguarded, and all protective measures are fully implemented to protect the trust customers place in us.                                                                      |                                                                                                                                                                                                                                                              |
| Whistleblower system                   | ○                  | ○                                               | ○                |                            | CMC has implemented a robust and protective whistleblower system that encourages employees to report illegal activities in Company operations, enhancing corporate integrity and promoting transparency.                                                               |                                                                                                                                                                                                                                                              |
| Recruitment and retention              | ○                  |                                                 |                  |                            | Employees are CMC's greatest asset. The Company provides a well-rounded promotion system and salary benefits to attract top talent and foster solidarity within the Company for mutual success.                                                                        |     |
| Safe workplace                         | ○                  | ○                                               |                  |                            | CMC prioritizes employee occupational safety and health, believing that taking care of employees' health is key to improving productivity and solidarity within the Company.                                                                                           |                                                                                        |
| Economic performance and profitability | ○                  |                                                 |                  |                            | Through diversified operations and proactive business development, CMC maintains stable profitability and a healthy company structure. Each year, CMC steadily increases vehicle sales, enhancing the Company's competitiveness and operational performance.           |                                                                                                                                                                                                                                                             |
| Information security                   | ○                  | ○                                               | ○                | ○                          | CMC has established a robust information security system to prevent operational disruptions during unexpected incidents, ensuring the stability and safety of business operations and strengthening trust with customers and shareholders.                             |                                                                                                                                                                       |
| Customer relationship management       | ○                  |                                                 | ○                |                            | By listening to real customer feedback and regularly gathering opinions, CMC values every suggestion customers offer, maintaining a positive two-way interaction with customers.                                                                                       |                                                                                                                                                                                                                                                            |
| Business continuity management         | ○                  | ○                                               | ○                | ○                          | CMC formulates effective strategies for how various departments and decision-makers should respond to different disasters and crises, minimizing losses and avoiding operational disruptions, thereby increasing the Company's competitiveness.                        |                                                                                                                                                                                                                                                            |
| Product and service innovation         | ○                  | ○                                               | ○                | ○                          | CMC continually advances its product development, responding to changes in the automotive market and aligning with energy-saving trends. The company regularly launches new energy vehicles to meet customer needs through innovative technologies and services.       |                                                                                                                                                                       |
| Climate change                         | ○                  | ○                                               |                  | ○                          | Greenhouse gas emissions from product manufacturing contribute to global warming. CMC has developed internal climate response policies and collaborates with suppliers on low-carbon transitions, offering customers a diverse range of green products to choose from. |                                                                                  |



## 1.2.6 Management Approach and Forward-Looking Goals



| Management approaches                                                                                                                 | Our Management Commitment                                                                                                                                                                                                                                                                                                            | Goal Progress                                                                                                                                                                                                                                                                                                                                                    | Action Performance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Management and Improvement Mechanisms                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>Product safety and quality management</b></p> | <p>Product safety and quality are CMC's top priorities. We conduct thorough and rigorous checks on every product before it leaves the factory, including parts, complete vehicles, and after-sales quality assurance, ensuring that vehicle quality standards and customer requirements are met.</p>                                 | <p><b>Short-term</b><br/>The quality control process will shift from paper-based to tablet-based systems, extending to material inspection and vehicle preparation areas.</p> <p><b>Medium to long-term</b><br/>Ensure that part delivery quality remains unaffected, and continue using computerized counting mechanisms to maintain zero-error deliveries.</p> | <ul style="list-style-type: none"> <li>Implement a parts development management system to oversee the development of parts and components for new models, integrating with related systems to enhance management and work efficiency.</li> <li>Promote smart factory management by building a production and operations platform to manage six operational dimensions.</li> <li>Introduce the MG brand: all three models in the HS series have met their quality targets.</li> <li>Establish a digital quality control information system to improve work efficiency, apply big data, and visualize charts.</li> <li>Conduct risk and ESG sustainability audits for 114 suppliers.</li> </ul> | <ul style="list-style-type: none"> <li>Suppliers can have real-time discussions with CMC through the 4M change system for immediate feedback and control of quality issues.</li> <li>Issue SQA notifications via the SCM platform, informing suppliers or client contact windows of quality updates.</li> <li>Each supplier has implemented "Special Quality Control Measures in Response to the Pandemic."</li> <li>Using the "Horizontal Deployment Confirmation Improvement Form," suppliers' execution results are reviewed. If unsatisfactory, corrective measures must be taken and completed within the designated timeframe.</li> </ul> |
|  <p><b>Customer privacy</b></p>                    | <p>To strengthen personal data protection, CMC has conducted a comprehensive review of all systems involving personal data, implementing source management to ensure the protection of all data used. CMC has also established a "Personal Data Protection Committee" to ensure the proper management of personal data security.</p> | <p><b>Short-term</b><br/>CMC requires dealers to incorporate personal data protection into standard vehicle delivery procedures (SOP).</p> <p><b>Medium to long-term</b><br/>Continue strengthening personal data security through education and training to raise employee awareness on this issue.</p>                                                         | <ul style="list-style-type: none"> <li>Before vehicle delivery, the customers are required to sign the agreement that they authorize the Company to use their personal information</li> <li>In each department, the access to the customer information is limited to the approved sales-related personnel only</li> <li>Customer data will be regularly deleted after use.</li> </ul>                                                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>Through new car training, we educate the dealers about how to explain our key personal information protection policies to car buyers and require them to stick to the procedures</li> <li>We arrange personal information security education and training led by our in-house instructors on an annual basis, and periodically require all employees to take the online courses on Personal Data Protection Act designed by the Company, or disseminate information through the courses</li> </ul>                                                                                                       |

| Management approaches                                                                                              | Our Management Commitment                                                                                                                                                                                                                                                                                                                                           | Goal Progress                                                                                                                        | Action Performance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Management and Improvement Mechanisms                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <b>Whistleblower System</b>      | CMC is committed to protecting the rights of employees and external parties to report illegal activities within the company. A comprehensive whistleblower system has been established to strictly protect whistleblowers' privacy and encourage both internal and external individuals to report misconduct, promoting transparency and enhancing CMC's integrity. | <b>Short-term</b><br>Improve the current internal and external reporting processes to enhance anonymity and security.                | <ul style="list-style-type: none"> <li>Setup of "Whistleblowing Section" on our official website as a control mechanism for stakeholders to make reports</li> <li>Hotline/mailbox/employee survey, etc. are channels provided to ensure the smooth communication with employees</li> <li>CMC has set up the sections of "CSR," "Stakeholders" and "Ethical Management" on its ESG website to facilitate the communication with stakeholders</li> <li>All new employees receive training on "Ethical Management."</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>Regularly hold "Integrity and Compliance Management Committee" meetings, enforcing integrity policies.</li> <li>Disclose ethical management policies, Ethical Corporate Management Best Practice Principles, and compliance progress reports on the Company website and the Market Observation Post System (MOPS), along with corporate governance and sustainability operation reports.</li> </ul>                                                                       |
|  <b>Recruitment and retention</b> | Employees are CMC's most valuable asset. We focus on promoting the diverse development of our colleagues, improving retention rates, and recruiting top industry talent to ensure production efficiency.                                                                                                                                                            | <b>Short-term</b><br>Create diverse channels to recruit suitable talent, increasing the retention rate of new employees.             | <ul style="list-style-type: none"> <li>In 2023, internal employees recommended 120 new hires, with a retention rate of 77%. A total of NTD 450,000 in referral bonuses were awarded.</li> <li>For the first time in 2023, a department talent recommendation point-based activity was held, awarding NTD 90,000 in bonuses.</li> <li>In 2023, we collaborated with five vocational high schools, organizing vehicle-related courses to introduce students to new vehicle technologies and the car development process.</li> <li>Held "Anchor Program" activities at Chien Hsin University of Science and Technology and Nangang Vocational High School, using courses and practical operations to enhance students' EV repair skills.</li> <li>Supported the government's Youth Employment Navigation Program.</li> </ul>                                                                                                                           | <ul style="list-style-type: none"> <li>Provided diverse welfare measures such as social activities, wellness programs, and various employee clubs.</li> <li>Established a sound employee pension system.</li> <li>Promoted the "Zero Limits Development" plan, extending the career life of middle-aged and senior employees.</li> <li>Established a diverse vacation system, including summer holidays, volunteer leave, extended paternity leave, and pandemic leave.</li> </ul>                               |
|  <b>Safe workplace</b>          | CMC actively implements occupational safety and health management, ensuring the health and safety of its employees, fostering unity and loyalty to the Company.                                                                                                                                                                                                     | <b>Short-term</b><br>Implement the "Occupational Safety and Health Policy" to ensure a safe and healthy workplace for all employees. | <ul style="list-style-type: none"> <li>Reduce the burden of childcare for employees by providing a supportive environment for raising families:               <ol style="list-style-type: none"> <li>Increase childcare subsidies for 0-2-year-olds to NTD 24,000 per year; seven employees applied in 2023.</li> <li>Raise kindergarten tuition subsidies, with almost no burden on employees after deducting government childcare subsidies. In 2023, 77 employees and 90 children benefitted, with subsidies amounting to NTD 24,600 per year.</li> </ol> </li> <li>Strengthen the Employee Assistance Program (EAP), offering one-on-one counseling to help employees with legal, transportation, and other issues. The usage of EAP channels significantly increased, with 166 employee consultations (via the 0800 hotline, email, and expert consultations) reported in 2023, a 11.3-fold increase compared to the previous year.</li> </ul> | <ul style="list-style-type: none"> <li>Renovate and upgrade teaching environments, providing employees with quality educational spaces.</li> <li>Offer a diverse welfare policies, including all-encompassing home care.</li> <li>Improve employee dormitories and activity centers, providing rest spaces for single employees and their families after work.</li> <li>Promote gender equality in organizational decision-making, increasing the influence of female employees in welfare decisions.</li> </ul> |

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| Management approaches                                                                                                                  | Our Management Commitment                                                                                                                                                                                                                                                     | Goal Progress                                                                                                                                                                                                                                                                                                                                         | Action Performance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Management and Improvement Mechanisms                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>Economic performance and profitability</b></p> | <p>Maintaining the steadiness and growth of economic performance is our fundamental commitment to the shareholders. Through diversified operation and innovative R&amp;D, we expand the market, increase the sales, and pursue the sustainable development of the Company</p> | <p><b>Short-term</b><br/>Progressive release of facelift and special edition models and integration/strengthening of dealer networks to meet consumer demand.</p> <p><b>Medium to long-term</b><br/>Through diversified operations, CMC aims to expand into domestic and international markets, pursuing operational stability and profit growth.</p> | <ul style="list-style-type: none"> <li>In 2023, consolidated operating revenue reached NTD 38.507 billion, with net income for the period at NTD 5.652 billion, and consolidated EPS hit NTD 10.36, a record high for CMC.</li> <li>Sales of four-wheeler vehicles in 2023 amounted to 52,783 units.</li> <li>Total sales of four-wheeler vehicles in 2023 reached NTD 28.37 billion.</li> <li>MG, a newly introduced brand in its second year, exceeded sales of 13,791 units in 2023.</li> </ul>                                                                                                        | <ul style="list-style-type: none"> <li>Hold annual general shareholders' meetings and publishes annual reports.</li> <li>CMC holds quarterly investor conferences and accepts visits from institutional investors from time to time.</li> <li>Regularly monitor exchange rate fluctuations, adopting prudent hedging policies.</li> <li>Maintains close interactions with multiple financial institutions to secure optimal financing and deposit rates.</li> <li>Regular evaluations ensure that the Company's cash flow is sufficient to support operational needs. Several financial institutions provide credit lines to ensure there is no liquidity risk.</li> <li>CMC assigns personnel to closely monitor tax law changes, researching and developing response strategies to ensure tax compliance and maximize tax incentives.</li> </ul> |
|  <p><b>Information security</b></p>                   | <p>We have established the highest standard of information security systems to prevent operational disruptions due to external network attacks or other information-related risks, ensuring smooth and stable operations.</p>                                                 | <p><b>Short-term</b><br/>Establish an information security system to prevent operational interruptions and provide relevant security education and training.</p> <p><b>Medium to long-term</b><br/>Gradually improve the information security system and continuously enhance security measures.</p>                                                  | <ul style="list-style-type: none"> <li>Certified with ISO 27001 Information Security Management.</li> <li>Strengthened anti-hacking defenses by introducing real-time monitoring systems, Mail ATP, and AD Protect, enhancing overall security.</li> <li>Conducted information security training courses and seminars to raise employee awareness.</li> <li>Regular reviews of network bandwidth, system and equipment vulnerability scanning, and virus definition updates for antivirus software.</li> <li>Held social engineering (phishing email) drills and backup restoration exercises.</li> </ul> | <ul style="list-style-type: none"> <li>Designated a Chief Information Security Officer and two dedicated information security personnel.</li> <li>Established an information security reporting platform, with security alerts issued as needed.</li> <li>Planned regular security education training and defense drills.</li> <li>Enhanced protective technology, including MxDR services for 24/7 anomaly alerts, and installed internal firewalls.</li> <li>Held information security review meetings and executed the PDCA cycle for continuous improvement.</li> </ul>                                                                                                                                                                                                                                                                        |
|  <p><b>Customer relationship management</b></p>     | <p>We thoroughly understand consumer motivations for purchasing vehicles and listen to their feedback to fully meet their usage needs. CMC is committed to protecting customer rights and improving satisfaction.</p>                                                         | <p><b>Short-term</b><br/>Enhance the professionalism of sales representatives, with SSI inspection and certification for sales representatives achieving a mystery shopper compliance rate of over 95%.</p> <p><b>Medium to long-term</b><br/>Enhance service quality and maintain positive interactions with customers.</p>                          | <ul style="list-style-type: none"> <li>Regular online surveys expand the sample size for market research, gathering data on new car sales satisfaction.</li> <li>Authorized service centers address customer complaints, resolving issues to eliminate dissatisfaction.</li> <li>Introduced a service app for existing brands to provide customers with a transparent, fast, and consistent maintenance experience, ensuring uniform service quality across all locations.</li> </ul>                                                                                                                     | <ul style="list-style-type: none"> <li>Allocated a portion of the budget as a customer satisfaction bonus to incentivize salespersons.</li> <li>Weekly post-maintenance customer satisfaction surveys; monthly reviews of the bottom 2 service centers in terms of CSI scores, requiring them to present improvement reports to headquarters.</li> <li>The 0800 Customer Care Center handles customer inquiries and complaints online.</li> <li>Weekly surveys monitor customer satisfaction with maintenance services.</li> </ul>                                                                                                                                                                                                                                                                                                                 |

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| Management approaches                                                                                                          | Our Management Commitment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Goal Progress                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Action Performance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Management and Improvement Mechanisms                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>Business continuity management</b></p> | <p>We have formulated comprehensive response measures to prevent disruptions to company operations due to natural disasters or other unexpected incidents, ensuring stability and integrity.</p>                                                                                                                                                                                                                                                                                                                                  | <p><b>Short-term</b><br/>Collaborate with departments to develop disaster response plans to avoid operational interruptions.</p> <p><b>Medium to long-term</b><br/>Develop a comprehensive and implementable business continuity strategy with regular drills and training.</p>                                                                                                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>Completed the evaluation and renewal of business interruption insurance.</li> <li>Conducted four typhoon preparedness drills in 2023, mitigating inventory risk by notifying suppliers in advance (risk information was posted on the SCM platform or emailed as a reminder).</li> <li>Production departments monitor typhoon impacts to reduce potential losses.</li> <li>In 2023, the Environmental Management, Occupational Safety &amp; Health Division completed environmental safety guidance for four companies according to the plan, including Tai Yue Electric, Taiwan Auto Air, Uni-Calsonic Corp., and Taigene. A total of 44 deficiencies were identified, all of which have been rectified.</li> </ul>                               | <ul style="list-style-type: none"> <li>Assessed and updated business interruption insurance coverage and processed renewals.</li> <li>To mitigate supply chain disruption risk, CMC continues to introduce high-quality replacement suppliers and monitor supplier operations, requiring enhanced fire and flood prevention measures.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                 |
|  <p><b>Product and service innovation</b></p> | <p>To comply with domestic and international environmental regulations and adapt to global trends, CMC is actively transforming, continuously expanding its commercial vehicle business and innovating in the "new energy vehicle business." We have completely transformed the traditional mindset of automobile manufacturing with the vision of "CMC as a Service" for digital transformation. This approach offers new conveniences and power, delivering high-quality products that carry happiness and convey emotions.</p> | <p><b>Short-term</b><br/>Establishing a more robust management mechanism for sustainability, intellectual property, and patent protection ensures that CMC remains compliant with evolving domestic and international regulations while continuously innovating and expanding the new energy vehicle business.</p> <p><b>Medium to long-term</b><br/>Actively promote research, development, and investment in the new energy vehicle business, CMC aims to become a leader in the NEV automotive sector while continuing the "CMC as a Service" digital transformation, providing innovative and high-value products and services.</p> | <ul style="list-style-type: none"> <li>Developed a 3.5-ton electric light truck in line with the future net-zero emissions trend, completed in 2023.</li> <li>Increase overall vehicle fuel efficiency by more than 26.1%, further promoting green transportation.</li> <li>Completed development of electric vehicle models, including the introduction of the new Bobe mini-electric two-wheeler in Green Island, providing 30 units for snorkeling operators. The performance and range meet the island's terrain requirements, promoting low-carbon travel on Green Island.</li> <li>Continuing the MG brand strategy of introducing one new domestic car per year, with plans to launch a domestically produced electric vehicle in 2024 to expand the brand's influence.</li> </ul> | <ul style="list-style-type: none"> <li>Established the "CMC Trade Secret Management Regulations" to govern the confidentiality of commercial development and related patent applications.</li> <li>Conducted result assessments and proposed improvement strategies based on vehicle model development systems.</li> <li>Actively promoted ISO 14001 certification for suppliers, regularly held collaboration member meetings to communicate energy vehicle plans, and actively explored cooperation opportunities.</li> <li>Regularly conducted confidentiality training for high-risk employees, established access control and monitoring systems, and provided security management recommendations to suppliers.</li> </ul> |

| Management approaches                                                                                          | Our Management Commitment                                                                                                                                                                                                                                                                                                                                                                                                                                           | Goal Progress                                                                                                                                                                                                                                                                                                                                                                   | Action Performance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Management and Improvement Mechanisms                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>Climate change</b></p> | <p>CMC is committed to maintaining stable manufacturing quality while facing the challenges of climate change by actively participating in carbon reduction efforts and enhancing safety measures to reduce disaster risks. CMC has adopted the 2050 net-zero carbon emissions target, ensuring compliance with national policies and environmental regulations, contributing to social and environmental sustainability, and protecting the Earth's ecosystem.</p> | <p><b>Short-term</b><br/>Promote in-house solar photovoltaic power generation facilities and ISO 50001 energy management systems, continuously expanding the calculation of product carbon footprints.</p> <p><b>Medium to long-term</b><br/>Achieve solar photovoltaic power self-sufficiency and green energy transformation following the net-zero carbon emission plan.</p> | <ul style="list-style-type: none"> <li>Conduct beach clean-ups, stream clean-ups, and mountain clean-up activities to engage in sustainable environmental action.</li> <li>Install drainage facilities on factory inspection lines to prevent valuable equipment damage during natural disasters.</li> <li>Promoted solar energy projects, including the first phase of solar power generation for self-use at the Yangmei Plant in 2023.</li> <li>Plan the development of EV products in response to the low-carbon product trend brought by climate change.</li> <li>Establish a dedicated department to promote ESG and carbon reduction initiatives, committing to net-zero carbon emissions by 2023, completing the SBTi science-based carbon reduction target commitment, and introducing the ICP internal carbon pricing management system.</li> <li>Actively apply for subsidies from the Ministry of Economic Affairs to support electrification policies.</li> </ul> | <ul style="list-style-type: none"> <li>Install flood gates to protect vehicles from damage caused by floods in factory areas.</li> <li>Continue promoting energy-saving and water-saving projects in factory plants.</li> <li>Increase pre-production vehicle testing and solution costs to avoid higher vehicle failure rates due to extreme cold or heat.</li> <li>Provide repair services or discount programs for vehicle replacement for stakeholders impacted by typhoons.</li> <li>Continue planning for an environmental ecological education park.</li> </ul> |

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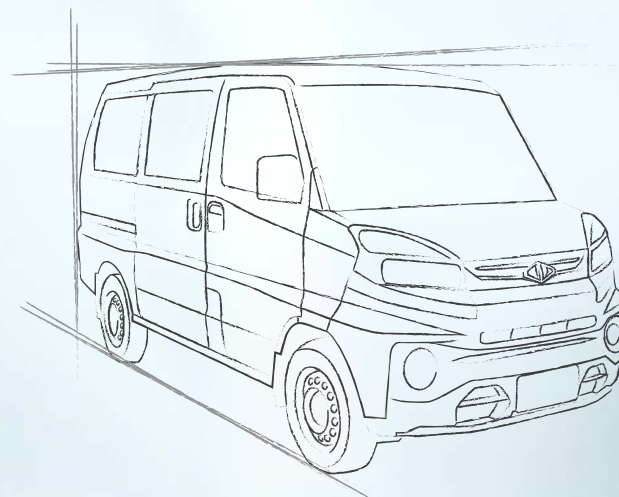
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Appendix

## 2 Innovative Technologies and Forward-Looking Value



- 2.1 Digital Transformation: Developing Innovative Business Models
- 2.2 Visionary Technology: Creating Safe and Comfortable Products
- 2.3 Sustainable Manufacturing: Advancing Towards Digitalized Production Lines
- 2.4 Enduring Co-Prosperity: Partnering with Suppliers for Sustainability
- 2.5 Diverse Marketing: Collaborating with Dealers to Achieve Greater Success
- 2.6 Valued Services: Providing Reassuring, Quality Services







## Material topic



Product and service  
innovation



Customer  
Privacy



Customer  
relationship  
management



Product safety and  
quality management



## Core Vision and Commitment

To align with market trends and the importance of global low-carbon transportation development, CMC remains steadfast in its commitment to continuously invest resources in enhancing its technological standards and product innovation. We actively promote the upgrading of quality management, work hand-in-hand with our supply chain for a low-carbon transformation, and achieve sustainable prosperity by encouraging innovation from both internal and external partners. Our goal is to introduce more sustainable green energy products while integrating premium service experiences. We believe that by constantly meeting market demands and investing in product technology research and innovation, we are building a sustainable value chain for the automotive industry, positioning CMC as a leading player in the industry.



## Outcomes and Achievements in 2023



Launched the **ECLIPSE CROSS PHEV**, Taiwan's only plug-in hybrid electric vehicle (PHEV) with fast charging and all-wheel drive.



Total investment in innovative research and development in 2023 amounted to **NTD 1.546 billion**.



A cumulative total of **68** patents were obtained for vehicle motor and electronic system research and development.



Customer satisfaction survey scores averaged **995** points each month (out of a total of 1,000).



In 2023, **11,462** mini electric two-wheeler vehicles were registered, claiming the top market share.



The flagship replaceable battery white-plate vehicle model, EZ-R, was officially launched, achieving an energy efficiency of **23.8 km/per kWh**.



## Strategic Goal

### Short-term

- Continuously develop NEVs to boost technologies and expand the market.
- In alignment with government electrification policies, actively applying for subsidy programs while developing electric trucks and localized production.

### Medium-term

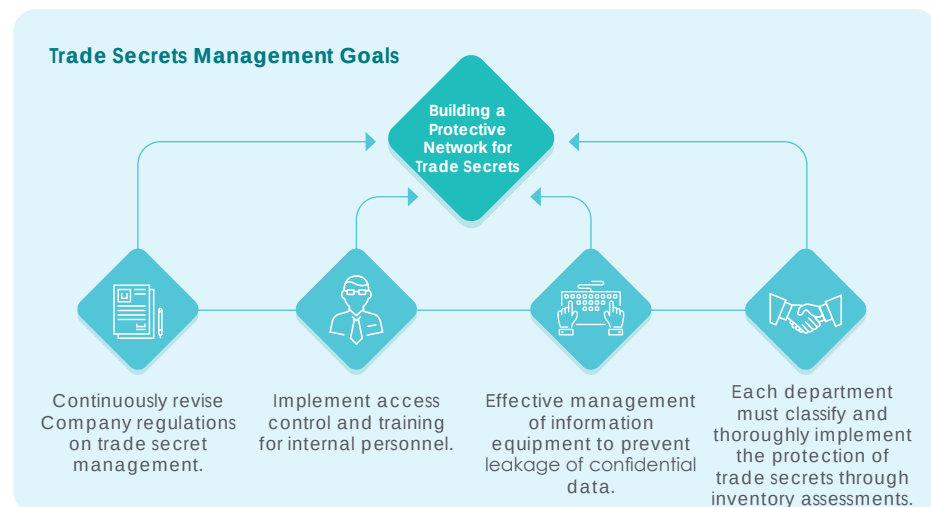
- Continuously introduce new energy vehicles, improving fuel efficiency for commercial vehicles, and actively developing new vehicle models.
- Collaborate with major logistics companies to apply for an electric logistics vehicle demonstration operation plan.

### Long-term

- Expand the scope of supply chain management, with the supplier information from up- and downstream supply chain combined for early detection of the controllable and uncontrollable factors
- Actively support the Taiwan government's goal of fully electrifying new motorcycles and cars by 2040 and achieving net-zero carbon emissions by 2050. Conducting thorough risk assessments and developing compliant and trend-responsive products.

## 2.1 Digital Transformation: Developing Innovative Business Models

### 2.1.1 Innovation Management



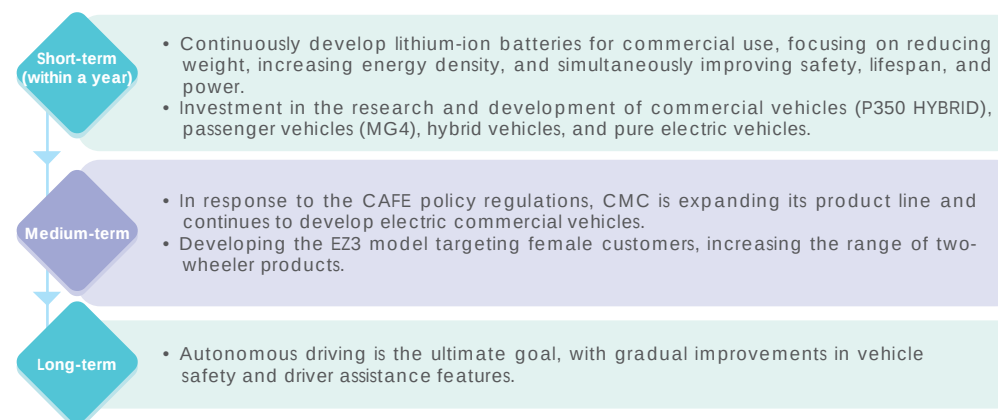
#### Strengthening Trade Secret Management and Revamping Legacy Regulations

In recent years, CMC has actively promoted awareness and understanding of intellectual property protection, gradually establishing trade secret management regulations. In 2020, CMC implemented a four-year management improvement plan, thoroughly reviewing all company management regulations, and setting intellectual property management policies and objectives. In 2022, the "CMC Trade Secret Management Regulations" were revised, with participation from the President and managers across all departments. External consultants were also invited to explain the importance of trade secrets, recent case studies, and the approach for establishing and promoting subsequent systems. In 2023, CMC completed a company-wide trade secret audit and established a trade secret inventory. Future plans include the development of a trade secret management mechanism checklist to ensure proper implementation of trade secret management.

#### Development Goals of Product and Technology Innovation

To align with the global green energy trend and Taiwan's implementation of the CAFE (Note 1) fuel economy standards in 2022, CMC has independently developed electric vehicles and hybrid vehicle models. In addition to launching new products to enter the standard heavy motorcycle market and enhance competitiveness in the scooter market, CMC introduced the new P350 hybrid truck in 2023, further boosting its competitiveness in the commercial vehicle sector.

Note 1: CAFE (Corporate Average Fuel Economy Standards) refers to the regulations on the total energy consumption management of automakers.



#### Continuous Training for Professional R&D Talents

CMC has been devoting efforts to R&D and innovation, and manufacturing products with professional precision technologies. In recent years, we have been aggressively training new tech talents of software and hardware as well as our internal R&D talents to increase our R&D capabilities and our competitiveness in the market. The training courses related to system R&D arranged in 2023 based on the electric scooter development trend is shown below.

| Technical and Professional Categories | Vehicle circuit design                                                                                                                                          | EV power supply                                                                                                                                                                | EV/charging system                                                                                                                                                                                                                                      | EV / Test bench design                                                                                                                                                          |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                       | <p><b>Name of course</b></p> <p>Application of Wire Harness and Fuses</p>  | <p><b>Name of course</b></p> <p>Development Trends of Solid-State Battery Technology</p>  | <p><b>Name of course</b></p> <ul style="list-style-type: none"> <li>Future Outlook on Charging Systems</li> <li>Introduction to EV Charging Interfaces</li> </ul>  | <p><b>Name of course</b></p> <p>DYNO Autonomous Driving System Design and Application</p>  |

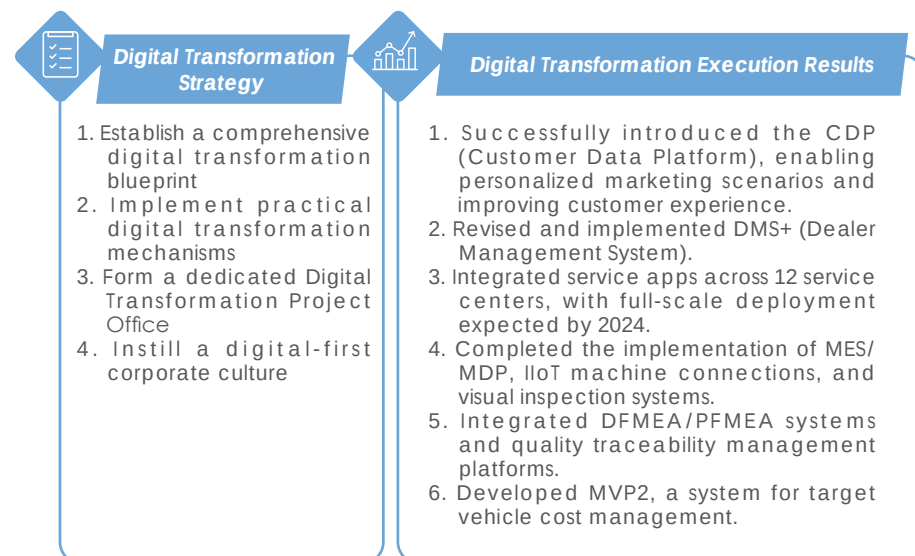
## Investment in Innovative Forward-Looking Technology R&D: Government-Supported Projects Spotlight CMC's Technical Capabilities

CMC's technical capabilities have been enhanced through R&D projects supported by the Ministry of Economic Affairs. These government-supported initiatives offer funding for research and development, encouraging enterprises to invest in technology innovation, which accelerates the development of emerging industries and promotes industrial upgrading.

### Key R&D Projects

- Independent R&D and mass production of 3.5-ton electric trucks
- Environmental Protection Administration - Subsidy for 2023 Waste Recycling Innovation and R&D Plan
- Electric Commercial Vehicles Development Plan (Whole Vehicle and Key Systems)
- Advanced Technology R&D for Electric Logistics Vehicles and Autonomous Driving Fleet Operations

## 2.1.2 Digital Transformation Blueprint

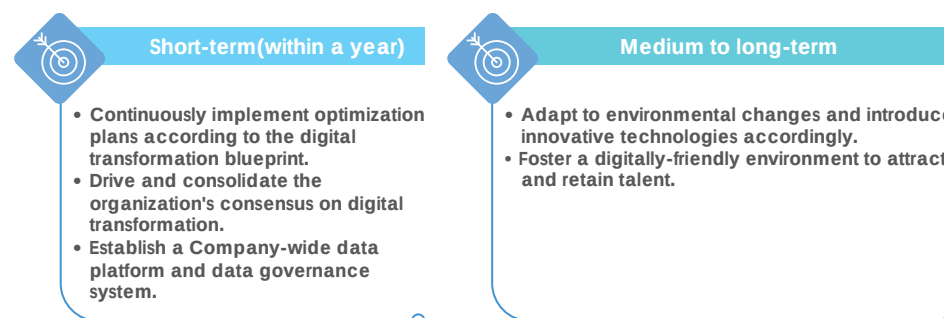


## Driving Digital Transformation

CMC has initiated its digital transformation by conducting a thorough resource audit and aligning with senior leadership, mapping out a digital transformation strategy unique to CMC. To better drive future digital transformation, CMC established a Digital Transformation Project Office in 2021. Looking ahead, we are embracing data to build an entirely new online and offline sales network. Externally, this will enhance our customer experience, while internally, various digital transformation projects will improve employees' digital work environment and promote an agile innovation culture. We will integrate the Internet of Things (IoT), cloud computing, big data analytics, and AI applications to explore new business models for the company and improve operational efficiency.

While exploring the opportunities and risks associated with digital transformation, CMC recognizes that new business models, ecosystems, or customer journey experiences might challenge the existing dealership system, potentially leading to resistance from dealers. However, with the introduction of new brands, CMC can move past the constraints of the current CMC/Mitsubishi brand structure. By focusing on the customer journey, we are fully planning to implement a digital system that seamlessly integrates online and offline experiences, delivering a fresh and enhanced customer experience to end consumers.

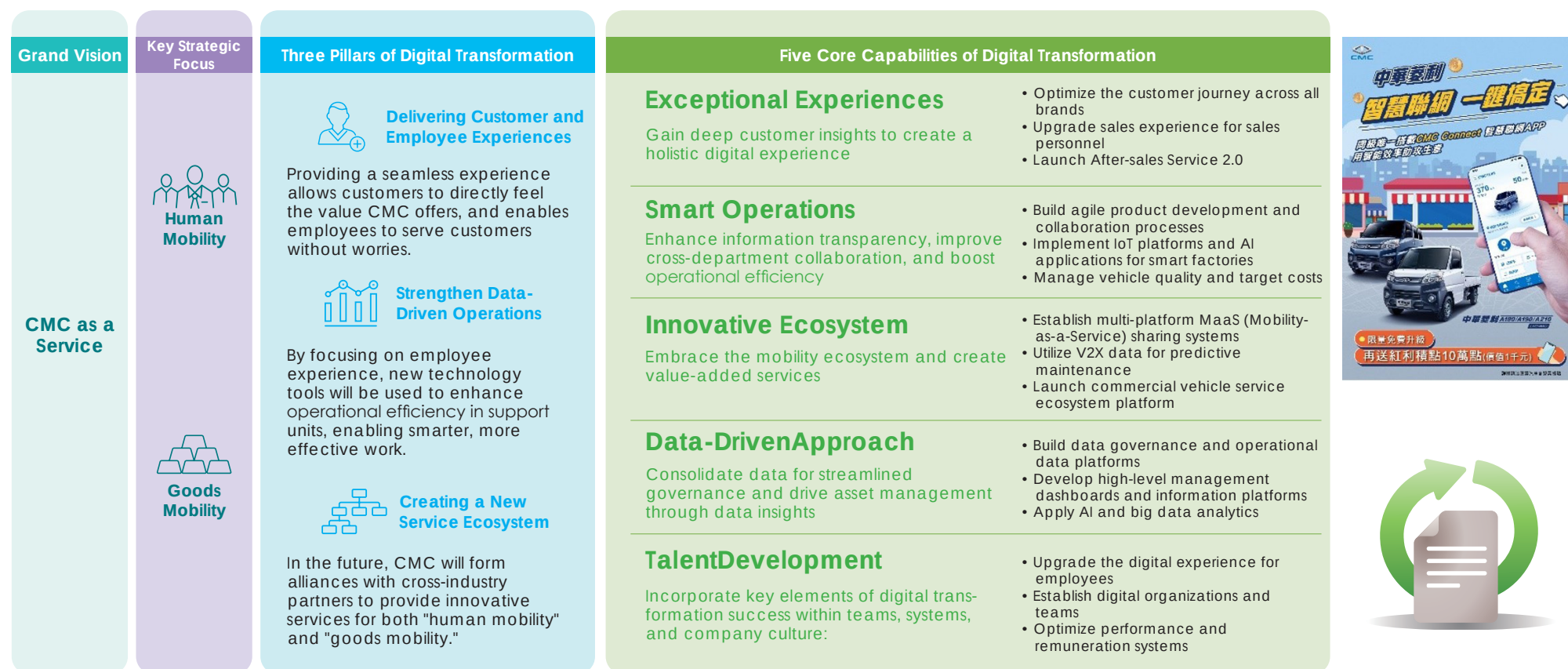
## Digital Transformation Goals





## Digital Transformation Vision

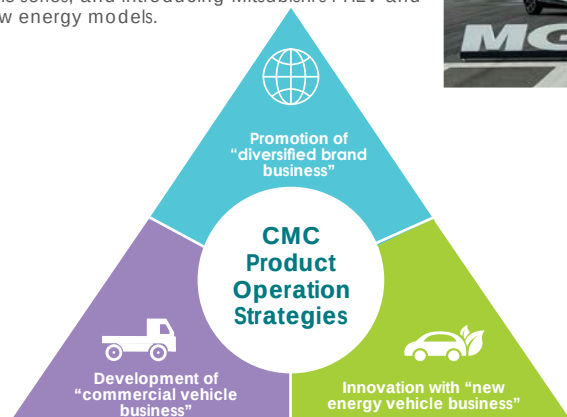
CMC is revolutionizing the traditional mindset of automotive manufacturing with a vision of "CMC as a service" for its digital transformation. We recognize that the future of the automotive industry is not solely about vehicle manufacturing; providing mobility services will become a key trend over the next decade. Therefore, when delivering products and services to customers, CMC is shifting away from the traditional manufacturing perspective. We will focus on two strategic pillars: "human mobility" and "goods mobility." The strategy aims to advance mobility services by focusing on three core areas: "enhancing customer and employee experiences," "strengthening data-driven operations," and "establishing a new service ecosystem."



## 2.2 Visionary Technology: Creating Safe and Comfortable Products

In 2023, the global automotive industry entered a new era, continuously evolving towards connectivity, intelligence, shared mobility, and electrification. CMC is devoted to meet the consumer demands and the market trends, and since the full electrification of vehicles for carbon emission reduction has been the current trend, the Company has been pursuing the goal of NEV development. Hence, we set the business goal of "transforming from internal practices to external implementations." With steady steps, we intend to foster the "diversified brand business," develop the "commercial vehicle business," and make innovations with the "new energy vehicle business." We will deploy the innovative commercial model by designing and developing products that have excellent quality and meet the market demand, and develop control processes based on the new models, progressively reaching the objectives of QG (quality gate) at every stage.

- Securing the import of popular overseas models to meet diverse consumer needs.
- Developing diverse brand businesses and actively seeking external partnerships, leveraging the MG brand's HS series, and introducing Mitsubishi's PHEV and other new energy models.



- Enhance the product lines of medium- and small-size and light commercial products, and independently develop new commercial vehicle appearance and power system to extend the product life cycle of the series
- Develop smart system and equipment to increase the comfort and safety of commercial vehicles
  1. Expanding with the new P350 hybrid commercial vehicle as a core product and introducing the 3.5-ton electric commercial vehicle.
  2. Localizing ADAS autonomous driving system specifications, with the system featured in CMC's new ZINGER model in 2023.
- Investing in the development of key technologies to enhance the performance of eMOVING electric two-wheelers and extend their range.
- Supporting the government's DMIT electric bus policy by expanding our vehicle product lineup.
  1. Independently develop four-wheeler electric vehicles, with the new e-VERYCA model launched in March 2023, significantly improving range.
  2. Expanding the electric two-wheeler product line with the "Diverse Energy Solutions" initiative, and launching the flagship EZ-R battery-swappable two-wheeler in August 2023.
  3. In 2023, 11,462 mini electric two-wheel vehicles were registered, claiming the top market share.

### 2.2.1 Forward-Looking Technology and Process Innovation

#### Provision of Products that Satisfy the Market Demands

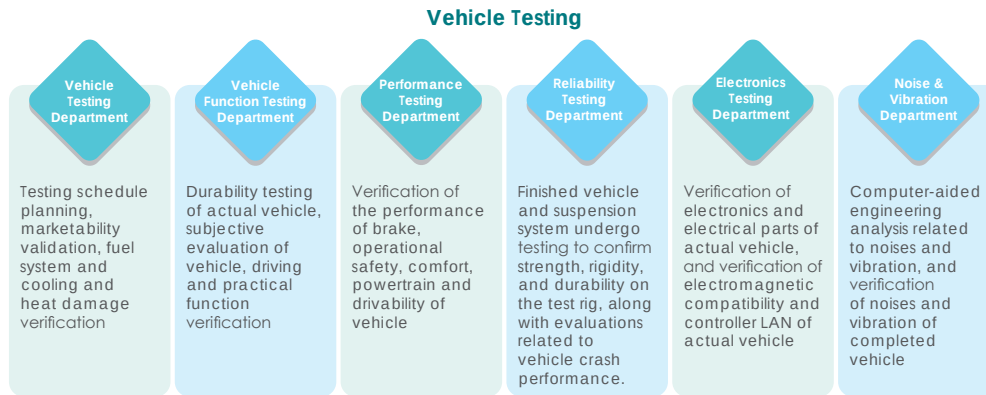
The innovation and development of new products are crucial for CMC to maintain profitability and ensure sustainable operations. CMC continuously invests resources into innovation and R&D, employing professional expertise to produce high-quality products. The R&D team focuses on various aspects of vehicle development, including body design, interior and exterior components, chassis, and parts. In collaboration with clients, the team conducts progress reviews and part installation trials. Each year, the R&D Department sets annual targets for new product and process development, adhering to a rigorous innovation process. Through consistent introduction of new products and technologies, CMC aims to maintain its foothold in an increasingly competitive market.

#### Product Development Strategies



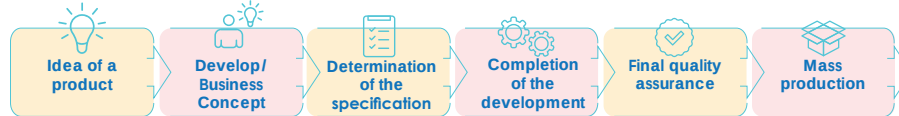
## Vehicle Trial and Testing

During the development of our new models, the following testing departments conduct vehicle tests of different aspects and phases to ensure product safety.



The investment in actual vehicle testing totaled **NTD63,550,000**

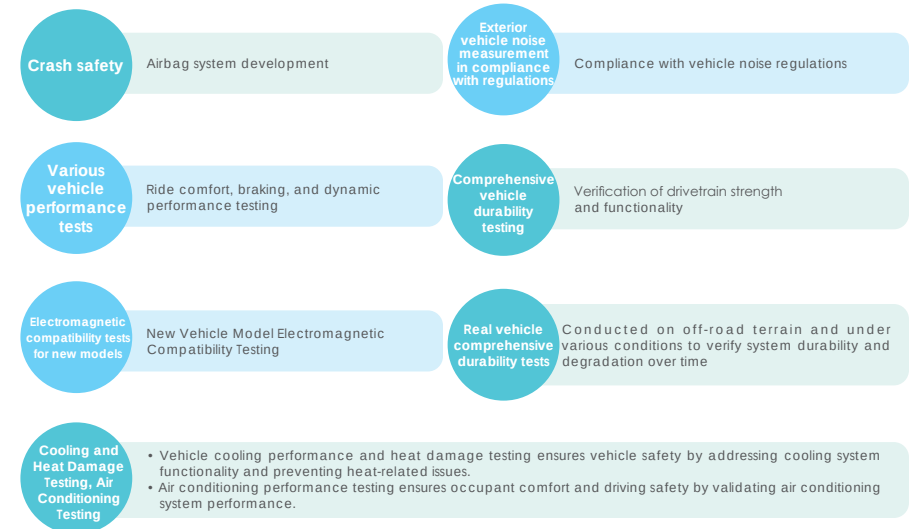
### CMC Product Development Process



In 2023, the total amount CMC invested in innovation and research and development (R&D) exceeded **NTD 1.546 billion**

Note: The source of the innovation and R&D expenditure is CMC's 2023 parent company only financial report.

## Real Vehicle Testing Projects



## 2.2.2 Low-Carbon Products and Diverse Development Strategy

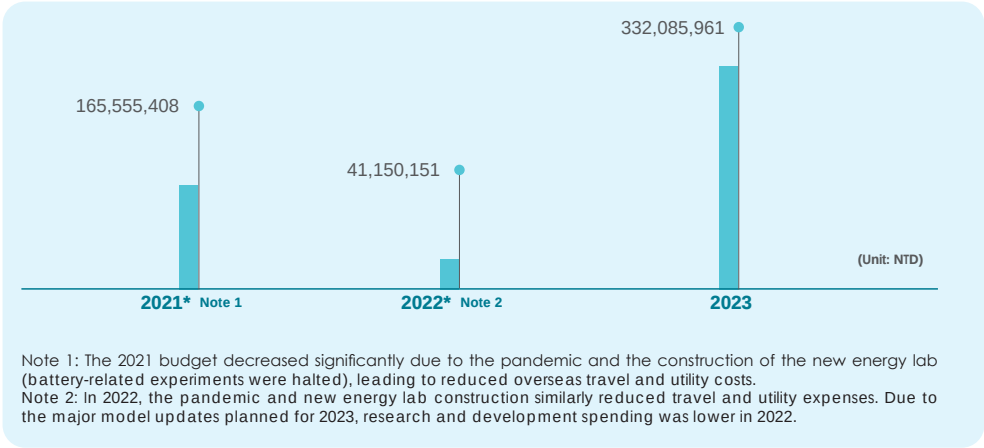
### Green Vehicle Development Roadmap

As the environmental protection policies are becoming stricter around the world, some of the international car manufacturers have announced full electrification as their future product plan. Taiwan's government has introduced numerous regulations to accelerate the development of the electric vehicle (EV) industry, making new energy vehicles (NEVs) the future trend. Seizing the business opportunity in NEV development is one of CMC's most critical business plans. NEV business development plans have thus been devised corresponding to the Company's three main future development strategies.



Vehicle Electric and Electronic System Development Budget

CMC has significantly invested in developing ADAS (Advanced Driver Assistance Systems) for models like the ZINGER, the P350 commercial hybrid vehicle, the MG4 passenger vehicle, and pure EVs. This increased investment enhances CMC's market competitiveness. Aside from commercial vehicles, CMC has achieved notable innovations in the eMOVING EZ-R e-scooter, completing the development of a rescue system in 2023. The system allows the scooter to connect with a smartphone, enabling it to enter anti-robbery mode and unlock the seat without a key. A patent application for this technology is currently in progress.



Patent  
Count

In 2023, CMC obtained **24** patents, bringing the total number of patents to **68** by the end of 2023.

Note: Patent statistics include cases where the patent rights have already expired.

Sustainability  
Commitment  
from the  
Chairperson

ESG  
Highlights

About CMC

Vision  
Blueprint for  
Corporate  
Sustainability

Innovative  
Technologies  
and Forward-  
Looking  
Value

Excellent  
Governance  
and  
Proactive  
Action

Circular  
Reduction  
and  
Safeguarding  
Environment

Safe  
Workplace  
and  
Outstanding  
Development

Giving Back  
to Society  
in Every Way  
Possible

Appendix

## Increasingly stricter energy policies in Taiwan

- The National Development Council established the "Taiwan's Pathway to Net-Zero Emissions in 2050" and the strategies thereof, the "Climate Change Response Act" is going to be developed, and the government of Taiwan is actively pursuing the goal of net zero carbon emissions by 2050.
- The Bureau of Energy has set stringent Corporate Average Fuel Economy standards (CAFE) of 20.9 km/l enforced from the year 2022 onwards.
- The Environmental Protection Administration has provided the sixth waste gas emission standards for gas-powered vehicles

## Three main NEV business development plans

## Diversified EV Brands

CMC introduced new products, such as the MG HS PHEV and Mitsubishi ECLIPSE CROSS PHEV, offering Taiwanese consumers a range of choices.

## Independent R&amp;D

The company is also developing lightweight commercial electric vehicles and diversified electric two-wheeler charging solutions.

- Development of 3.5-ton NEVs.
- Expanding the MG product line with the introduction of the MG4 EV.

## Development and modification of technologies and parts

To comply with stricter CAFE fuel standards, CMC has advanced fuel efficiency for various models, which will accelerate NEV development to meet green energy demands and soften the impact of fuel regulations.

## eMOVING Electric Two-Wheeler - A Green, Stylish Solution for Lightweight Travel

In 2010, CMC launched its own brand product, the "eMOVING Electric Two-Wheeler," leveraging extensive automotive manufacturing experience to develop electric two-wheelers and electric bicycles, thereby establishing key technologies for new energy vehicle development and officially making its foray into the green energy industry. CMC eMOVING became Taiwan's first vehicle manufacturer to pass the certification for a new model brand, simultaneously receiving authorization from the MOTC to conduct real-vehicle inspections and evaluations for newly produced mini electric two-wheelers.

In terms of the electric two-wheelers, apart from the existing development of fast charging and electric bicycles, the Company has been engaged in the collaboration with Gogoro for "multiple energy solutions," developing the three major energy systems to fully implement a diversified energy strategy. The cumulative number of registered mini electric two-wheelers reached 11,462 units, achieving a market share of 8.5%, making it the top-selling brand in Taiwan with remarkable results.

CMC eMOVING became Taiwan's first vehicle manufacturer to pass the certification for a new model brand, receiving authorization from the MOTC, and by the end of 2023, the cumulative number of registered mini electric two-wheelers had reached 11,462 units, continuing to hold the top market share of 8.5% in Taiwan.



## Multiple energy solutions

The eMOVING product line offers a variety of energy options, including home charging, fast charging, and battery swapping modes, catering to different customer usage scenarios.



## Contribution to energy conservation

The accumulated riding distance of the vehicle owners has exceeded 1 billion kilometers; 117,000 tCO<sub>2</sub>e of carbon emissions have been reduced, equivalent to the carbon absorption of Yushan National Park over six months.



## Ample product lines

Differentiated products are launched based on customer usage habits, needs, and demographics.



## Best business partners

Quality after-sales services for all conditions are available to properly meet the requirements of different business models



## GreenTrans AMR/AGV—The Backbone of Industry 4.0

CMC, with its strong technical team and years of design and development experience, launched the GreenTrans brand in 2010. Utilizing the precision of automotive manufacturing standards, GreenTrans designs and manufactures Autonomous Mobile Robots (AMR) and Automated Guided Vehicles (AGV), integrating electronic warehousing and production equipment for smart transportation. The mission is to develop green transportation technologies and fulfill environmental responsibilities. In 2023, we successfully entered the semiconductor industry, providing integrated solutions combining software, hardware, and services, and expanded the product line to include mobile automatic inspection equipment. In the mid- to long-term, GreenTrans aims to become a key provider of integrated AMHS solutions for the semiconductor industry, contributing to the development of Industry 4.0.

Since launching the concept of AMR in 2017, GreenTrans has garnered significant industry attention. Starting in 2019, Taiwan's leading semiconductor companies began adopting its solutions. By 2021, GreenTrans began supplying global semiconductor packaging and testing companies with E-rack systems and material information solutions. In 2022, GreenTrans successfully developed specialized automated transport equipment for the semiconductor manufacturing process,

monitoring temperature, humidity, air pressure, and vibration during transportation to ensure quality and reduce packaging material usage, contributing tangibly to green manufacturing. In 2023, GreenTrans developed further semiconductor solutions, such as line-side electronic storage (E-stocker), aimed at supporting Taiwan's semiconductor industry, helping them move towards green manufacturing and carbon-neutral management.

GreenTrans AMR stands out for its precise positioning, eliminating the need for recalibration and providing high mechanical stability. Along with CMC's engineering excellence in ensuring 100% on-time introduction of new models, GreenTrans has become the first choice for semiconductor clients who cannot afford delays in production schedules or output quality. This success has also solidified CMC's third pillar for external market expansion.



GreenTrans Smart Management Systems

### Autonomous Mobile Robots (AMR) with trackless navigation have entered the semiconductor industry



GreenTrans leads the industry in trackless navigation with AMR, becoming a top provider for Taiwan's semiconductor sector. In 2022, GreenTrans pioneered automated transport equipment for warehouse-to-warehouse transfers in the semiconductor industry, reducing manual handling time and costs while improving transport efficiency and accuracy.



GreenTrans Magnetic Track Guided AGVs - Applied in automotive production lines.



GreenTrans Trackless Navigation AMR-MR100 Automated Wafer Pod Handling and Transport



GreenTrans AMR-MR100 Collaborates with FANUC cobot for FOUH handling.

## 2.3 Sustainable Manufacturing: Advancing Towards Digitalized Production Lines

CMC's value chain encompasses upstream automotive component manufacturing, midstream complete vehicle assembly, and technical services, covering the entire automotive lifecycle. We closely review the impact that the product value chain has on the environment and society, and move towards sustainable development with the suppliers via constant improvement. CMC is committed to ongoing innovation in product technology to provide high-quality vehicles that meet market demands. By working closely with upstream and downstream value chain partners, we aim to drive the sustainable competitiveness of Taiwan's automotive manufacturing industry.

### 2.3.1 Product Sustainable Value Chain

#### Life Cycle Planning of Products

With a view to mitigating the impact of global warming, CMC keeps finding ways to reduce the impact of products on the environment and safety during the manufacturing, the production, and the use by consumers. We make health and safety assessment of product life cycle based on the phases of product concept development, R&D, certification, manufacturing and production, marketing and promotion, storage, transportation and supply, usage, and disposal, reuse or recycling, and boost the health and safety properties of products by improving the plans.

#### Production of vehicle parts and accessories



| Life Cycle                                                                                                                    | CMC Action Plan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <b>Product concept development</b>          | <ul style="list-style-type: none"> <li>The research and development of green energy vehicles is guided by a customer-oriented approach, leveraging existing technical capabilities and systematic processes to create products that meet contemporary needs.</li> <li>CMC leads the development of commercial electric vehicles, capitalizing on government initiatives for public service electric vehicles and market-wide electrification policies. Green energy vehicles are developed to comply with Taiwan's CAFE energy consumption standards.</li> <li>In response to diverse customer segments, CMC has developed various models of electric two-wheelers, including conducting in-depth qualitative research on the EZ-R series, gathering customer feedback through detailed interviews to better understand vehicle performance and user expectations.</li> </ul> |
|  <b>Research and development</b>             | <ul style="list-style-type: none"> <li>The design and development of HEV (hybrid electric vehicle) trucks is integrated with environmental pollution reduction technologies, improving fuel efficiency, and reducing emissions.</li> <li>CMC's exclusive SCC (Safety Control Center) for commercial vehicles enhances safety by utilizing dynamic vehicle stability control, detecting vehicle skidding, and controlling the engine to ensure the braking system follows the correct trajectory. The system prevents rollover accidents, advancing milestones towards ADAS (Advanced Driver Assistance Systems) and net-zero carbon emissions.</li> </ul>                                                                                                                                                                                                                     |
|  <b>Certification</b>                        | <ul style="list-style-type: none"> <li>As of the end of 2023, CMC had 30 vehicle products (approximately 63% of four-wheeler vehicle products) certified with eco-friendly and energy-saving labels from the Environmental Protection Administration.</li> <li>For electric two-wheeler products, 9 models have received the environmental labels and 11 models have passed the ISO certifications</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|  <b>Manufacturing and production</b>       | <ul style="list-style-type: none"> <li>Brake pads are asbestos-free, avoiding carcinogenic substances, and vehicles use eco-friendly refrigerants.</li> <li>To prevent environmental pollution from discarded vehicles, CMC has signed a voluntary agreement and, through its procurement department, initiated the signing of commitment letters with its suppliers. Both parties have jointly pledged to reduce and eliminate the use of four environmentally hazardous substances in automotive components, namely lead, mercury, cadmium, and hexavalent chromium.</li> </ul>                                                                                                                                                                                                                                                                                             |
|  <b>Marketing and promotion</b>            | <ul style="list-style-type: none"> <li>We continue to promote vehicle models and eMOVING e-scooters that have obtained environmental and energy-saving certifications to consumers. Based on the target audience for each vehicle model, we strategically place advertisements across various media channels to increase reach and maximize sales opportunities.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|  <b>Storage, transportation and supply</b> | <ul style="list-style-type: none"> <li>By transporting the products during off-peak hours, we not only enhance delivery efficiency but also reduce carbon emissions.</li> <li>Sales consultants deliver vehicles to customers based on a vehicle delivery checklist. This checklist covers essential items such as document handover, interior and exterior vehicle inspections, accessory verification, and explanations of important information. Upon completion, customers confirm the handover with their signature.</li> </ul>                                                                                                                                                                                                                                                                                                                                          |
|  <b>Usage and services</b>                 | <ul style="list-style-type: none"> <li>The rollout of the EZ-R connected vehicle control feature, combined with a new Over-the-Air (OTA) update system, allows owners to download DCU software in real time, ensuring updates can be completed anytime, anywhere.</li> <li>We've introduced a brand-exclusive after-sales service app that delivers transparent, quick, and consistent maintenance experiences. The system has already been tested and will be fully implemented by 2024.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                          |
|  <b>Disposal, reuse or recycling</b>       | <ul style="list-style-type: none"> <li>We are the only company in the industry to recycle the brake discs of vehicles; 736 discs were recycled in 2023, adding to the cumulative total of 17,147 discs recycled since 2009.</li> <li>To promote the reuse and recycling of vehicle parts, we have joined the voluntary standards set by the Taiwan Transportation Vehicle Manufacturers Association in response to the Resource Recycling Act. Vehicle models are expected to achieve a full-vehicle recycling rate of over 80% and a reuse and recycling rate of over 85%.</li> <li>We employ a modular and detachable design for components, clearly labeling recyclable parts, facilitating the identification of auto parts suitable for reuse and recycling, and improving the recyclability of vehicles after disposal.</li> </ul>                                      |



## Product Quality Management

Ensuring the quality and safety of our products is crucial in the automotive manufacturing industry. CMC strives to maintain high product quality through innovative designs and practices, providing customers with exceptional service that exceeds their expectations. Adhering to the principle of "meticulous attention to detail and continuous improvement," CMC ensures a "double-layer safeguard" through upstream raw material suppliers' self-assurance and 100% product inspections. With a rigorous approach to managing every aspect of quality control, CMC guarantees the comfort and safety of every vehicle owner.

In 2023, there were no violations of health and safety regulations related to products and services. CMC has established stringent quality control policies and processes, monitoring and measuring each stage of the manufacturing process while conducting data analysis. Through internal and external audits, preventive measures, and management reviews, we strengthen product quality, ensuring our commitment to maintaining the highest standards.

### Quality Management Methods

| Category                        | Quality Management Practices                                                                                                                                                                                                                                                                                                                                                                   | Monitoring Methods                                                                                                                                                                                                | Inspection Items                                                                                                                                                          |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Raw Materials</b>            | <ul style="list-style-type: none"> <li>Auxiliary Material Incoming Inspection Standards</li> <li>Brake Fluid Inspection Standards</li> </ul>                                                                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>Monitoring categorized into "Regular Auxiliary Materials" and "General Auxiliary Materials"</li> <li>Conducted once a month</li> </ul>                                     | <ul style="list-style-type: none"> <li>Inspection conducted according to standards</li> <li>Prevent brake fluid leakage or splashing to avoid injury</li> </ul>           |
| <b>Parts</b>                    | <ul style="list-style-type: none"> <li>Quality Assurance Implementation Regulations for Suppliers</li> <li>During the parts development process, the Parts Development Division obtains a "Qualified" certification through the "Mass Production Parts Approval Process" to ensure consistent product quality, followed by quality management by the QC team during mass production</li> </ul> | <ul style="list-style-type: none"> <li>Executed according to the "Inspection Standards Manual"</li> </ul>                                                                                                         | <ul style="list-style-type: none"> <li>Suppliers involved in manufacturing safety-related parts must provide periodic training programs for relevant personnel</li> </ul> |
| <b>Mass Production Products</b> | <ul style="list-style-type: none"> <li>Vehicle Emission Regulations Quality Control Standards</li> <li>Motor Vehicle Noise Quality Control Standards</li> </ul>                                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>Sampling inspections are conducted according to the "Motor Vehicle Noise Control Application Review Guidelines" and the "New Vehicle Sampling Rate Regulations"</li> </ul> | <ul style="list-style-type: none"> <li>Stationary noise/acceleration noise</li> </ul>                                                                                     |

#### Product Quality and Safety Assurance

CMC continues to promote quality management in accordance with the ISO 9001 and IATF 16949 systems. The internal and external implementations are as follows.

- (1) Internal Management: Personnel training, internal audits, and management review meetings are conducted, with progress and results reported to the President.
- (2) External Certification: External audit companies review the Yangmei and Hsinchu Plants, successfully passing the three-year recertification audit in 2020.

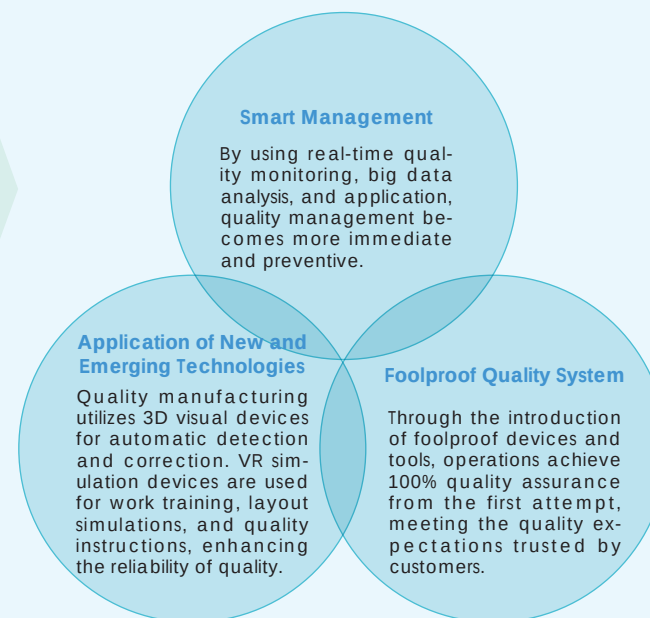
#### 2023 Quality Education and Training Outcomes

##### New QC Seven Tools

31 participants / 7 hours

##### IATF 16949 Internal Audit Training

34 participants / 7 hours



### 2.3.2 Sustainable Manufacturing Blueprint

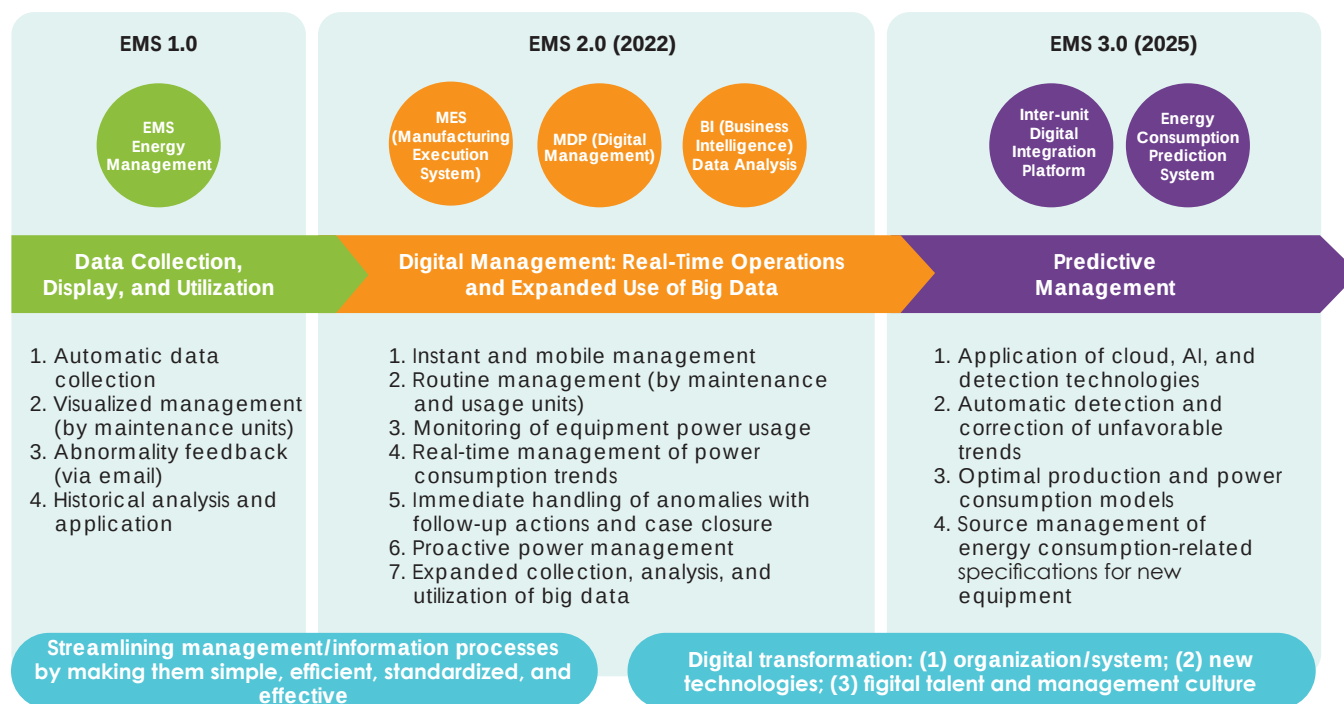
#### Development Goals of Sustainable Manufacturing and Smart Production

To effectively manage energy and gradually transition towards sustainable manufacturing, CMC pioneered the implementation of the "EMS Energy Management System" at its Yangmei Plant in 2017, which efficiently controls electricity and gas usage. In 2020, the system was expanded to include the "WMS Water Management System" module. Due to its successful rollout at the Yangmei Plant, the EMS system was also introduced at the Hsinchu Plant in 2021, enabling efficient analysis of energy consumption (electricity, gas, water) within the facility. To broaden the scope of managing energy-intensive equipment, any new or upgraded equipment is first equipped with electricity meters before being incorporated into the EMS system, helping to optimize energy usage efficiency.

In 2023, CMC continued its optimization efforts with the following initiatives:

1. New energy and water-consuming equipment management: Integration of equipment introduced in 2021 and 2022, along with new management requirements.
2. Wastewater inflow/outflow balance in compliance with regulations: Implementation of wastewater recycling and reuse, with record-keeping of inflow and outflow volumes to meet regulatory standards.
3. ISO 46001 Water Efficiency Management System requirements: A 2022 audit of water resources included key water-consuming facilities in its management.
4. Additional management functionalities: Introduction of green energy management (including solar and energy storage systems) and monitoring the efficiency of dormitory chillers.

#### EMS Energy Management System: Future Evolution and Functional Planning



## 2.4 Enduring Co-Prosperity: Partnering with Suppliers for Sustainability

### 2.4.1 Sustainable Supply Chain

#### Eco-friendly and Local Procurement

To increase the production utilization and profitability of local suppliers in Taiwan, the Company has actively promoted the domestic production of parts to carry out local procurement policies. In 2023, the ratio of amount invested in local procurement was 54%, among which the procurement of the parts for models with environmental labels accounted for 39%.

In our commitment to protecting the global environment, we have actively promoted vehicle models that are "recyclable, low-polluting, and resource-saving." In 2023, several models, including OUTLANDER, LANCER, COLT PLUS, ZINGER, Veryca, and eMOVING, received recognition from the Environmental Protection Administration and were awarded eco-label certifications.

#### Supplier Evaluation and Sustainable Supply Chain

CMC views the suppliers as the extension of production lines. With strict introduction assessment of new suppliers, daily management and structure improvement evaluation of existing suppliers, we hope that the suppliers can continuously improve and develop in the aspects of quality, cost, delivery and R&D, so that the objective of simultaneous production, management and operation can be achieved and steady long-term partnerships can be created. Meanwhile, through relevant management guidelines, we encourage the suppliers to place importance on and implement ESG.

### CMC's Supplier Management Mechanism



#### New Supplier Qualification

- New suppliers must obtain IATF 16949 or ISO 9001 certification and undergo evaluation by a project team comprising procurement, development, quality control, and production control departments. The evaluation covers five main aspects: management, production and manufacturing, product quality assurance, production planning and logistics, and design and R&D. ISO 14001 compliance, environmental protection, and ESG implementation are also included in the evaluation. Only after passing all evaluations and receiving approval can a supplier be officially listed.



#### Day-to-Day Management Mechanism

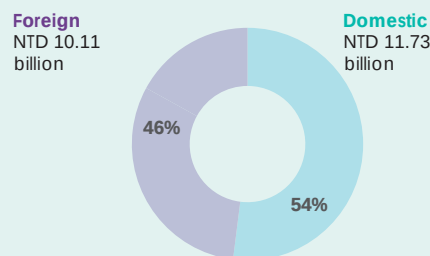
- To ensure that suppliers maintain consistent standards in quality, cost, delivery, and R&D, CMC conducts regular evaluations. Outstanding suppliers are rewarded, while underperforming suppliers are required to make improvements within a specified timeframe. Related explanations are detailed below:
  - Monthly Outstanding Suppliers:** Suppliers are evaluated monthly on delivery, after-sales delivery, quality, and cost. The top 12 suppliers are selected, and accounts payable to them are expedited as a reward. We encourage suppliers to comply with legal regulations. Suppliers who are penalized for violating environmental or occupational safety regulations during the month will be disqualified from receiving awards.
  - Annual Outstanding Suppliers:** Annually, suppliers are scored on delivery, after-sales delivery, quality, cost, and development. The top 10 performing suppliers are awarded recognition plaques and an overseas incentive trip. Suppliers penalized for violating environmental or occupational safety regulations may be disqualified based on the severity of the violation.
  - Suppliers with Poor Quality and Delivery (including after-sales):** Each month, suppliers with significant issues in quality or delivery are identified and required to submit a report on improvement measures. If a supplier is consecutively flagged for poor performance, payment for their goods may be delayed.



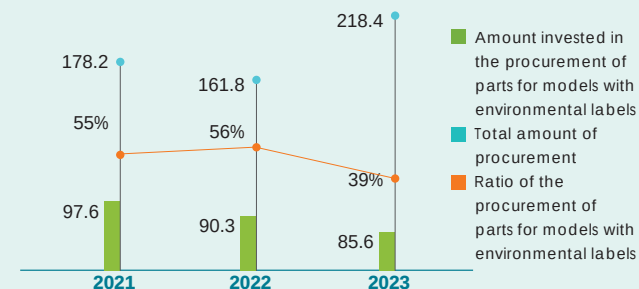
#### Capability Enhancement Evaluation

- To encourage continuous improvement, suppliers that meet the application criteria may submit a Top Quality (TQ) plan annually. Suppliers passing the evaluation are awarded plaques, expedited payments for one year, and an overseas incentive trip.
- Suppliers that have not passed ISO 14001 certification or have been penalized for violating environmental or occupational safety regulations in the past year are excluded from participation or awards.

Ratio of CMC Domestic and Foreign Procurement in 2023



Statistics on the Procurement of Parts for the Production of Models with Environmental Labels (NTD 100 million)



## Key Points of CMC Sustainable Supply Chain

|                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
|  <b>Supply chain sustainability policy</b>                                                                   | <ul style="list-style-type: none"> <li>All CMC parts suppliers are required to sign a Basic Agreement. In 2023, there were no instances of suppliers violating CMC's ESG policies or engaging in significant illegal activities.</li> <li>For new suppliers, if there is significant environmental or social impact or major violations of the law, CMC will follow the New Supplier Evaluation Procedures and not include them as formal suppliers.</li> </ul>                                                                                                                                                                                                                                                                      | Sustainability Commitment from the Chairperson    |
|  <b>Encouragement to suppliers to achieve legal compliance</b>                                               | <ul style="list-style-type: none"> <li>All suppliers are required to comply with the relevant environmental protection laws of their local governments and make efforts to reduce carbon emissions, water usage, and waste. They must also adhere to applicable occupational safety regulations.</li> <li>Provisions related to the selection of outstanding suppliers and the TQ Plan evaluation include exclusion clauses. Suppliers who are penalized by relevant government agencies for violating environmental protection or occupational safety regulations may be disqualified from receiving awards. In such cases, they are also ineligible for expedited payments or complimentary incentive trips as rewards.</li> </ul> | ESG Highlights                                    |
|  <b>Requirement for Suppliers to Obtain ISO 14001 Certification</b>                                          | <ul style="list-style-type: none"> <li>At supplier meetings, CMC has communicated and issued notifications requiring new suppliers to obtain ISO 14001 environmental management system certification. As of 2023, 102 suppliers (89%) have passed certification.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                          | About CMC                                         |
|  <b>Recycling and reuse of packaging materials, waste motor oil and repaired items with high unit prices</b> | <ul style="list-style-type: none"> <li>CMC, together with dealers and suppliers, has developed an SOP for recycling. In 2023, the total volume of shipped packaging materials was 28,027 units, with 16,665 units successfully recycled, achieving a recovery rate of 59.5%. A recycling reward of NTD 460,000 was issued to the dealers.</li> <li>Additionally, 9,484 barrels of waste oil were recycled, along with 3,536 high-value parts, including transmissions, air conditioning compressors, and brake discs.</li> </ul>                                                                                                                                                                                                     | Vision Blueprint for Corporate Sustainability     |
|  <b>Enhancement of environmental protection and occupational safety and health management of suppliers</b>   | <ul style="list-style-type: none"> <li>To build the center-satellite system with safe work environment, it is our hope that our suppliers can obtain the ISO 45001 certification to enhance the safety at plants and of employees in the center-satellite system. In 2023, 41 suppliers acquired the certification.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                       | Innovative Technologies and Forward-Looking Value |
|  <b>Calling for the suppliers to take part in environmental protection and social welfare activities</b>   | <ul style="list-style-type: none"> <li>CMC invites the suppliers to participate in the Vehicle Maintenance Tour Service, takes care of the disadvantaged through the activities of the China Motor Corporation Association and Golf Association, and works with the suppliers for beach cleanup</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                           | Excellent Governance and Proactive Action         |
|                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Circular Reduction and Safeguarding Environment   |
|                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Safe Workplace and Outstanding Development        |
|                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Giving Back to Society in Every Way Possible      |
|                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Appendix                                          |

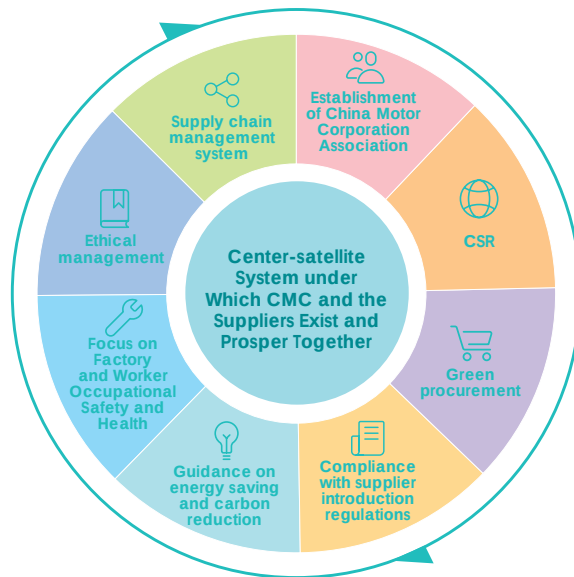


### 2.4.3 Sustainable Coexistence with Suppliers

CMC believes that a company and its suppliers are not only connected by business relationships. In addition to “coexistence and co-prosperity,” “loyalty” is another factor even more critical to foster the partnership. We invite the suppliers to jointly implement action plans related to environment and sustainable development, invite internal and external experts to provide suppliers with guidance on their operation and transformation, and thereby create a good cycle for sustainability.

#### A Coexistent and Prosperous Supply Chain System

Due to the characteristics of Taiwan's automotive industry—such as small production volumes, diverse product offerings, short product life cycles, and high part design and development costs—the supplier base experiences relatively little turnover. As a result, the relationship between CMC and its suppliers goes beyond a simple buyer-supplier dynamic, forming a symbiotic partnership where both parties are mutually supportive and share common interests.



#### China Motor Corporation Association for Procurement

In order to strengthen the partnership with the suppliers, CMC formed the “CMC Supplier Association” in 1990. This initiative aims to enhance business practices and competitiveness, fostering deep connections with key stakeholders and improving the overall competitiveness of CMC's supply chain system over the long term. Up to 2023, a total of 114 suppliers of parts and components including electrical ones, machined ones, sheet metal ones, plastic and rubber ones, etc. have been engaged. Based on the assistance of the Company's technical experts, we have worked with demonstration manufacturers to create feasible improvement cases and processes, share experience and provide on-site observation, and laterally expand the scope to help the partners of China Motor Corporation Association boost competitiveness.

The main activities of the CMC Supplier Association primarily include board and committee meetings, supplier conferences, workshops, cross-industry exchanges, and thematic events. In 2023, under the theme of “Creating Sustainable Business Operations,” 10 educational and environmental activities were organized, with a total of 267 supplier participants and 517 attendees.

#### Highlights of CMC Supplier Association's Sustainability Events for 2023



CMC Supplier Conference 2023



CMC Supplier Association Carbon Reduction Exchanges



CIER Carbon Inventory Course



Water Resource Management in Practice Seminar



2023 Annual Demonstration Company Final Presentation

### "Beach Cleanup for Environmental Sustainability" Held by China Motor Corporation Association

To implement ESG and promote environmental services, three "Environmental Sustainability Beach Cleanup" events were held in 2023 at Xucuogang in Taoyuan, Qingshui in Taichung, and Zhouzi Wetland in Kaohsiung, where invasive species were removed. A total of 51 suppliers and 160 participants joined, collecting 578 kilograms of marine debris and removing 179 kilograms of invasive plants. In conjunction with beach cleanups and Supplier Association workshops, CMC also supported vulnerable groups by purchasing products from them four times, including 68 and 42 cakes from Guanyin Kindgarden, 53 gift boxes from Taichung City Love Home, and 200 towels from the Lan-Chui Social Welfare Foundation. To encourage supplier participation in and response to ESG initiatives, CMC introduced the "Environmental Sustainability Promotion Award" in 2021, presenting trophies to recognize outstanding suppliers. Due to high participation, the number of winning suppliers increased to two in 2023, with AISIN Elite Sewing Machine Manufacturing and Kenda Rubber receiving the award.



June 9: Xucuogang, Taoyuan



August 11: Qingshui, Taichung


September 8: Zhouzi Wetland, Kaohsiung  
(invasive species removal)

### "Vehicle Maintenance Service Tour" Held in Collaboration with the CMC Supplier Association

In 2023, CMC Mitsubishi organized four "Vehicle Maintenance Tour Service" public welfare events. With the support of the CMC Supplier Association, eight suppliers participated, offering free or discounted oil, parts, and services. The offers included "Buy One, Get One Free" tire replacement from Bridgestone Taiwan, 50% off Yuasa batteries, free wiper replacement from Molife, free engine oil changes from CPC Corporation, free oil filter replacements from General Enterprises, free replacement of NGK spark plugs for vehicles with 50,000 kilometers, free TPMS (Tire Pressure Monitoring System) sensors from Orange Electronics, and free replacement of valve caps. These comprehensive maintenance services were aimed at ensuring the safety of vehicle owners in rural areas.

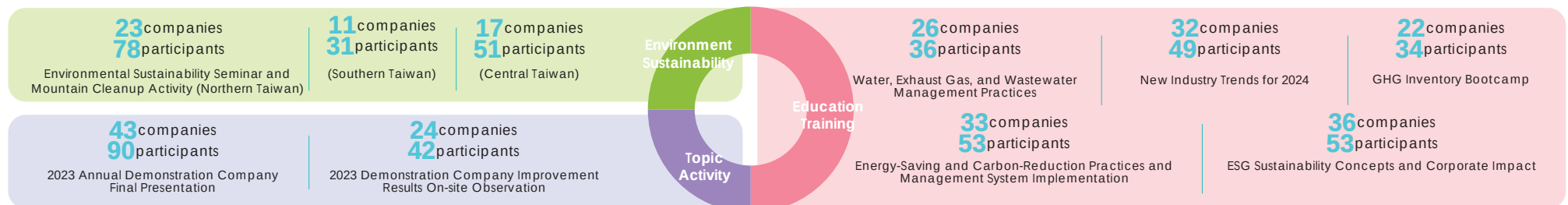


Group Photo with the CMC Supplier Association



Vehicle Maintenance Tour Service Public Welfare Event

### 2023 "Creating Sustainable Business Operations" Supplier Event Results



A total of 267 companies and 517 participants took part in the activities.



## Carbon Reduction Together - Assistance for the Suppliers in Carbon Reduction with Smart Systems

To encourage supplier partners to embrace energy-saving concepts, the CMC Supplier Association actively connected with suppliers to promote the Industrial Development Bureau's "Large Enterprises Supporting Small Enterprises" initiative. This initiative focuses on joint efforts for carbon reduction, under the theme of "Loving the Earth through Carbon Reduction." Energy efficiency experts were brought in to offer free guidance and consultation to suppliers, and sharing sessions were held to extend the program's influence. Over the years, 32 suppliers, including Kenda Rubber, Yuasa Batteries, Kian Shen Industrial, and Lio Ho Machine Works, have participated, collectively reducing carbon emissions by 11,923 tons.

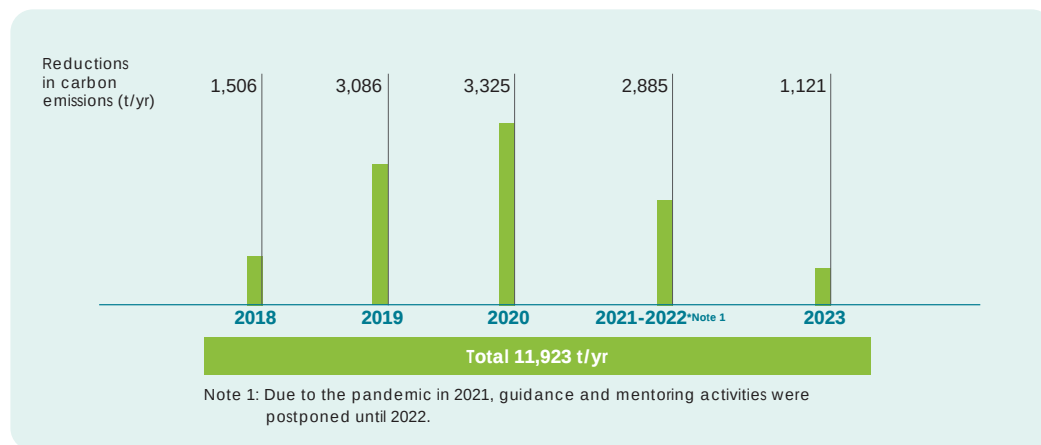
On March 21, 2023, CMC officially launched the "2050 Net-Zero Carbon Large Leading Small Carbon Reduction Initiative." 15 suppliers participated in the Ministry of Economic Affairs' "2023 Post-Pandemic Upgrade and Transformation Diagnostic Counseling Plan for the Transport Equipment Manufacturing Industry." This included guidance on greenhouse gas (GHG) inventory assessments. Based on this year's experience and results, CMC plans to expand participation, aiming for 114 suppliers to complete GHG inventory assessments within the next five years.



Launch of the Large Enterprises Supporting Small Enterprises for Upgrading and Transformation Initiative



Recognition of 11 Low-Carbon Suppliers

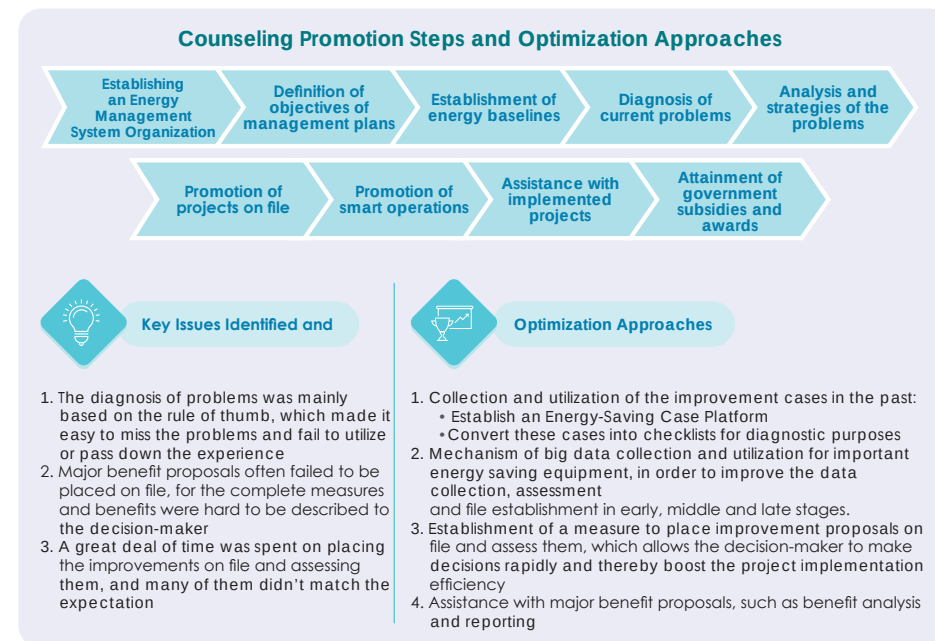
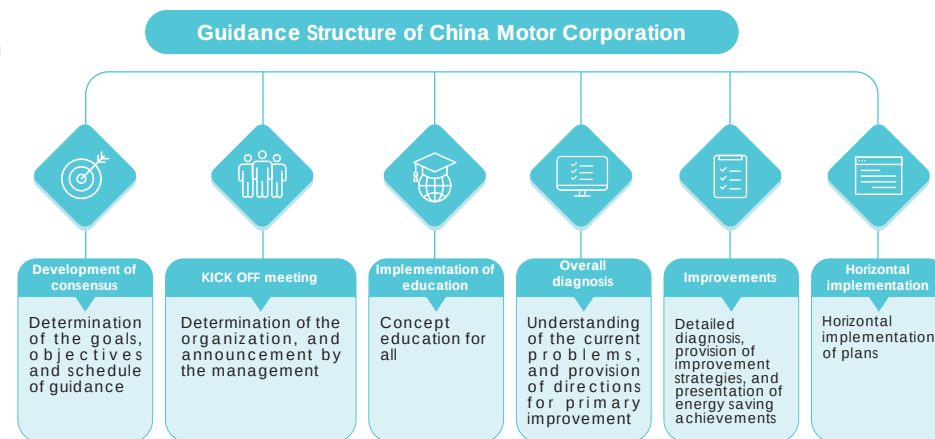


## CMC x Business Today Magazine: SME Green Transportation Transformation

In 2023, CMC held a press conference on the "SME Green Transportation Transformation Survey" and an ESG Transformation in Practice Forum. The events focused on strategies for achieving net-zero carbon emissions. In collaboration with Business Today, CMC conducted a survey on business awareness of the government's net-zero policies and vehicle usage. This engagement facilitated communication with business owners, promoting the choice of commercial electric vehicles as a fast track to achieving net-zero emissions. This collaboration also aimed to increase sales opportunities for the E300.



In 2023, themed improvement activities have continually taken place. With "smart energy saving," "smart logistics" and "smart plants" as the main topics, we selected a vendor and arranged internal and external guidance by experts, developed the know-how, improvement methods, processes and cases for each topic, and organized seminars on energy saving technology, mid-term and final presentation, on-site observation events, etc. to share with all the suppliers.



## 2.5 Diverse Marketing: Collaborating with Dealers to Achieve Greater Success

### 2.5.1 Diversified Distribution and Service System

#### Distribution and Service Systems United for a More Thorough and Diverse Service Network

The production and sales of Mitsubishi vehicles and eMOVING e-scooters are the main businesses of CMC. Currently, there are two dealers of four-wheelers in cooperation with us, which are Fortune Motors and Shung Ye Motors; the Company holds around 40% of shares or more. As for our dealers of two-wheelers, there are 27 distribution systems, including Fortune Motors, Shung Ye Motors, and XIE HE INTERNATIONAL MARKETING, etc. Aside from the physical distribution locations, we additionally set up an owner's manual app for Mitsubishi and CMC Mitsubishi car owners as well as a Mitsubishi Motors Facebook fan page, providing the customers with diversified channels. In terms of the distribution of electric scooters, the Company's electric two-wheelers mainly depended on the sales at traditional scooter stores in the past. In order to bring a brand new consumer experience, we have progressively opened the stores that are directly under the name of the brand in different metropolitan areas since 2015. With the specialty stores and the brand image integrated together, the overall brand

image has been boosted.

CMC Mitsubishi currently operates 105 dealership locations and 121 service points across Taiwan. The company continues to expand its customer base through diverse sales events and cross-industry collaborations. With the rise of new energy vehicles, CMC has independently developed and successfully launched electric vehicles. Charging stations have been installed at Mitsubishi dealerships and in public parking lots, providing consumers with convenient access to charging facilities and alleviating range anxiety. Since 2010, CMC has ventured into the electric scooter market, gradually building the eMOVING brand network. In addition to its 39 exclusive eMOVING stores, CMC has partnered with Chunghwa Telecom stores, MOMO Shopping, and Postmall to offer more convenient purchasing options. These collaborations have enabled deeper market penetration in rural areas, promoting green energy vehicles for a better environmental future.

#### CMC Mitsubishi Green Showrooms

CMC Mitsubishi has also been enhancing the quality of its dealership locations. From 2019 to 2026, CMC is aligning with Mitsubishi's global brand image by introducing a new corporate visual identity (VI), revamping sales and service. By 2023, 23 dealership locations had completed their new VI updates, with six more in progress.

#### Distribution location of eMOVING



#### Distribution location of Mitsubishi Motors



#### Distribution location of CMC



### Green transportation promotion at dealership locations

#### Enhance vehicle performance to reduce carbon emissions

1. In response to new vehicle launches or the age of test vehicles, 103 ZINGER and 27 ZINGER PICK UP test vehicles were introduced in 2023 as part of regular replacements.
2. Free checkup events are held annually to improve customer vehicle performance. In 2023, two such events were organized, with a total of 365,000 vehicles returning for service.
3. In rural areas, 24 annual "Vehicle Maintenance Tour Service" are conducted, reducing carbon emissions from vehicle movement by using mobile service stations.

#### Establish energy-saving demonstration sites

1. To reduce energy consumption, 12 dealership locations in remote areas such as Chaozhou, Taitung, and Nantou were converted into "energy-saving demonstration stores" in 2023 by shortening operating hours.
2. Timer systems were installed on signage at all dealership locations across Taiwan, automatically turning off lights according to business hours. Additionally, all locations were equipped with energy-saving LED bulbs, and electricity consumption was reduced through contract-based electricity usage.
3. CMC has participated in "Earth Hour" for five consecutive years, cumulatively reducing carbon emissions by 6,881 kg.

1. CMC introduced 43 electric Veryca service vehicles across Fortune Motors service centers in Taiwan, effectively reducing carbon emissions associated with parts transportation.
2. CMC deployed 145 eMOVING scooters across service centers, offering them free of charge to customers while their vehicles are being serviced, allowing them to make the most of their time.
3. CMC Mitsubishi dealership locations across Taiwan, along with public parking lots, have installed over 1,400 charging stations, ensuring convenient charging access for customers.



## Smart Connectivity: CMC Mitsubishi Builds Digital Services

In response to increasing competition in the automotive market, CMC Mitsubishi has developed comprehensive customer interaction and consultation services by integrating mobile devices with the Vehicle-to-everything (V2X), catering to different customer needs. CMC developed dedicated apps, starting with the "CarLife" app for owners, launched in 2018, to provide real-time services that meet consumer demands. In 2022, CMC Mitsubishi launched an official LINE account, and by 2023, the CarLife app had been downloaded more than 170,000 times. To align with CMC's digital transformation strategy and meet commercial fleet management needs, the company introduced the "CMC Connect" Smart IoT app in 2024, providing Veryca owners with remote vehicle management services. Additionally, service centers have gradually adopted digital service systems to offer more personalized services.



### Car Life App

The CarLife App is a convenient mobile tool for vehicle owners, offering online appointment bookings for maintenance, repair history checks, and information on all CMC Mitsubishi showrooms and service centers in Taiwan. The app also provides updates on the latest events, helping vehicle owners easily access information about their vehicles.



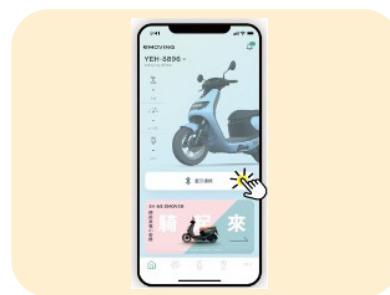
### CMC Connect App

CMC, in collaboration with IoT partners, has launched an IoT project to provide Veryca owners with a convenient and efficient vehicle management tool. Through the CMC Connect App, owners can access five key features: Quick Notifications, Fast Logistics, Swift Roadside Assistance, Instant Vehicle Monitoring, and Efficient Maintenance Scheduling. These features allow vehicle owners to easily monitor the condition of their vehicles, make effective use of their time, and respond promptly to unexpected incidents, ensuring their vehicle's optimal performance.



### CMC Mitsubishi LINE Official Account

In 2022, CMC Mitsubishi officially launched its LINE Official Account, providing consumers with features like test drive reservations, maintenance appointment bookings, and product information notifications, along with promotional activities such as prize draws. The A+7 SMS Automation System tailors content to match users' vehicle preferences, offering personalized SMS marketing. The system also introduced prize draws for return maintenance visits and scratch card activities, with over 120,000 LINE friends joining by the end of 2023.



### Fun Heart Ride App

The eMOVING "Fun Heart Ride" App features a refreshing color scheme and intuitive, graphic-based interface, making it easier and more user-friendly. The app seamlessly integrates with the vehicle, enhancing convenience for users. Through the connection with Bluetooth, the mobile phone becomes the second key to the scooter; the user can remotely unlock/lock the vehicle and open the scooter seat by simply touching the screen of the phone. The Fun Heart Ride App allows users to customize their vehicle settings according to personal preferences, making the riding experience more tailored and enjoyable. In 2023, the app introduced the EZ-R vehicle control function, featuring a new OTA (Over-the-Air) capability that allows users to download vehicle DCU software updates anytime, anywhere. Additionally, the app's software store offers options such as TCS (Traction Control System) and performance enhancement packages, enabling users to upgrade their vehicles with added functionalities.



### An app for the charging of electric vehicles - "YES! CHARGE"

CMC has worked in tandem with YES ENERGY to develop "YES! CHARGE," an app for charging-related services that offers an one-stop charging energy solution for electric two-wheelers and four-wheelers. The scope of the products and services include the sales of charging points, maintenance of charging stations, installation of charging points and after-sales services, making us the only one that integrates the green energy services and operations of EVs and e-scooters. The app also provides users with information on fast-charging stations, smart features like mobile payments. By the end of 2023, it had over 10,000 downloads from vehicle owners.

## Innovative Services Offering Drivers Diverse Experiences

Through the participation in different distribution programs and activities, CMC has shown its brands and products to the market, which enhances exposure and communication ability of the brands. By combining online promotion and offline activities, we have encouraged car owners to get close to nature and explore the beauty of our land.

| Item                                                       | Project Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                            |
|------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| CMC Mitsubishi Discovery Journey: "Where Are You Heading?" | The 2023 CMC Mitsubishi Discovery Journey was an online campaign for owners, offering rewards through the "Drive and Earn Miles" program. By driving instead of flying, owners could easily accumulate mileage points without extra spending and exchange them for gifts. CMC Mitsubishi is also dedicated to supporting local farmers and promoting environmental sustainability. As part of the event, CMC highlighted local farms operated by small farmers, integrating them into the journey's tasks to promote and support sustainable farming practices. |                                            |
|                                                            | Dongshan, Yilan<br>"Floral Tea Tales"                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Madou, Tainan<br>"5012 Grapefruit Moments" |



| Smart service system                 | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Implementation outcome                                                                     |
|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Guest lounge management system       | CMC developed a customer lounge management system to record seating, customer preferences for drinks during their first three visits, and customer characteristics. This allows service staff to quickly identify and engage with customers in the lounge, enhancing interaction by referencing previous drink preferences, adding a personal touch to the service.                                                                                                               | The system has been fully developed and is currently in use exclusively at Fortune Motors. |
| Vehicle recognition reception system | A vehicle recognition system is planned to be installed in the reception areas of all service centers. When a customer's vehicle arrives, the TV screen will display the license plate number, the customer's name, the mileage from their last service, and the assigned service representative. This allows staff to address customers by their surname immediately, helping to build rapport and create a more personalized experience.                                        | 70 stations have been installed with the system so far                                     |
| Tablet computer and reception app    | 1. The customers can be taken to the guest lounge to start the inquiry for diagnosis as soon as they enter the station. By doing so, we can enhance customer satisfaction and solve the problem of having too many people at the reception area during peak hours.<br>2. The overall vehicle inspection and replacement of parts can be explained to the customers by means of video recording to facilitate the interaction with the customers and increase the professionalism. | This system was officially launched in 2023.                                               |

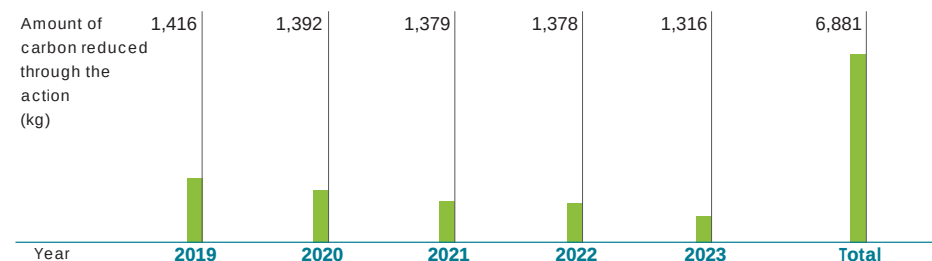
## 2.5.2 Dealership Partners Putting Sustainability into Practice

CMC views environmental sustainability as a key social responsibility issue. In addition to implementing various internal energy-saving and carbon-reduction initiatives, the Company has engaged its two major dealership networks, Fortune Motors and Shung Ye Motors, to join the effort. CMC provides subsidies for dealership renovations and regularly holds meetings to discuss energy-saving renovation plans and goals, expanding the positive impact of their "love the earth, save energy" initiative.

For five consecutive years, CMC Mitsubishi has supported the "Earth Hour" event, reducing 6,881 kgCO<sub>2</sub>e together with its dealer partners.

To combat global warming and extreme climate change, CMC Mitsubishi has continuously supported the global environmental sustainability campaign "Earth Hour 60+" for five years. In 2023, CMC led its dealership partners—Fortune Motors and Shung Ye Motors—across 105 showrooms and 121 service centers in Taiwan, switching off unnecessary lighting from 8:30 PM on March 25 until the following day's business hours. This action resulted in a carbon reduction of 1,316 kgCO<sub>2</sub>e in 2023, bringing the total reduction to 6,881 kgCO<sub>2</sub>e, contributing to the fight against climate change.

Earth Hour of CMC Mitsubishi



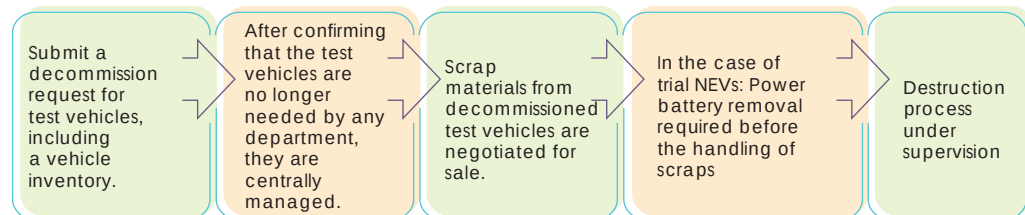
Carbon reduction of **1,316 kg** CO<sub>2</sub>e in 2023  
Cumulative carbon reduction of **6,881 kg** CO<sub>2</sub>e since 2019



### Strict Product Control through Process Establishment

CMC has set up thorough product handling processes and considered consumer rights and legal regulations as the top priority. With the establishment of the complete operational processes such as vehicle elimination and scrapping, vehicle recall, etc., we developed the assurance mechanism for the quality and safety of the Company's products.

#### Trial Vehicle Elimination and Scrapping Process



#### Vehicle Recalls in 2023

The Service Division recalls the vehicles when the quality assurance unit considers such recalls necessary. After the customers bring their vehicles to the stations, the service personnel replace or optimize the parts according to the SOP. In 2023, one recall case was issued with an average completion rate of 91% by year-end, with ongoing follow-up for further modifications.

|                     |                                                       |
|---------------------|-------------------------------------------------------|
| Model               | FUSO CANTER                                           |
| Recall Cause        | Recall issued due to instrument panel software defect |
| Number of Vehicles  | 1,715                                                 |
| Subsequent Handling | Recall in progress                                    |



## 2.6 Valued Services: Providing Reassuring, Quality Services

### 2.6.1 Listen to Customers' Voices

CMC Mitsubishi has two dealers, Fortune Motors and Shung Ye Motors, 105 distribution locations and 121 service stations around Taiwan to provide comprehensive front-line interactive and consulting services. We spare no effort in taking care of all procedures and details throughout the process, from the sale of new cars to after-sales services, listen to customers' voice, and endeavor to protect the rights of our customers and improve their satisfaction.

In order to provide better services to every CMC car owner, CMC has a comprehensive customer service management mechanism, regularly conducts improvement work, information updates and staff training for the customer services hotline, and connects with the 0800 free service hotline of our dealerships across the country to provide consumers with more diversified and holistic services and channels for inquiry about their rights.

| Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Implementation Outcomes in 2023                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>Telephone interviews after warranty repair</b><br>We conduct telephone interviews with randomly selected customers who took their cars in for warranty repairs the previous week.                                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>Approximately 377 phone survey samples are collected weekly, totaling around 1,508 samples per month.</li> <li>Each month, the two lowest-performing service locations across Taiwan are required to submit improvement proposals.</li> </ul> |
| <br><b>Online market survey</b><br>We have performed online questionnaire surveys since March 2021 to gather more samples for market survey. More questions have been added to the questionnaires to understand the views of customers from multiple perspectives. Online survey messages are sent to all customers every week through SMS, except for those who have been interviewed via telephone. | About 3,500 questionnaires were recovered per month                                                                                                                                                                                                                                  |
| <br><b>Comments on the official website</b><br>Customers' comments are sorted and entered into the customer complaint system for subsequent handling every day.                                                                                                                                                                                                                                       | For comments entered into the customer complaint system for management, the 1.5-hour customer complaint response rate and five-day customer complaint closure rate must be ensured. The achievement rates for the two indexes were 98% and 95%, respectively, in 2023.               |



## 2.6.2 Customer Satisfaction Management

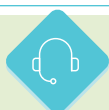
CMC has a 0800 free service hotline in place for car owners seeking towing assistance, inquiries about the business and service locations of our dealers as well as new cars, and customers requesting assistance. We also take in suggestions from customers and handle complaints to improve their satisfaction with our services.

To effectively pass on customers' requests and views to internal management units, all customer satisfaction surveys, including "items with Unsatisfied ratings" and "complaints taken in via the 0800 hotline", are submitted to the concerned units to come up with improvement plans. We also actively confirm with the customers what improvements have been made.



### Make Regular Reports on A Monthly Basis

Complaints taken in via the 0800 hotline are reported to the top management on a monthly basis. In case of material customer complaints, our dealers will be required to make improvements at a monthly sales meeting



### Make Responses Within the Target Time of 1.5h

Contact must be made with customers who have made complaints via the 0800 hotline in 1.5 hours. In 2023, the set service target was reached



### Close A Customer Complaint Within Five Days

Customers contact CMC for inquiries, complaints or compliments. In 2023, the achievement rate for the target of closing a customer complaint within five days reached 95%

CMC collects customer feedback through various customer satisfaction surveys, including SMS and phone calls. This feedback is directed to the Customer Service Center for processing, and dealers and frontline staff are required to respond and make improvements to enhance customer satisfaction. Additionally, the internal service quality department conducts monthly inspections of key service areas, ensuring the implementation of improvement plans, reviewing operational effectiveness, and implementing corrective and preventive measures to effectively manage service quality. For sales-related customer service quality, we have set the following goals:



| Targets                                                                                           | Achievement Rate for 2023 |
|---------------------------------------------------------------------------------------------------|---------------------------|
| Monthly average score for the monthly new car owner satisfaction survey in 2023 topped 995 points | 99%                       |
| 96% mystery shopping test pass rate                                                               | 97%                       |
| 95% sales representative evaluation pass rate                                                     | 95%                       |

In addition to the use of all statistical customer satisfaction indexes as a reference for the Company's business plans, we promote the optimization of customer service procedures and quality-related mechanisms, hoping to create service value that cannot be replaced through good sales services, after-sales care, and timely satisfaction of customers' needs. For after-sales service customer quality, 2023 results and 2023 targets are detailed below:

| Targets in 2023                                                                                                                                                                                                         | Outcomes in 2023                                                                 | Targets in 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The scores for proactive telephone CSI surveys were used as KPIs in 2023:</p> <p><b>Target telephone satisfaction survey score: 970 points</b></p> <p><b>Target online satisfaction survey score: 920 points</b></p> | <p><b>Telephone survey score: 978</b></p> <p><b>Online survey score: 928</b></p> | <p>A customer satisfaction survey after warranty repair is conducted on a weekly basis. Also, the Company reviews the CSI scores of all the service stations in Taiwan every month, and the two stations with the lowest scores are required to make a report on improvement measures to the CMC headquarters.</p> <p>Each year, the survey questions are reviewed, and the weight of each question is adjusted based on system performance and process improvements.</p> <p><b>Target telephone satisfaction survey score: 970 points</b></p> <p><b>Target online satisfaction survey score: 920 points</b></p> |



Targets

Always keep customers satisfied and understand what car buyers really need, whereby improving our products, enhancing the service quality of the personnel, verifying the implementation of the standard operating procedures, and bettering the environments and facilities



Management Mechanism

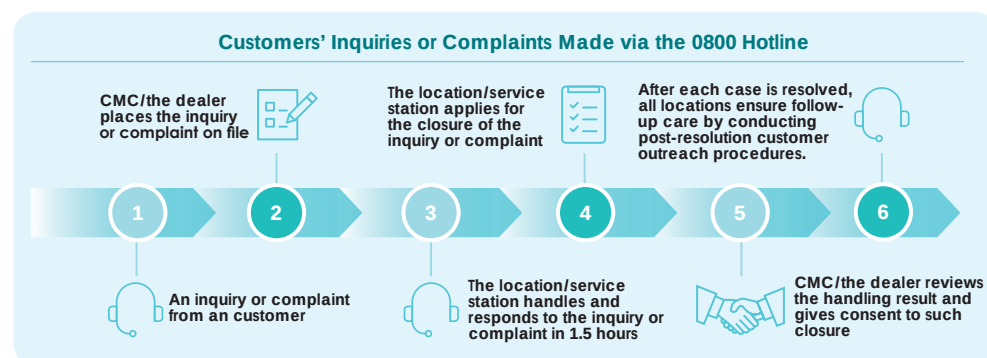
- We carry out electronic questionnaire or telephone satisfaction surveys for customers buying new cars from the Company every month and for customers taking their cars in for repair and maintenance every week to understand their satisfaction with the Company's service procedures, personnel services, and environments and facilities
- Regular meetings are held with our dealers to review any problems with respect to the promotion of customer satisfaction matters or the units or sections with lower scores and explain corresponding countermeasures for improvement
- An telephone interview is performed for individual customers giving low satisfaction ratings in market surveys, and then the sales supervisor repairs relationships with the customers. A market survey is conducted again afterward to ensure that the customers' problems are resolved. The survey result is used as a basis for reviewing and optimizing sales service procedures subsequently



### 2.6.3 Customer Complaint Management and Enhanced Services

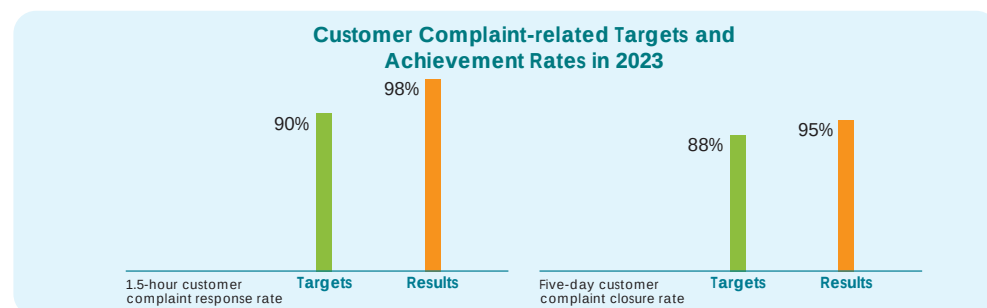
#### Customer Complaint Management Procedures and Approaches

Inquiries and complaints are sorted out based on the content through standard handling procedures and passed on to relevant units for further contact with customers, handling, follow-ups, and eventually, closure. Material complaints are reviewed monthly, including those about in-plant quality, service delivery, etc.. Goals related to customer complaint handling are set to continue enhancing service quality and customer experience. The customer complaint handling flow chart is shown below.

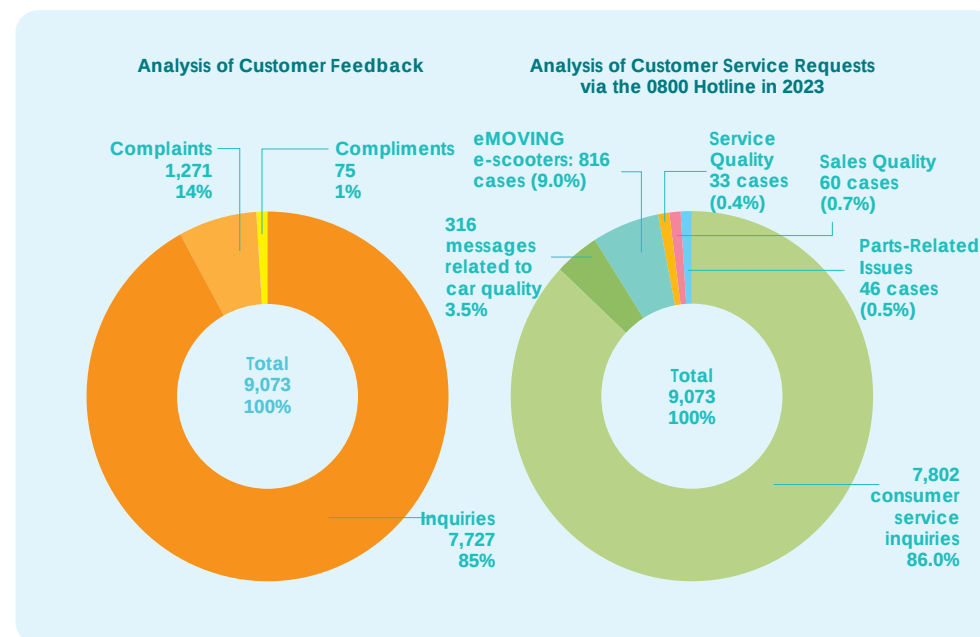


#### Customer Complaint Management Outcomes in 2023

There were mainly inquiries, complaints and compliments from customers. Most of the inquiries were immediately closed after being received and answered by customer service personnel online. All the complaints were placed on file for investigation. The Service Division submitted a list of employees praised by customers every quarter to the headquarters as a basis for selecting the best personnel. Upon receiving a customer complaint, the customer service department promptly investigates the details and communicates multiple times with the dealership handling the issue, tracking progress daily. Each month, the customer complaints are compiled and reported to relevant internal departments, emphasizing the importance of customer feedback and ensuring swift responses. In 2023, the five-day resolution rate for customer complaints increased by 4% compared to the previous year, highlighting CMC's commitment to addressing every piece of customer feedback.



### Customer Feedback in 2023 by Type and by Request Category



### 2.6.4 Enhancing Service Quality and Customer Experience

#### Ensuring Stable Parts Supply

CMC has established a robust parts supply management system. Parts are delivered twice daily based on orders from each service center. In case of urgent needs, service centers can pick up parts directly from the warehouse, ensuring timely responses to customer demands.

| Item                            | 2023 Target       | 2023 Achievement  | 2024 Target       |
|---------------------------------|-------------------|-------------------|-------------------|
| Total Sales Revenue             | NTD 3.692 billion | NTD 3.692 billion | NTD 4.132 billion |
| Parts Supply Rate               | 98%               | 97.5%             | 97.7%             |
| Total Number of Delivery Points | 123               | 121               | 118               |



# 3

## Excellent Governance and Proactive Action



- 3.1 Sustainable Governance: Robust Governance for a Firm Foundation
- 3.2 Ethical Management: Upholding Legal Compliance with Integrity
- 3.3 Risk Management: Preventive Action for Business Continuity
- 3.4 Financial Performance: Diversified Operations and Global Expansion
- 3.5 Information Security: Impeccable Defense for Information Security



## Material topic



Information security



Business  
continuity  
management



Whistleblower  
system



Economic  
performance and  
profitability



## Core Vision and Commitment

CMC upholds the "integrity, care and responsibility" as the code of conduct to treat all the internal and external stakeholders. While pursuing stable business growth, the company remains committed to its corporate mission of "what is taken from society is given back to society," maintaining harmonious interactions with all stakeholders, and striving to become a socially responsible and friendly enterprise in every aspect. We have established the "Ethical Corporate Management Best Practice Principles", disclosed correct financial and non-financial performance information in a timely manner, and continued enhancing the awareness and performance of legal compliance among the employees to reduce the risk of acting in violation of laws and regulations. In 2023, CMC made significant efforts to enhance its information security management, working to establish and maintain secure information systems. The company developed internal operational regulations and improved the working environment to meet the evolving challenges and impacts posed by rapidly advancing technology. These measures help mitigate information security threats and protect sensitive customer and company data from potential breaches. In addition to enhancing the operational performance of CMC continuously for many years, we have been dedicated to the transition to ESG and accomplishment of sustainable governance.



## Outcomes and Achievements in 2023



### Top 5%

CMC ranked in the top 5% in the 10th Corporate Governance Evaluation, achieving this honor for ten consecutive years.



### 2,290 participants

"Social Engineering Prevention" and "Information Security Protection Practices" and other related information security education and training programs



### 100% employee participation, totalling 1,294 hours.

All employees participated in ethical management and regulatory lectures.



### "Gold Award for Corporate ESG Report" and "Leadership in Senior-Friendly Practices"

CMC participated in TCSA Taiwan Corporate Sustainability Awards and was recognized with two awards.



### No.1 in Automotive Industry

CMC Wins "CommonWealth Magazine Excellence in Corporate Social Responsibility Award," "CommonWealth Talent Sustainability Award," and "Parenting Magazine Family Friendly Workplace Award."



### Risk Management Committee

Enhanced to Functional Committee



## Strategic Goal

### Short-term

- Strive to maintain a top 5% ranking in the corporate governance evaluation.
- Establish information security standards for supply chain partners to reduce operational continuity risks.
- Implement internal firewalls to strengthen control over system access permissions.

### Medium-term

- Continuously monitor and identify company risk items and discuss the effectiveness of risk control measures.
- Continue enhancing corporate governance.
- Enhance the automation of the Security Operations Center (SOC) for more effective handling and tracking of cybersecurity incidents.

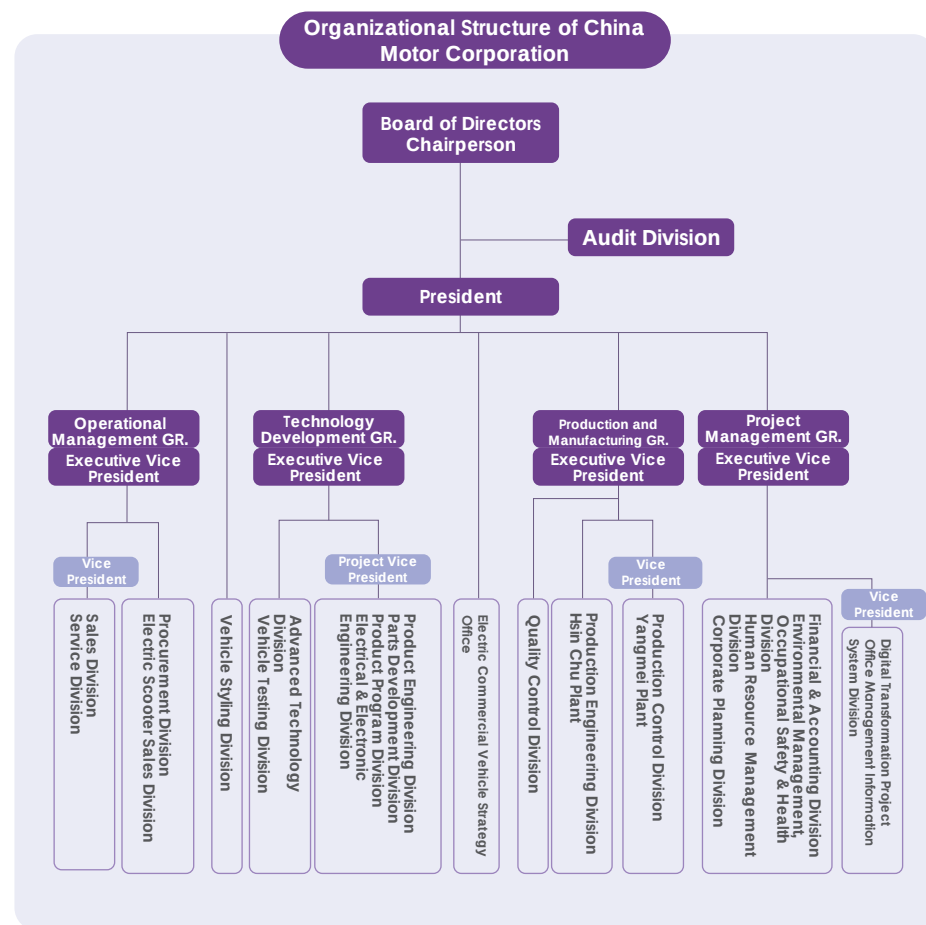
### Long-term

- Diversify operations to expand into domestic and international markets, pursuing stable operations and profit growth.
- Plan cybersecurity health checks (including penetration testing, equipment inspections, and maturity evaluations) to continuously enhance cybersecurity protection and resilience.



### 3.1 Sustainable Governance: Robust Governance for a Firm Foundation

We take "ethical management" and CSR as the highest development principles and establish a complete corporate governance mechanism. For ten consecutive years, CMC has been recognized in the top 5% of the Taiwan Stock Exchange's Corporate Governance Evaluation, demonstrating its continued commitment to protecting shareholder rights and balancing stakeholder interests, viewing them as "co-creators of value." Sustainable corporate governance serves as the foundation for achieving corporate social responsibility. To realize this goal, CMC engages in transparent communication with stakeholders, fostering partnerships to create shared sustainability value. We are committed to building an outstanding corporate governance structure that enables the Board of Directors and management to operate in the best interest of both the company and its shareholders. This approach strengthens corporate governance effectiveness, ensures integrity, and enhances competitiveness, contributing to the benefit of society as a whole.



#### 3.1.1 Organization and Operation of the Board of Directors

CMC places great importance on protecting shareholder rights and continuously strengthens its corporate governance operations. The Board of Directors consists of nine members, including three independent directors, all possessing professional backgrounds and technical expertise. Each director exercises their duties in accordance with the Company Act, CMC's Articles of Incorporation, and other relevant laws. The Board of Directors provide independent advice on business operations, legal matters, and financial strategies, collectively overseeing the company's strategy, operations, and supervision. The Board of Directors meets at least 1-2 times per quarter to review the company's business performance, discuss significant ESG strategy topics, and address key events, including economic, environmental, and social impacts, as well as risks and opportunities. During these meetings, the Board assigns the relevant departments responsibility for follow-up actions, and progress is reported at subsequent meetings. CMC holds annual director training programs to enhance the Board's overall knowledge of legal, economic, environmental, and social issues. In 2023, CMC organized courses that included "Building Legal Knowledge" and "ESG Corporate Sustainability Management." Topics covered included "Basic Trademark Concepts and Search Techniques," "Patent Search Analysis," and "ESG Sustainability Trend Analysis and Future Recommendations." Senior executives and related personnel were invited to participate in these sessions.



#### Formation of the Board of Directors

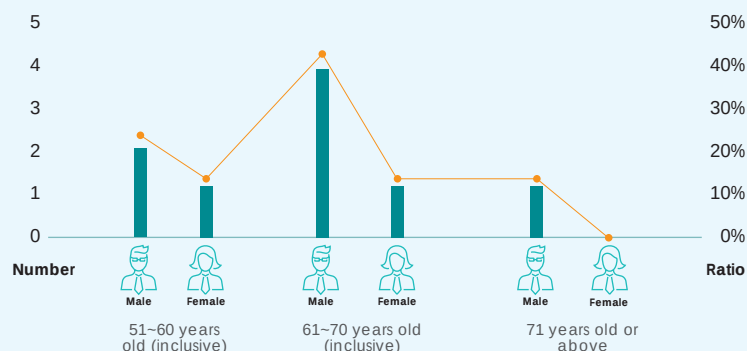
When selecting and reviewing candidates for directors and independent directors, CMC considers multiple factors to ensure diversity in the Board's composition, including education, experience, gender, independence, professional expertise, and nationality. These factors are evaluated to determine whether the candidate can fulfill their responsibilities and bring the greatest benefit to the Company. This year, CMC appointed a Japanese director with international business management expertise to enhance the Company's decision-making with a more global perspective.

For more detailed information regarding the Board of Directors, please refer to CMC's Corporate Governance section on the company's official website.



Note: According to Article 16 of the Board Meeting Rules, directors with a conflict of interest, either personally or on behalf of the legal entity they represent, must abstain from discussions and voting on the relevant matters and are required to recuse themselves. For details on the implementation of director recusal in conflict of interest cases, please see CMC's 2023 Annual Report, page 32.

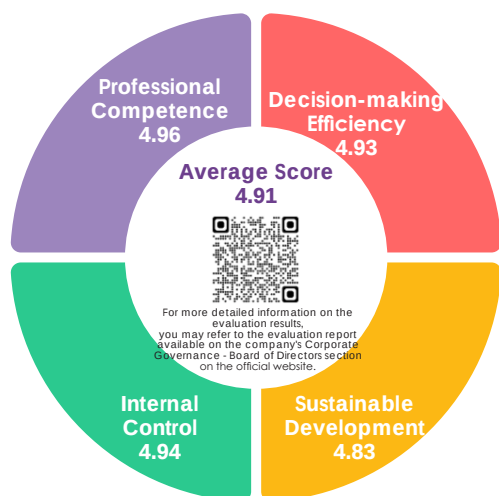
### Formation of the Board of Directors



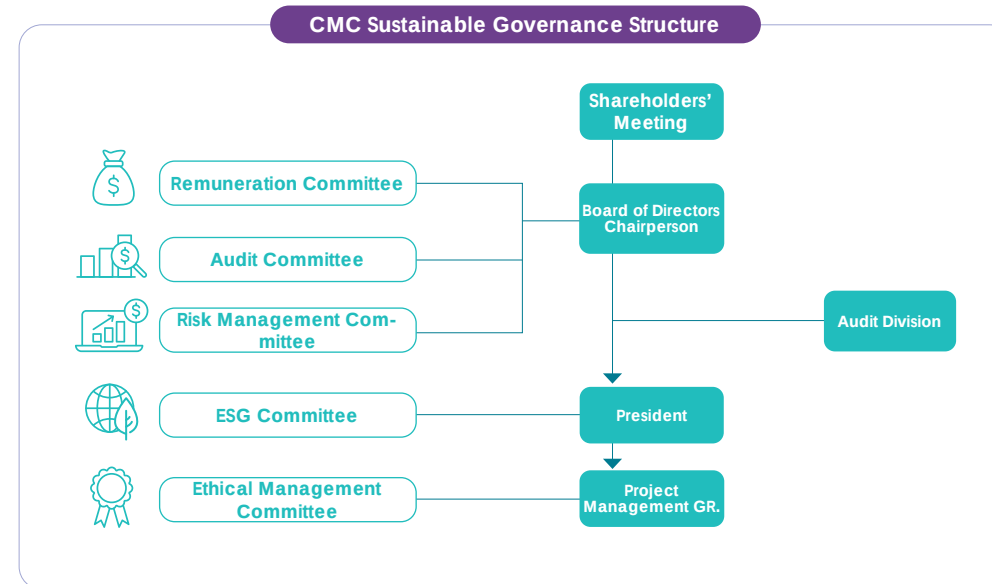
Note: The Company appointed nine directors (including 3 independent directors) after the reelection of directors in June 2022.

### External Performance Evaluation of the Board of Directors

CMC has established a "Board Performance Evaluation Regulations" to regularly assess the performance of the Board, individual directors, and functional committees. At least once every three years, this evaluation must be conducted by an external professional independent institution or a team of external experts and scholars. The Board Performance Evaluation covers five key areas: the Board's involvement in company operations, improving the quality of Board decisions, the composition and structure of the Board, the selection and ongoing training of directors, and internal controls. In November 2023, CMC commissioned the Taiwan Institute of Ethical Business to conduct an evaluation of the Board's effectiveness, with the report scheduled to be released in January 2024. The evaluation results are illustrated below.



### 3.1.2 Sustainable Governance Structure and Functional Committee

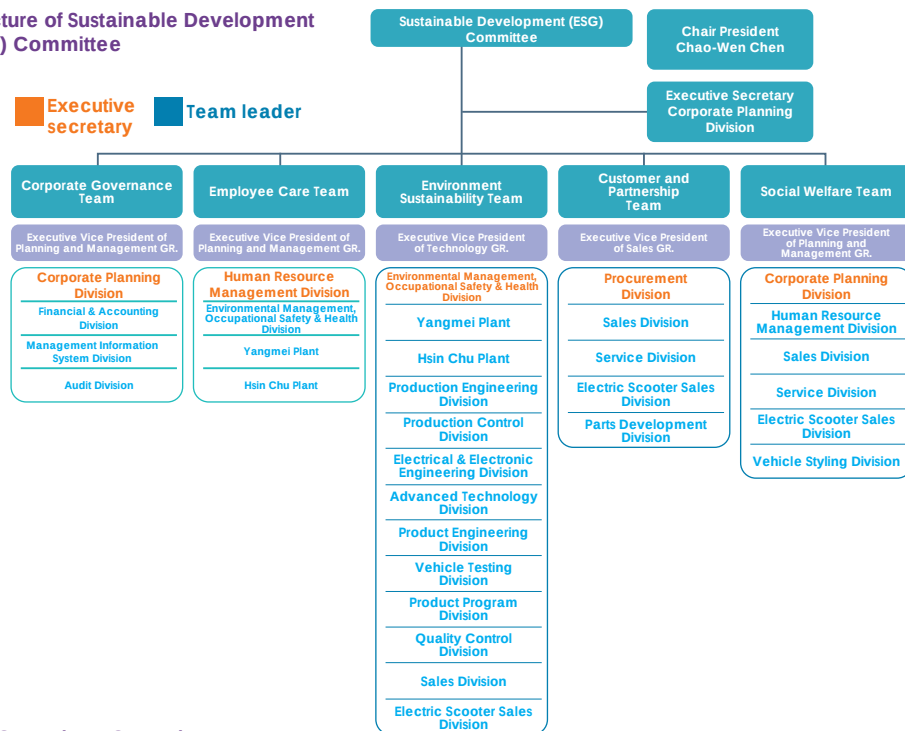


|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                            |                        |                               |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|------------------------|-------------------------------|
| <div>Audit Committee</div> | <b>Committee Functions</b><br>The Audit Committee consists of three members, all independent directors. Their responsibilities include selecting and dismissing CMC's attesting certified public accountant (CPA), determining the CPA's compensation, reviewing and discussing annual financial reports, and auditing the internal control system, including assessing the suitability of internal control statements.                             | Meetings convened<br><b>6 times</b><br>Attendance Rate (including by proxy)<br><b>100%</b> | Organizational Charter | Status of Committee Functions |
|                            | <b>Committee Functions</b><br>The Remuneration Committee consists of three independent directors. Its main responsibilities are to regularly set and review the policies, systems, standards, and structures for evaluating the performance and determining the compensation of directors and managers, ensuring an objective and professional approach.                                                                                            | Meetings convened<br><b>2 times</b><br>Attendance rate (including by proxy)<br><b>100%</b> | Organizational Charter | Status of Committee Functions |
|                            | <b>Committee Functions</b><br>The Risk Management Committee consists of three members, all of whom are independent directors. The committee aids the Board of Directors in communication, reporting, and providing recommendations on risk governance. Additionally, the committee must secure support from the executive level for the company's risk culture policies, ensuring that these policies influence all employees and the organization. | Meetings convened<br><b>1 time</b><br>Attendance rate (including by proxy)<br><b>100%</b>  | Organizational Charter | Status of Committee Functions |

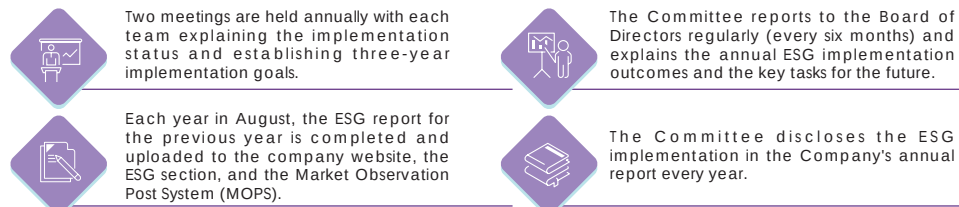
### 3.1.3 ESG Committee

CMC has long been committed to promoting corporate governance, advancing environmental sustainability, and maintaining social welfare. To increase the efficiency of its ESG initiatives, the company established the Corporate Social Responsibility Management Committee in 2014, which was renamed the Sustainable Development (ESG) Committee in 2022. President Chao-Wen Chen serves as the Chair of the committee, with the Corporate Planning Division acting as the Executive Secretary. The committee is subdivided into five groups: Corporate Governance, Employee Care, Environmental Sustainability, Customer and Partner Relations, and Social Welfare, each led by senior executives at the vice president level or higher. The Corporate Planning Division, Human Resource Management Division, Environmental Management, Occupational Safety & Health Division, and Procurement Division serve as the secretariat for their respective groups, ensuring smooth operations. The ESG Committee is responsible for overseeing the company's sustainable development efforts and compiling the ESG Report. The committee also regularly reports its progress and results to the Board of Directors, ensuring the alignment of its initiatives with the company's overall strategy.

#### Structure of Sustainable Development (ESG) Committee



#### ESG Committee Operations



### 2023 Annual Sustainability Communication Achievements



#### Senior Executive Communication

##### Board Reporting

To ensure a well-established corporate sustainability culture and seamless internal communication, all sustainability-related policies, systems, management guidelines, and specific implementation plans are regularly reported to the Board of Directors.

##### Senior Executive Meetings

Annual key ESG results and activities are presented at executive management meetings. This top-down approach helps encourage department heads to actively promote participation among their teams in ESG initiatives.

#### Employee Advocacy

##### Intranet Advocacy

The Company regularly promotes annual ESG achievements and volunteer activity updates on its internal network, encouraging supervisors and employees to engage enthusiastically.

##### Company-wide Volunteer Recruitment

Each year, CMC organizes environmental protection and philanthropic activities, recruiting employees from across the company to join as volunteers. Large-scale recruitment events are held at employee cafeterias and on family days to maximize participation.

##### New Employee Training

For new hires, the Chair of the ESG Committee leads training sessions to strengthen and embed ESG principles into their understanding from day one, contributing to the overall sustainable culture at CMC.

##### Policy Support

CMC has implemented a volunteer incentive policy that offers employees three days of volunteer leave annually and provides vehicles for public service activities, allowing employees to fully commit to volunteering without logistical concerns.

#### ESG Committee Operations and 2024 Goals

CMC's ESG Committee will continue addressing sustainability issues. Beyond legal compliance for sustainability disclosures, the company plans to incorporate international carbon reduction standards (SBTi) into its future production strategies, developing more aggressive carbon reduction goals. In the social sphere, CMC aims to enhance stakeholder engagement and strengthen its societal impact, while internally fostering a diverse, equitable, and inclusive workplace that promotes sustainable talent development.

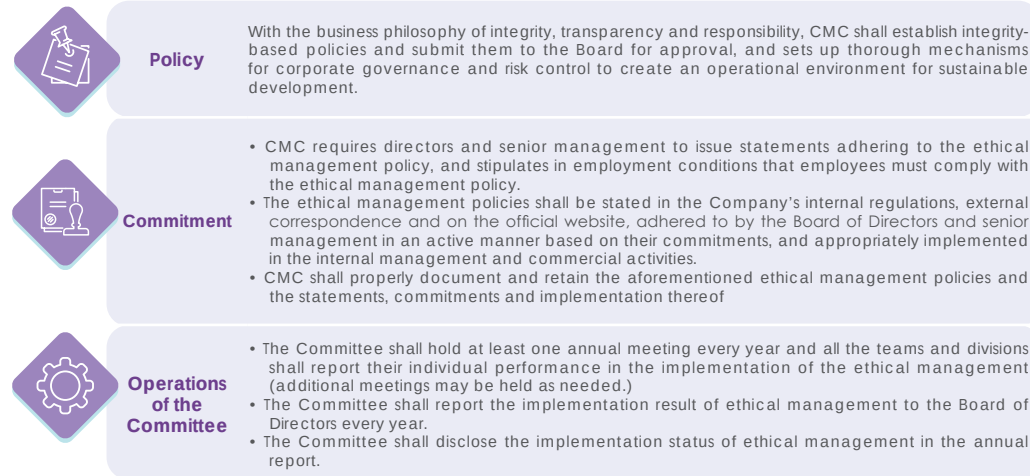


## 3.2 Ethical Management: Upholding Legal Compliance with Integrity

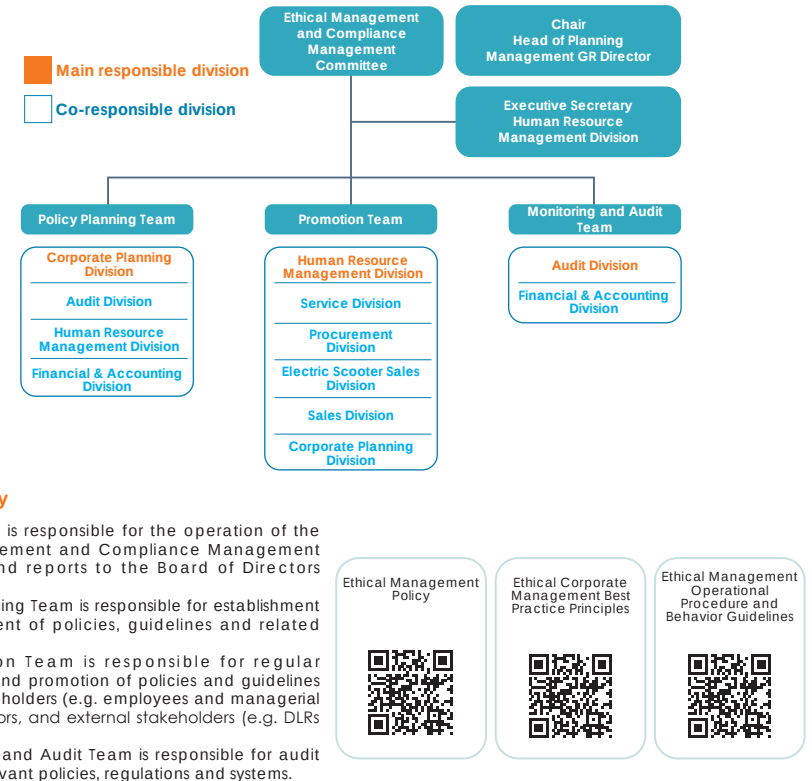
With the principles of fairness, honesty, trustworthiness, and transparency, we established the “CMC Ethical Corporate Management Best Practice Principles” in 2014 to improve the efficiency in the implementation of the ethical corporate management. Four pillars are established for all the commercial activities and the operations of the Company in order to cultivate the corporate culture of ethical management and build an environment for the sustainability of the business operation. By taking multiple management strategies, we request employees to observe the code of conduct with the ethics and integrity as the core value, enhance the norm of professional ethics from internal practices to external implementations, and cultivate a culture emphasizing legal compliance.

### 3.2.1 Ethical Management and Compliance Management Committee

#### Policies and Goals of the Ethical Management and Compliance Management Committee



#### Structure of the Ethical Management and Compliance Management Committee



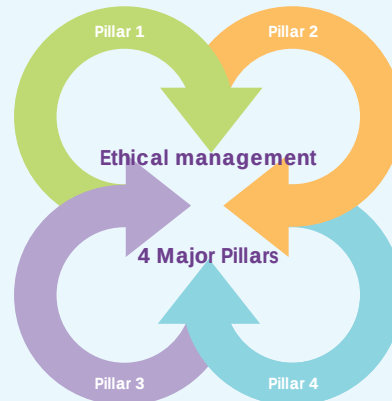
### 3.2.2 Ethical Management Policy and Implementation

#### Establishment of Regulations

CMC has embedded a corporate culture of integrity management, adhering to the principles of fairness, honesty, trustworthiness, and transparency in all business activities. Through regular reporting, the formation of the management committee, and continuous promotion, CMC ensures that both internal and external integrity guidelines are followed, ensuring compliance with legal requirements.

#### Dissemination and Implementation

CMC ensures compliance with relevant laws and internal regulations by continuously implementing concrete actions through employee education and supplier management. This ensures that consistent ethical business practices are upheld across the entire organization, from the inside out.



#### Regular Review and Amendment

The Ethical Management and Compliance Management Committee shall hold at meeting every and all the and divisions shall report their individual performance in the implementation of the ethical management. (Additional meetings may be held, if needed, in an irregular basis.) It shall also review the Company's implementation status of ethical management. In addition to reporting the implementation result to the Board of Directors regularly, the Committee shall disclose it in the annual report.

#### Whistleblowing Mechanism

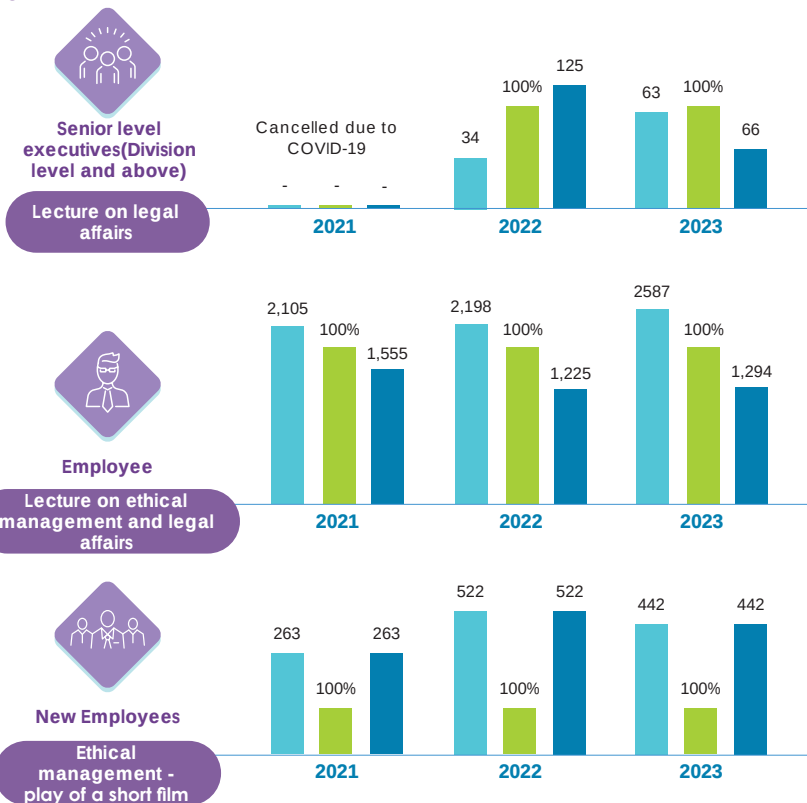
- Setup of “Whistleblowing Section” on the official website as a control mechanism for stakeholders to make reports
- Incorporation of ethical management into the employee performance evaluation and human resource policies, and establishment of specific and effective systems for rewarding, punishment and reporting

For more details on the four pillars of integrity management, along with information on the educational programs and promotional efforts, please refer to the ESG section of the official website.



## The Status of Participation in the Ethical Management Courses from 2020 to 2023

Number of participants Percentage of participation Total hours



## Suppliers in Ethical Management

We deem suppliers primary stakeholders in the implementation of the ethical management. In addition to promote it to the suppliers through Business Partners Conference and announcements, we add Ethical Management Clauses to the agreements and communicate the information on ethical management at the routine meetings of the suppliers to enhance their awareness of the importance in the compliance with ethical management. We incorporate the "Integrity and Compliance Pledge" in the "Fundamental Contract" entered into between the CMC and parts suppliers as well as in the "Equipment/Engineering Contract" entered into between the CMC and the suppliers contracting an equipment/engineering project over NTD 1 million. If any supplier acts in violation of the ethical conduct, CMC has the right to terminate or withdraw the contract.



### A. Engagement in business activities in a fair and transparent manner

We undertake that all the business transactions and activities are lawful without acceptance or offering of bribes or any other unethical conduct. We will never offer or pay any improper advantages to any employees of CMC for the purpose of any deals



### B. Termination or withdrawal of contracts in case of violations of the Ethical Management Clause

The supplier who acts in violation of the Ethical Management Clause shall compensate CMC for its damage, and CMC has the right to terminate or withdraw the contract without the need to assume the liability for breach of the contract



### C. Whistleblowing channels

Any person who finds any employee of the company for which the person works or the other company accepting or offering bribes or engaging in unethical conduct shall report it to the audit department or designate person of the other company as soon as possible CMC provides the following whistleblowing channels. The identity of the whistleblower and the contents of the whistleblowing will be kept confidential

- (1) CMC Whistleblower Hotline:  
The whistleblower hotline number is 03-2707781. It is set up in the Audit Division and features both recording and voicemail functions for unattended calls. The Audit Division staff is responsible for answering the calls or handling voicemail recordings.
- (2) CMC Whistleblower Email Address:  
The email address is [audit@china-motor.com](mailto:audit@china-motor.com). Emails sent to this address can only be accessed by CMC's independent directors or their designated representatives.



Whistleblowing section for stakeholders

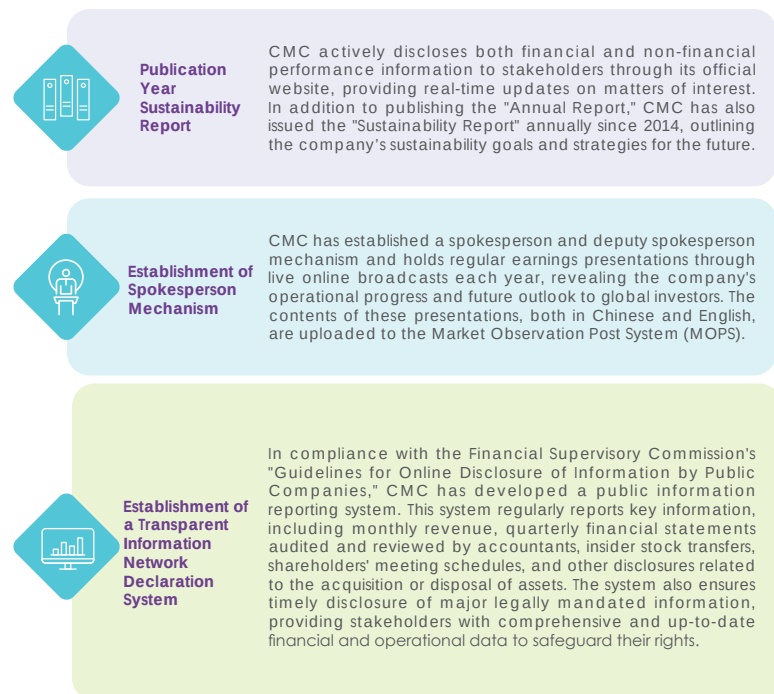


## Transparent information disclosure

We are dedicated to protecting the rights and interests of all the stakeholders, observe relevant regulations and the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”, and set up multiple smooth information disclosure channels for the public to enquire.

### CMC's Transparent Information Disclosures

### Information Disclosure Channel



Note: After reviewing our (excluding investee companies) internal control and the laws and regulations governing the environmental protection, tax and labor, there were nothing to be censured as of the end of 2023; there were also nothing to be censured against any invested companies as of the end of 2023.

## 3.2.3 Tax Governance and Transparent Information Disclosure

### Tax governance

CMC upholds responsible business practices by adhering to the principles of legal compliance and regulations, striving to follow tax laws and maintaining sound business practices alongside principles of honest tax payment. We work diligently to manage tax risks appropriately while fulfilling corporate social responsibilities. We are committed to paying taxes in full compliance with the law, while also actively fulfilling our tax obligations. At the same time, we make full use of lawful tax incentives to manage tax risks effectively, in line with international tax governance trends. This commitment supports sustainable business operations and enhances shareholder value.



### Legal Compliance

Tax regulation compliance and fulfilling tax payment obligations



### Legal Tax Reduction

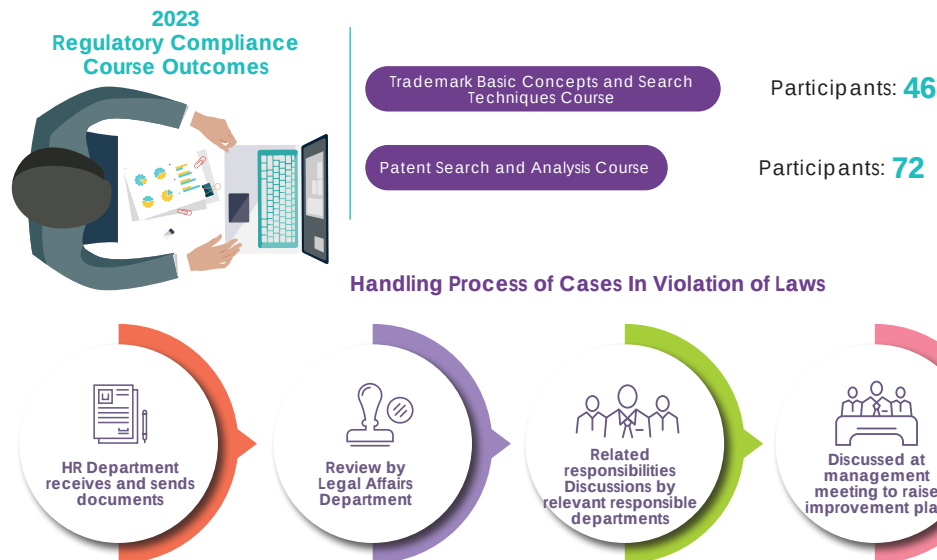
Government tax exemptions and legal tax saving measures



### 3.2.4 Legal Compliance

We keep paying attention to the regulations and policies related to the industry, assessing the potential risk and effect arising from the changes of the regulations on the Company, and reviewing if we have established corresponding internal rules according to these regulations to ensure compliance with them to the extent of the highest standards. The legal affairs unit under the Corporate Planning Division and all the units responsible for laws and regulations are in charge of managing the high-risk related regulations and the regular rules and documents of the Company. These responsible units work with the divisions to establish explicit and appropriate action plans for regular update of regulations, implementation of self-assessment, education and training, and audit and inspection.

In addition to laws and regulations, all the employees of the Company shall make sure their business activities comply with the policies and rules of the Company to implement the ethical management. CMC's patent search and analysis course was part of an educational training initiative aimed at enhancing legal compliance awareness. In 2023, the course saw a total of 118 participants, contributing to the improvement of the company's overall legal education efforts. Through the gradual implementation of multiple legal concepts, CMC has not received any fines from administrative authorities as of the end of 2023.

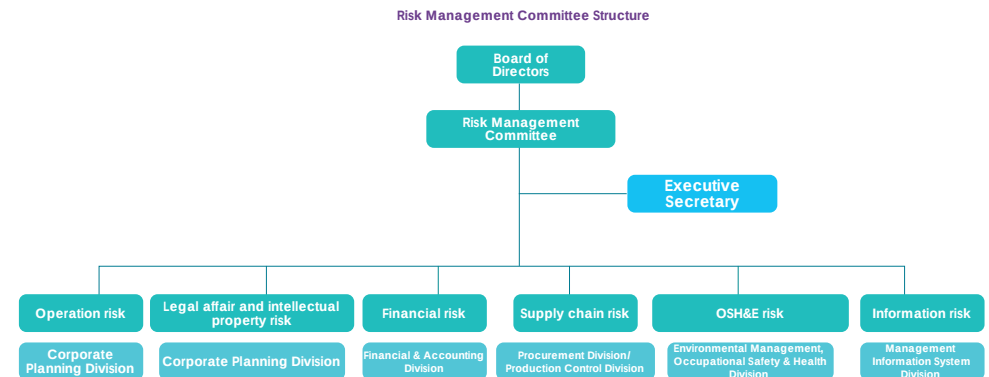


### 3.3 Risk Management: Preventive Action for Business Continuity

CMC's primary business is the manufacturing and sale of vehicles and parts, and the company avoids engaging in highly leveraged or high-risk investment activities. However, with the increasing threats posed by climate change, evolving government regulations and policies, and the spread of global viruses and pandemics, we have recognized the growing impact of emerging risks in recent years. To proactively address these challenges, including carbon emission risks, cybersecurity risks, and global geopolitical shifts, we elevated the Risk Management Committee to a functional committee in 2023 as part of our enhanced risk management system. By implementing preventive risk management and damage mitigation plans, along with the necessary infrastructure, we aim to raise awareness at all levels of the Company and build a more robust risk management framework. This approach strengthens the company's resilience to face the unpredictable challenges of the future.

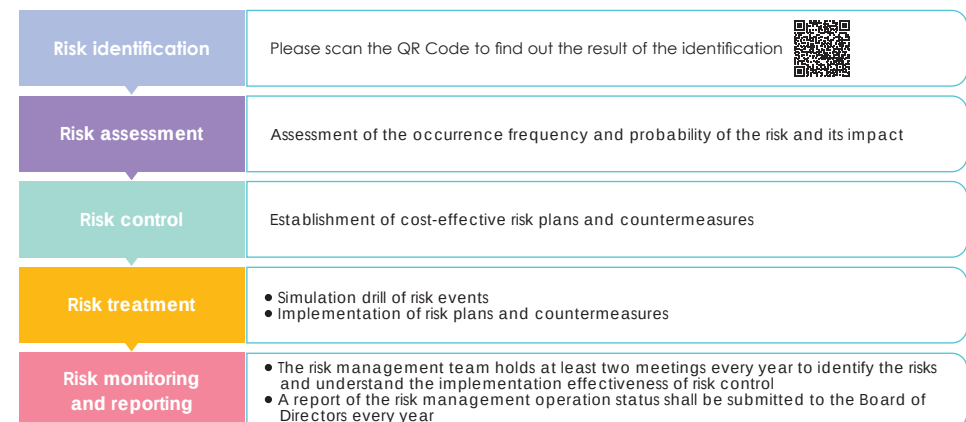
### 3.3.1 Risk Management Committee

To strengthen corporate governance and improve risk management operations, CMC has established a Risk Management Committee. Initially an operational-level committee, the Risk Management Committee was elevated in 2023 to a functional committee under the Board of Directors. This move was made to enhance the company's risk control and management, as well as to reinforce the functions of the Board. The committee is chaired by independent directors, who assist the Board in planning and overseeing the company's risk management affairs, regularly reporting on the status of risk management execution and providing necessary improvement recommendations.



#### Risk Management Procedure

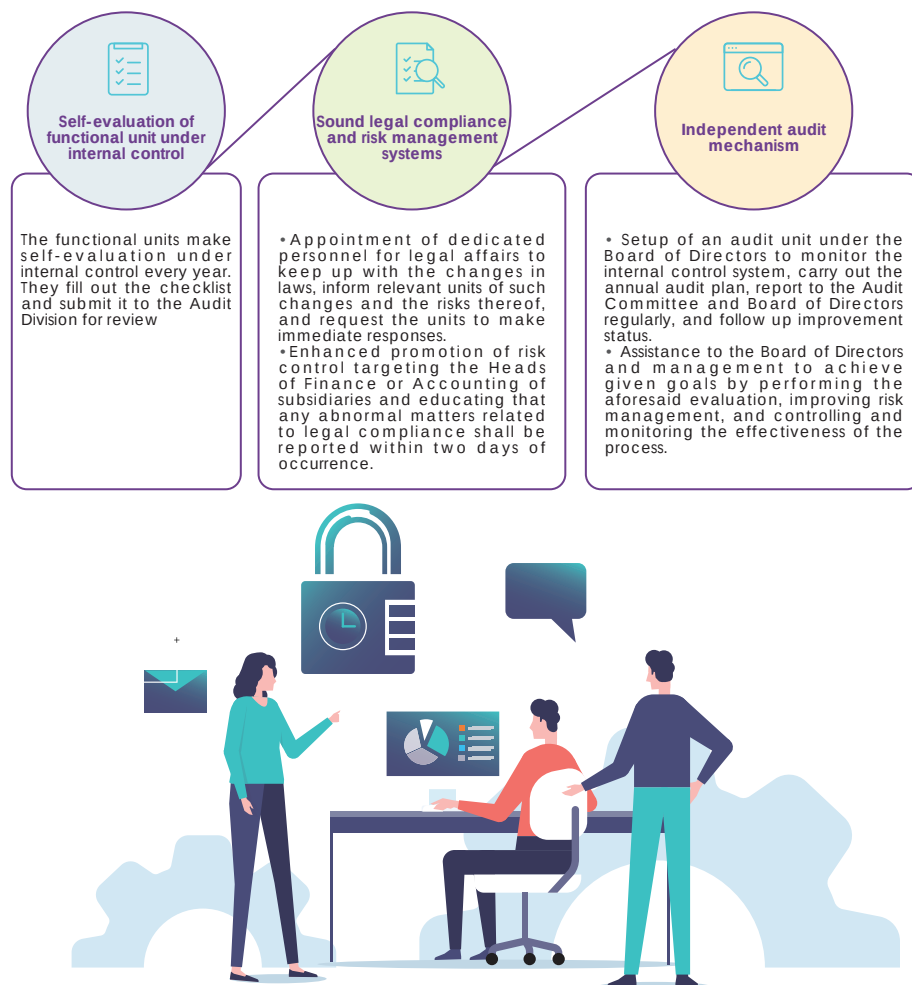
CMC's risk management process encompasses the identification, assessment, control, treatment, monitoring, and reporting of risks. These steps enable the proactive identification and evaluation of potential risk events, the creation of response measures, and swift action when risks arise. By regularly reviewing and improving risk management procedures, CMC enhances its effectiveness in mitigating or avoiding risk impacts, ensuring continuous operation and working towards sustainable development goals.



## Three Internal Control Frontlines

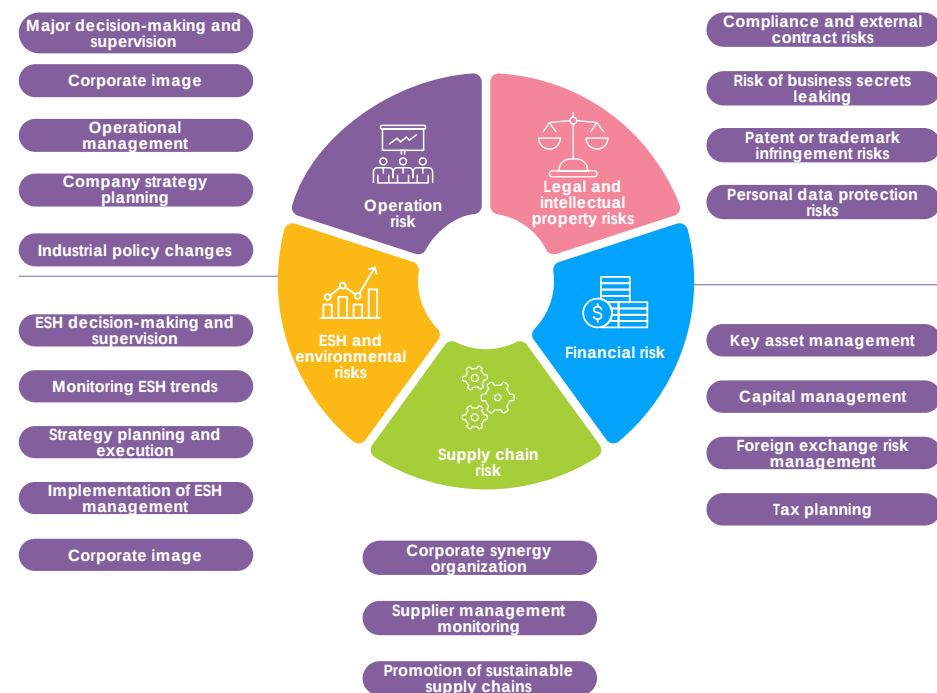
We have established the Audit Division directly under the Board of Directors. It is the designated audit unit in charge of internal audit affairs and whistleblowing matters. The responsibility of the Audit Division covers all the units of the Company and the subsidiaries. The Audit Division performs the audit in accordance with the annual audit plan that has been approved by the Board of Directors. In case of deficiencies and unlawful acts, the Audit Division summarizes the improvement statuses of the divisions involved into a report and submit it to the Audit Committee, Board of Directors, operation meeting, or management review meeting. In addition, the Audit Division follows up the problems identified during the audit every quarter and prepares the "Follow-up Report on Identified Problems and Abnormalities" containing a description of the effectiveness. The follow-up actions are taken until all the improvements have been completed, so that the Board of Directors and the management can understand the deficiencies and the effectiveness of the corrective and preventive measures that the audited divisions have taken.

### Three Internal Control Frontlines



## 3.3.2 Critical Incident Risk Management

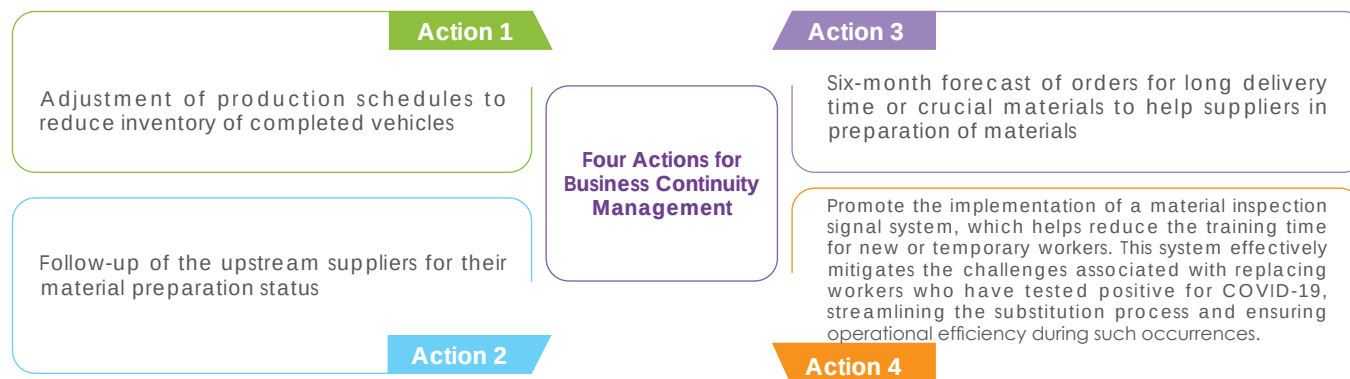
We recognize that in future operations, there may be more threats and risks, along with various uncertainties. To prevent potential losses from these complex risks, including economic, environmental, and social factors, we categorize key risks accordingly and assign appropriate management teams within relevant departments for operational arrangements. Each management team is responsible for formulating specific management issues and mechanisms, setting work plans, and conducting regular annual reviews of their execution status and progress. The Risk Management Committee meets annually to facilitate reporting and discussion, allowing each team to present updates and reports. This assists the Board of Directors in planning and overseeing the company's risk management affairs, providing timely feedback on the execution of risk management and offering necessary improvement suggestions.



For details, please refer to  
2023 Risk Management  
Operations

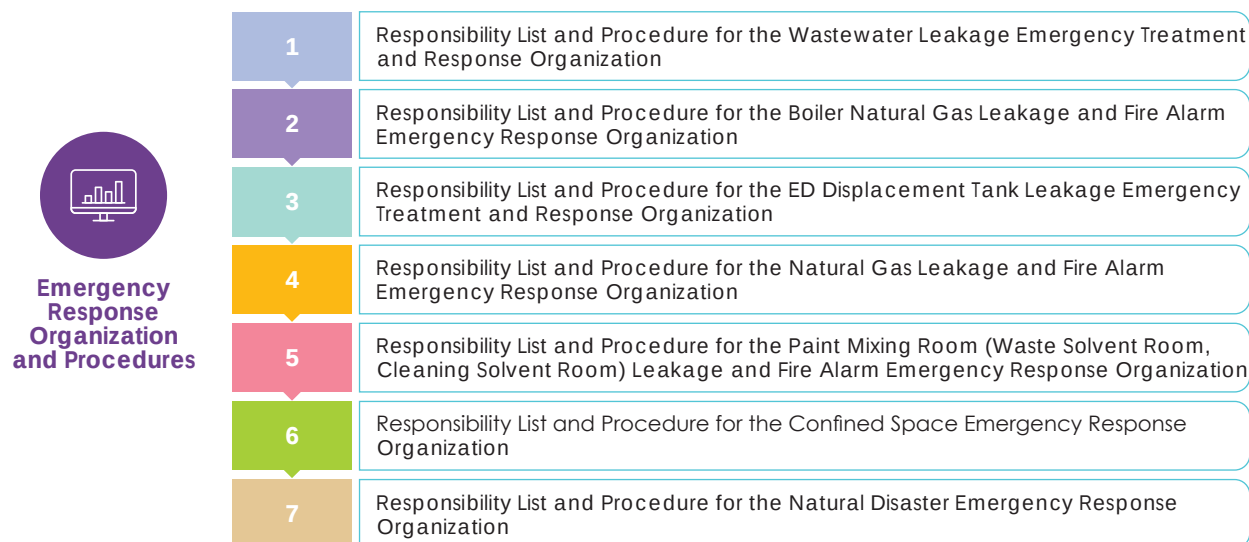
### 3.3.3 Business Continuity Management (BCP)

As the global risks and hazards continue to intensify, we actively formulate business continuity plans (BCPs) for the plants. In consideration that the key for the sustainable operations of the Company is the provision of uninterrupted services for strategic customers and primary stakeholders, and the early deployment for the business continuity management of the Company with the support of a complete management mechanism, we continue performing self-criticism and making improvement to make sure we can fully maintain and restore the highest operational goals once an accident or impact occurs, and try our best to protect the rights and interests of the customers and stakeholders to the greatest extent.



#### National Disaster Response Team

The climate change has been rank as one of the Top 5 risks, including flood, drought and severe typhoons, in The Global Risks Report 2021 published by World Economic Forum (WEF). It is a threat and has impact on the operation of the companies to a certain extent, and result in losses. To minimize the damage brought about by an emergency and the impact on the environment, the CMC Yangmei Plant has established the "Operating Standards for Emergency Responses" to specify the procedures for emergency contact, handling, treatment, and restoration in case an accident occurs. The responsible units are requested to implement emergency response procedures for different emergency circumstances within their respective authority and perform at least one drill every year to make sure the system involved functions effectively and make improvement for the deficiencies in the response procedures. Where a natural disaster occurs, the responsible unit, Environmental Management, Occupational Safety & Health Division, must be informed immediately. The response procedures are comprised of the following documents:



### 3.4 Financial Performance: Diversified Operations and Global Expansion

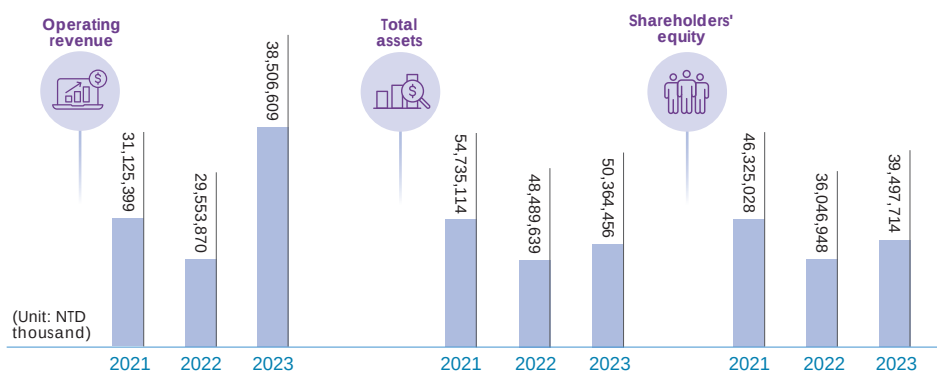
CMC's financial performance in 2023 benefited from various strategic efforts. The Company focused on improving operational efficiency, controlling costs, enhancing product value and market competitiveness through marketing and product innovation, expanding its international business operations, and managing financial risks prudently. These efforts strengthened the Company's financial position, paving the way for sustainable development.

#### 3.4.1 Building a Solid Financial Foundation

##### Financial Performance

In 2023, CMC's consolidated revenue was **NTD 38.507 billion**. The total assets were **NTD 50.364 billion**, and the shareholders' equity was **NTD 39.498 billion**.

##### Operation Performance in the Recent Three Years



Note: The data were based on CMC's consolidated financial statements for 2021 to 2023



#### Consolidated Financial Information of CMC in the Recent Three Years

(Unit: NTD thousand)

| Item                                | Basic element                                                | 2021        | 2022       | 2023        |
|-------------------------------------|--------------------------------------------------------------|-------------|------------|-------------|
| Direct economic value generated - A | Revenue                                                      | 31,125,399  | 29,553,870 | 38,506,609  |
| Economic value distributed - B      | Operating costs                                              | 29,083,946  | 27,611,103 | 35,860,457  |
|                                     | Employee wages and benefits*Note 1                           | 2,564,318   | 2,413,329  | 2,674,419   |
|                                     | Payments to providers of capital (cash dividend of the year) | 3,044,912   | 2,214,481  | 3,321,722   |
|                                     | Payments to government*Note 2                                | 674,792     | 495,539    | 889,735     |
| Economic value retained             | Investment in communities*Note 3                             | 7,206       | 2,251      | 5,903       |
|                                     | Produced - distributed (A-   B   )                           | (1,678,251) | (767,253)  | (1,565,305) |

Note 1: Includes personnel expenses such as bonuses, retirement benefits, and labor/health insurance.

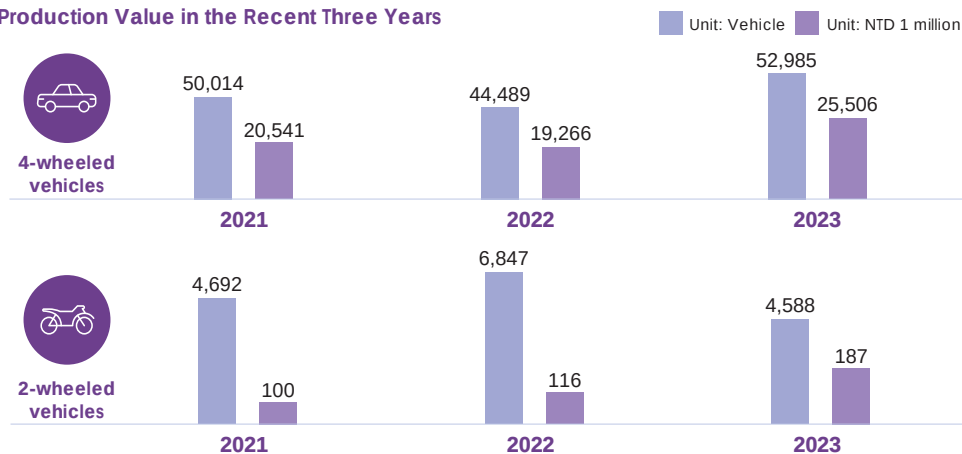
Note 2: Income taxes paid.

Note 3: Donations to government agencies, other organizations, and contributions to community goodwill and public welfare initiatives.

Note 4: The data were based on the consolidated financial statements in 2023 and the internal data of CMC; please refer to the Company's annual report of the year for details



### Production Value in the Recent Three Years



Note: The production volume and value are based on the production of completed cars. Production capacity refers to the volume manufactured using existing production equipment operating under a normal single shift considering factors such as holidays or days when production ceases

### Sales Value in the Recent Three Years

| Category                                                                         | Unit            | 2021   | 2022   | 2023   |
|----------------------------------------------------------------------------------|-----------------|--------|--------|--------|
| 4-wheel internal combustion engine vehicles (including domestic and export sale) | Vehicle         | 50,390 | 43,656 | 50,169 |
|                                                                                  | NTD 100 million | 228    | 206.96 | 260.72 |
| 4-wheel electric vehicles (including domestic and export sale)                   | Vehicle         | 79     | 87     | 308    |
|                                                                                  | NTD 100 million | 0.53   | 0.51   | 2.01   |
| 4-wheel hybrid vehicles (including domestic and export sale)                     | Vehicle         | NA     | 694    | 2,306  |
|                                                                                  | NTD 100 million | NA     | 6.24   | 20.95  |
| 2-wheel vehicles (including domestic and export sale)                            | Vehicle         | 5,365  | 6,483  | 4,846  |
|                                                                                  | NTD 100 million | 1.98   | 3.01   | 2.50   |

Note 1: As the plug-in hybrid four-wheeler vehicles were newly launched in 2022, data is only available for 2022 and 2023.  
Note 2: These sales values are based on the number of vehicles that CMC took for delivery rather than those for which motor vehicles offices disclosed the license plates

## Expected Benefits from Capital Expenditure in 2024

### Optimization of product quality

We will upgrade and replace obsolete production systems and equipment within the project schedule for different models to ensure the conformity to the development schedule, the achievement of the quality goals for each product line, and the compliance of the models with the latest regulations.

### Innovative R&D of green energy

We are the only company that has the own brands of new energy vehicles and the capability of developing new models in Taiwan. We will continue developing new products for electric vehicles, scooters and motorcycles as well as power kits and increasing the systems and equipment in the R&D, testing and quality fields to ensure the quality and competitiveness of the green products.

### Improvement of market competitiveness

To ensure smooth mass production of different models, we will improve the efficiency and quality of the production lines by deploying more machines and equipment to improve the competitive strength of the products on the market.

### Integration of cloud technologies

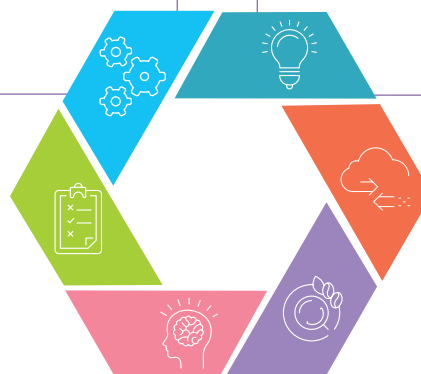
To integrate the systems and improve the efficiency, we will invest in information hardware and software, upgrade the production, financial and personnel information systems, and manage them to improve the accuracy of the financial and management analysis reports.

### Development of smart plants

To keep up with the revolutionary trend of smart production and plant management of industry 4.0, we will perform timely, visualized and preventive production management by implementing new execution systems and management platforms.

### Devotion to energy conservation and carbon reduction

In addition to replacing or improving old air conditioning systems, boilers, large electricity consuming machines and equipment at the production lines, we will develop water resource management policies and plan recycle of effluent for the plants to reduce unnecessary waste of resources and energy.

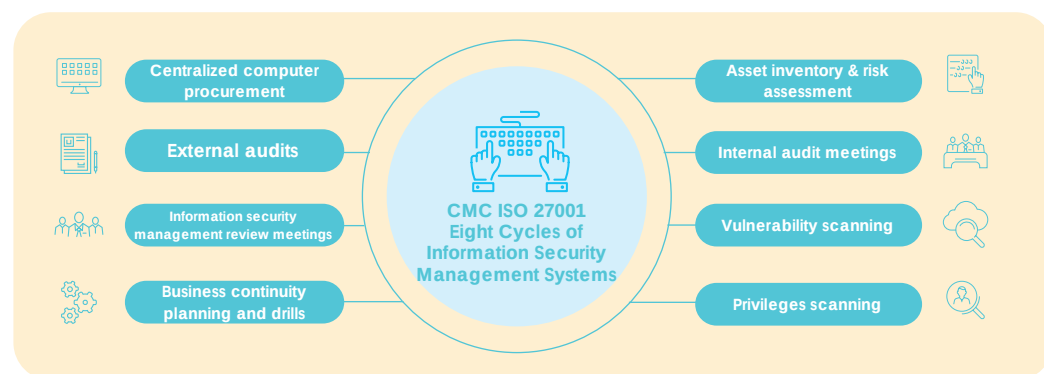
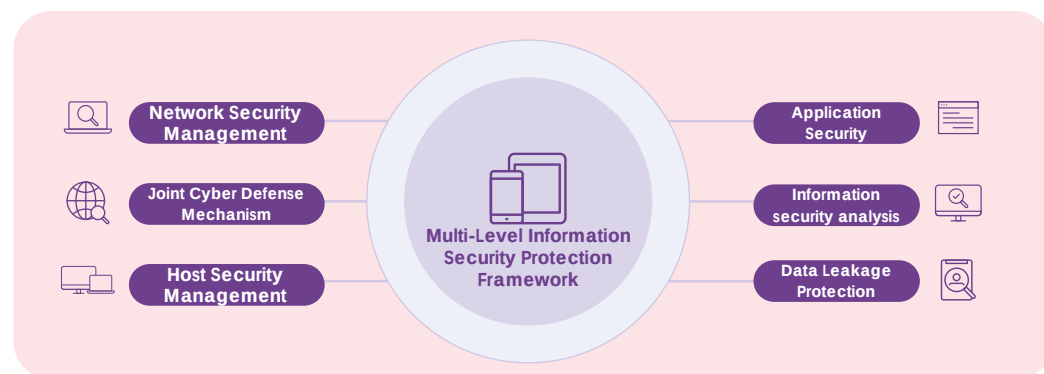


## 3.5 Information Security: Impeccable Defense for Information Security

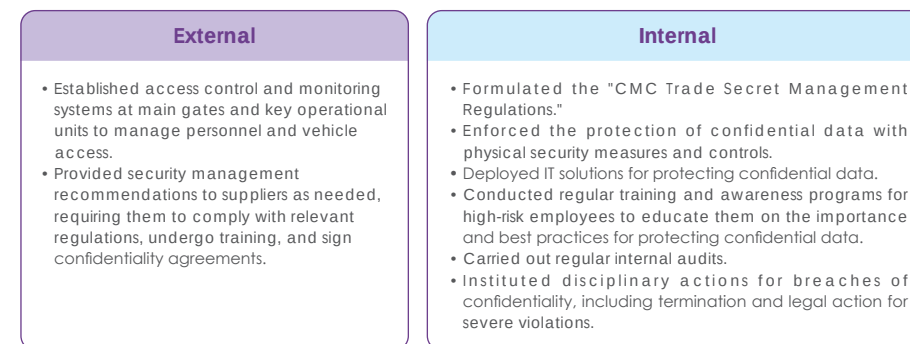
### 3.5.1 Information Security Management Policy

CMC regards the protection of confidential information as a continuous effort. To protect company and customer confidential data, we have obtained ISO27001 certification for information security and continuously promote awareness of information security concepts and the use of security tools among our employees. We also collaborate with various departments to establish protection and handling mechanisms for confidential information via ISO documents, utilizing systems and mechanisms to provide comprehensive protection.

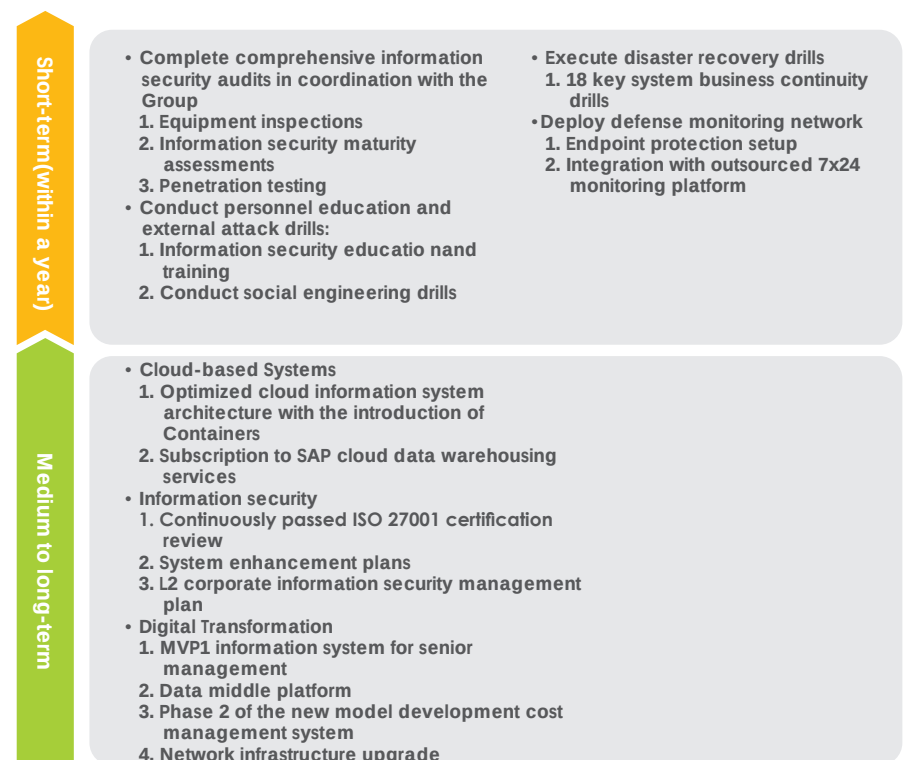
To mitigate the risk and losses from data leaks, CMC has implemented a confidential document encryption system and utilizes information technology to protect and manage confidential data, including core technologies, intellectual property rights, patents, and trade secrets, ensuring appropriate and effective protection.



Additionally, to prevent intentional or accidental damage, destruction, or unauthorized operations of personal data, CMC implements both technological and organizational protective measures to safeguard customer data.



### Short-, Mid-, and Long-Term Goals for Information Security and Systems Management:



### 3.5.2 Information Security Achievements and Incident Management

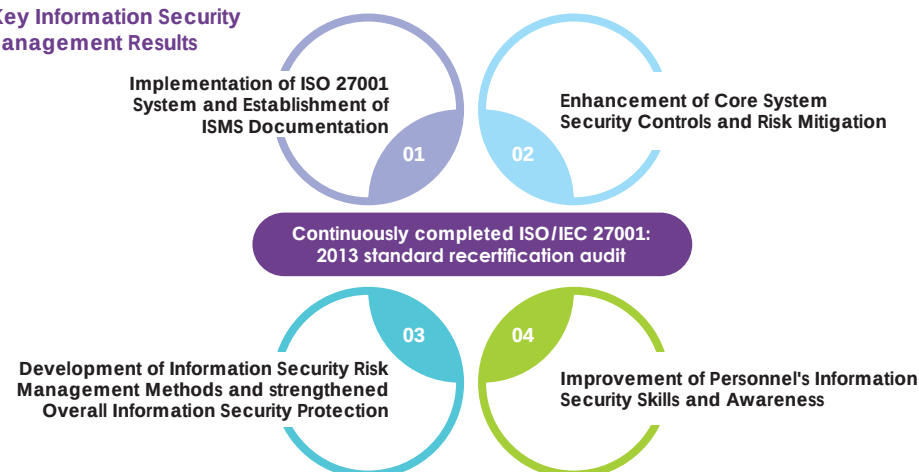
In July 2023, CMC experienced a cyber security incident where parts of the information system were maliciously attacked, resulting in partial production line shutdowns. However, this did not affect overall operations. In response to this incident, CMC promptly took action and subsequently implemented a series of information security measures to prevent such occurrences in the future. The company further strengthened its information security defenses.

CMC has established a comprehensive set of information security measures, which include the formulation of the CMC Trade Secret Management Regulations, the enforcement of confidential information protection, obtaining ISO 27001 certification, deploying endpoint protection systems, implementing a strict network monitoring system, and conducting regular employee training and awareness campaigns. Additionally, a threat prevention mechanism has been established. These measures have significantly enhanced CMC's personal data protection and improved the company's information security management. They meet the requirements of both domestic and international customers concerning information security, while also boosting CMC's competitiveness and ensuring the protection of both the company's development and customer interests.

#### Routine Information Security Operations

| Information security Items                                                                                                                             | Description                                                                                                                                                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <b>Regular network bandwidth and statistics review</b>               | <b>Frequency:</b> Monthly<br><b>Objective:</b> Regularly monitor bandwidth to detect abnormal connections.<br><b>Outcome:</b> Rapidly identify anomalies, allowing timely response actions.                       |
|  <b>System and equipment vulnerability scanning</b>                  | <b>Frequency:</b> Quarterly<br><b>Objective:</b> Eliminate potential vulnerabilities with security concerns<br><b>Outcome:</b> Immediate patching of vulnerabilities, enhancing equipment protection capabilities |
|  <b>Regular antivirus software and virus signature file updates</b> | <b>Frequency:</b> Weekly<br><b>Objective:</b> Ensure defense against the latest viruses<br><b>Outcome:</b> Immediate isolation of abnormal files                                                                  |
|  <b>Social engineering (phishing email) drills</b>                  | <b>Frequency:</b> Annually<br><b>Objective:</b> Strengthen employees' information security awareness<br><b>Outcome:</b> Decreased likelihood of falling into traps year by year                                   |
|  <b>Backup recovery drills</b>                                      | <b>Frequency:</b> Monthly<br><b>Objective:</b> Ensure backup availability<br><b>Outcome:</b> Quick system recovery, maintaining business continuity                                                               |

#### 2023 Key Information Security Risk Management Results



#### Information Security Network Setup

1. Raise awareness of personal data protection among employees, established the Personal Data Protection Management Committee and held regular meetings
2. Implementation of the PDCA Cycle for information security on an ongoing basis
  - (1) Conducted disaster recovery drills for key systems.
  - (2) Performed regular vulnerability scans and system updates.
  - (3) Conducted regular social engineering drills.
  - (4) Organized regular information security training sessions, with a total of 2,290 participants in 2023, covering "Social Engineering Prevention" and "Information Security Protection Practices."
  - (5) Regular promotion of information security awareness to employees
  - (6) No significant deficiencies identified during the annual internal and external information security audit
3. Reinforced Anti-Hacking Measures
  - (1) Introduced real-time monitoring systems (EDR, DDI), with SOC staff performing 24/7 monitoring and issuing regular reports.
  - (2) Mail ATP deployment for real-time isolation of malicious codes, viruses, and phishing emails.
  - (3) Implemented AD Protect to proactively safeguard organizational identity management, detect threats, respond to incidents, and conduct investigations, ensuring a robust defense against unauthorized access and potential security breaches.





# 4 Circular Net-Zero and Green Mobility



- 4.1 Net-Zero Commitment: Protecting the Climate through Coexistence with Nature
- 4.2 Environmental Management: Energy Conservation for Carbon Reduction
- 4.3 Pollution Control and Recycling: Commitment to Pollution Control and Regenerative Economy
- 4.4 Ecological Conservation: Reviving Species and Promoting Environmental Education







## Material topic



## Climate change



### Core Vision and Commitment

The bearing is one of the key components for vehicles. It bears the weight and gives directions to the wheels. Similarly, CMC's approach to sustainability aligns with these functions: harmony, innovation, TOP, and sustainability are interconnected principles. In harmony, we continually innovate, strive for excellence, and aim for sustainable operations. CMC's commitment to sustainable development is our corporate mission, bearing the weight of progress and guiding us toward a future of sustainability. Through concrete actions, we demonstrate our core advantages and deliver sustainable value.

In terms of climate change management, we are dedicated to reducing the environmental impact of our production processes. We have adopted the TCFD (Task Force on Climate-related Financial Disclosures) framework to assess and disclose the financial impacts of climate change on the company. Starting in 2024, we will also comply with the TNFD (Task Force on Nature-related Financial Disclosures) framework to comprehensively evaluate and disclose nature-related risks and take measures to minimize our impact on the natural environment. We have established strict procedures for handling pollutants and waste, and we are committed to maintaining the environmental quality around our facilities. Furthermore, we have thoughtfully developed an environmental ecology education park, contributing to the preservation of biodiversity and nurturing the seeds of ecological education in various settings.



### Outcomes and Achievements in 2023



In 2023, effluent volume was reduced by **16.37%** compared to 2022.



- Continuation of water-saving improvements in passenger car leak test areas, resulting in annual water savings **5,500 tons/year**.
- Updates to corroded underground pipes for rented well water, leading to an annual water savings of **6,205 tons/year**.
- Promotion of effluent recycling and reuse improvements, achieving an annual water savings of **15,136 tons/year**.
- Water-saving improvements in the air scrubber for pre-treatment painting, achieving an annual water savings of **3,600 tons/year**.



#### Air Pollution Reduction and Improvement Project

- In 2023, VOCs emissions from the painting factory were reduced by **1.59g/m<sup>2</sup>**, a **3% decrease** compared to 2021 levels.
- Air pollution fees and fresh solvent procurement costs were **reduced by a total of NTD 2.361 million per year** compared to 2022.



#### Energy-saving investments

- Over the past three years, energy-saving investments have exceeded **NTD 104 million**
- The cumulative benefits over the past three years amount to **NTD 10.287 million**



In 2023, **NTD 700,000** was invested in maintaining the environmental ecology education park, and conducting the first comprehensive ecological survey to establish an ecological database.



#### Yangmei Plant:

- Awarded the "Outstanding Corporate River Adoption Award" by the Taoyuan City Government for seven consecutive years.
- Received the "Excellence in Green Procurement Award" for the first time.



Solar photovoltaic power generation equipment produced **636,821 kWh/year**, reducing **315.2 tCO<sub>2</sub>e /year**, saving **NTD 2,419,920/year** in electricity costs, and achieving a renewable energy usage rate of **2.43%**.



### Strategic Goal

#### Short-term

- **Energy conservation and carbon reduction as well as water conservation will be promoted continuously at the plants. We will keep implementing process energy conservation projects and improving the utilization efficiency of resources**
- **Ongoing compliance with air, water, and noise pollution regulations.**

#### Medium-term

- **By 2030, approximately 5,993.5 kW of solar power capacity will be installed, with renewable energy accounting for 25% of total electricity.**
- **Annual reduction targets for various types of pollution will be implemented.**

#### Long-term

- **By 2040, five phases of solar power equipment will be completed, totaling 13,282.5 kW of capacity, with renewable energy accounting for 55% of total electricity.**
- **We will keep track of the long-term trend of the climate change issues and define relevant goals for management**

## 4.1 Net-Zero Commitment: Protecting the Climate through Coexistence with Nature

### 4.1.1 Policy Commitment and Management Highlights

#### CMC's Environmental Sustainability Policy and Commitments

CMC operates under the principles of “harmony, innovation, TOP, and sustainability” as its core business philosophy. With the onset of the “Climate Emergency” era, CMC has increasingly recognized the operational crises posed by extreme climate and global warming. The future of the traditional automotive industry, under the influence of climate change and natural environmental shifts, will face more stringent challenges and rapidly changing markets. The Company's operations, which produce and sell vehicles, electric two-wheelers, and other transportation tools, are aimed at improving the quality of life. However, the wastewater, waste, and noise generated during production and sales processes must be appropriately managed, and we continue to reduce emissions.

CMC established the “Corporate Social Responsibility Management Committee” in 2014, which was renamed the “Sustainable Development (ESG) Committee” in 2022. The Company tirelessly promotes environmental policies and commitments, passing the “CMC Environmental Sustainability Policy” in 2023. In the same year, the “Risk Management Committee” was elevated to a functional committee, and the “Occupational Safety, Health, and Environmental Risk Group” was established to manage environmental sustainability issues such as climate change, low-carbon transformation, and biodiversity. Through various sustainability actions and strategies, we demonstrate our commitment to the environment, driving green transformation and sustainable development, while also reducing the impact of climate risks and finding new opportunities for the business.



CMC  
Environmental  
Sustainability  
Policy

- Establish and regularly evaluate the effectiveness of the environmental management system, continuously promoting green factories, green energy, green manufacturing, green transportation, and green supply chains to manage environmental risks and enhance environmental management performance, with the goal of achieving net-zero emissions by 2050.
- Fulfill regulatory obligations by actively complying with environmental laws and other requirements.
- Commit to environmental protection and pollution prevention, effectively monitoring and managing pollutants generated during production, while continuously improving resource consumption, waste management, circular economy efforts, pollution control, and biodiversity performance.
- Stay attuned to global climate change trends, adapt to abnormal climate impacts, and evaluate risks and opportunities by investing resources and responding effectively—such as enhancing basic protective measures, strengthening emergency management, and addressing climate change concerns within the supply chain.
- Promote green procurement by prioritizing the planning and procurement of environmentally friendly green products, while offering green products and services to mitigate environmental impact.
- Enhance awareness, responsibility, and accountability for environmental sustainability among all employees, subsidiaries, joint ventures, suppliers, and contractors, working together to meet the challenge of net-zero emissions and continuously reduce the adverse impact of greenhouse gas emissions on the environment.

#### Ambitious 2050 Net-Zero Carbon Emissions Pledge

In 2023, CMC partnered with suppliers to jointly announce the goal of the “2050 Net-Zero Declaration,” demonstrating the Company's determination and drive toward net-zero transformation. To align with this declaration, CMC further signed up for the Science Based Targets Initiative (SBTi) in December 2023, and in January 2024 became the first automotive company in Taiwan to commit to SBTi. Based on the methodology defined by SBTi, we will use the base year of externally verified data to set a carbon reduction path and formulate near-term decarbonization plans. Systematic data analysis will be used to establish concrete carbon reduction targets and pathways for Scope 1, Scope 2, and Scope 3 greenhouse gas emissions, with a plan to submit targets for SBTi review within two years. Through our commitment to international initiatives, CMC demonstrates its strong resolve in energy saving and carbon reduction, specifically addressing the goal of keeping global temperature rise below 1.5°C.

#### CMC 2050 Net-Zero Emissions Pledge

- Commit to setting short-, medium-, and long-term carbon reduction targets based on Taiwan's 2050 net-zero emissions roadmap, with the goal of achieving carbon neutrality throughout the production process by 2050.
- Based on the goal of achieving net-zero emissions by 2050, implement energy-saving and carbon reduction measures, transition to renewable energy, and actively develop low-carbon transportation solutions.
- Lead and support related enterprises in the upstream and downstream supply chain system to work towards the goal of net-zero emissions.

Additionally, CMC is actively participating in international initiatives related to carbon reduction and environmental sustainability. Starting in 2024, CMC will participate in the “Carbon Disclosure Project” (CDP), enhancing carbon reduction assessments within plants, and implement “Internal Carbon Pricing” (ICP) to ensure each department effectively manages carbon reduction benefits. In response to climate change and the global biodiversity crisis, CMC will also introduce “biodiversity” management in 2024, assessing the impact of its development activities on the environment, species restoration, and habitat protection. Through the Task Force on Nature-related Financial Disclosures (TNFD), CMC will collaborate with global enterprises to implement biodiversity protection initiatives.

#### Commitments to the 2050 Net-Zero Carbon Emission Global Initiative

Science-Based Targets Initiative (SBTi)

Internal Carbon Pricing (ICP)

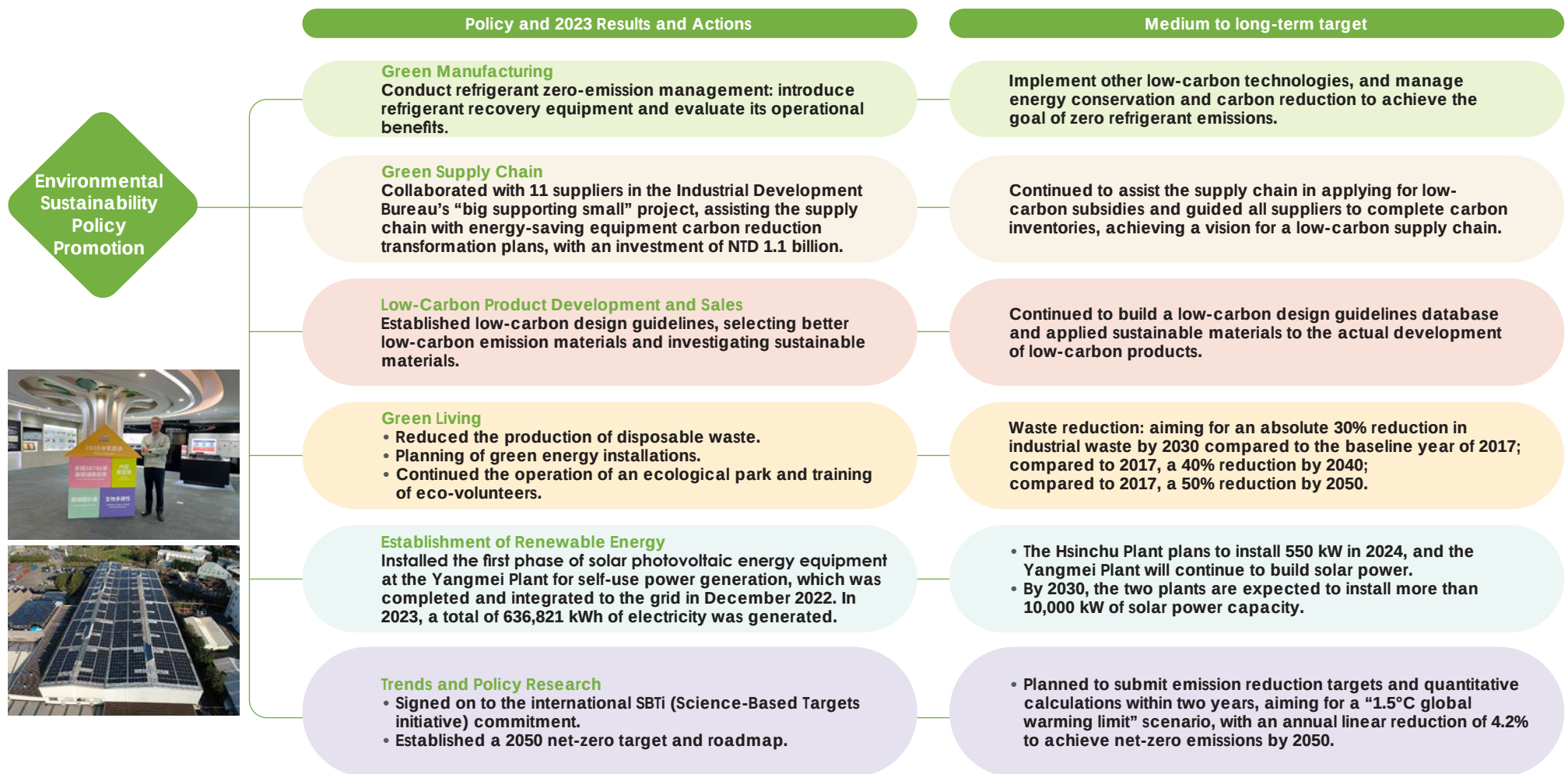
Carbon Disclosure Project (CDP)

Task Force on Nature-related Financial Disclosures (TNFD)

## Environmental Sustainability Strategy Blueprint

CMC, through its ESG Committee's Environmental Sustainability Group, has been promoting the company-wide environmental sustainability strategy since 2022. Each year, the Company reviews its annual environmental sustainability efforts, results, and performance, and sets medium- and long-term plans and goals. Currently, CMC's environmental sustainability strategy focuses on five key directions: green manufacturing, low-carbon product development and sales, green living, renewable energy infrastructure development, and trend and policy research.

These areas encompass the entire value chain of CMC, from research and development, production, and manufacturing to sales, driving sustainability throughout the company. At the same time, the Company emphasizes deepening its employees' understanding and hands-on practice of ESG principles, aiming to embed sustainable development into CMC's DNA. This approach ensures that sustainability extends from within, expanding its impact, and contributing to Taiwan's net-zero commitment.



Sustainability Commitment from the Chairperson

ESG Highlights

About CMC

Vision Blueprint for Corporate Sustainability

Innovative Technologies and Forward-Looking Value

Excellent Governance and Proactive Action

Circular Net-Zero and Green Mobility

Safe Workplace and Outstanding Development

Giving Back to Society in Every Way Possible

Appendix



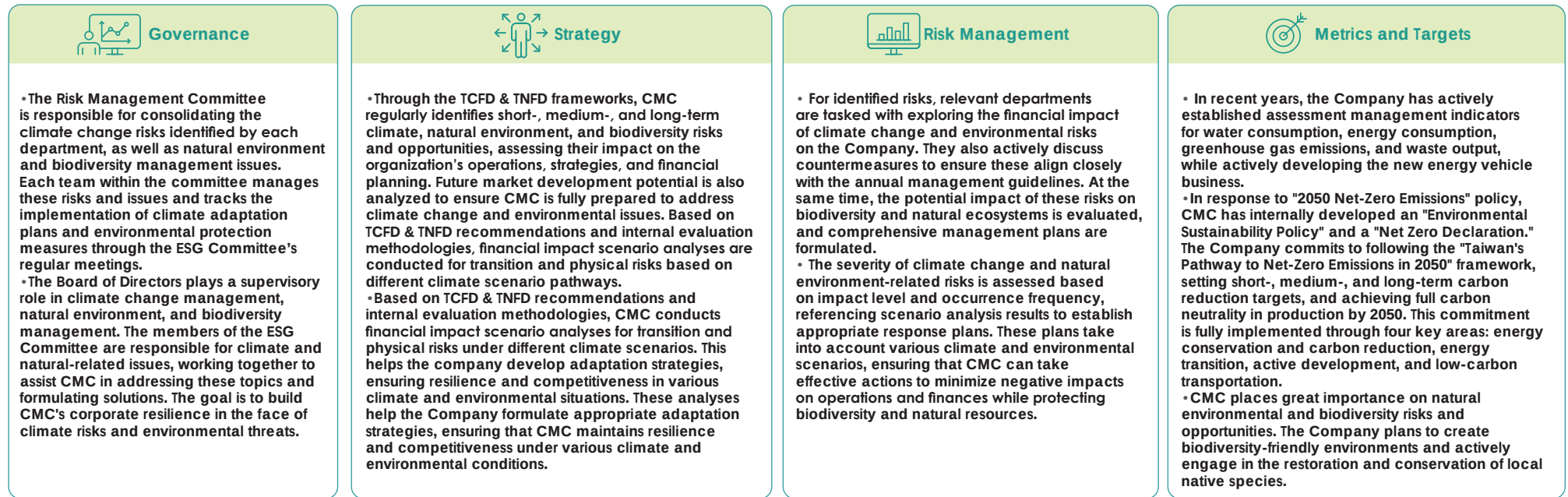
#### 4.1.2 Climate and Nature Governance Framework

##### TCFD & TNFD Implementation Summary

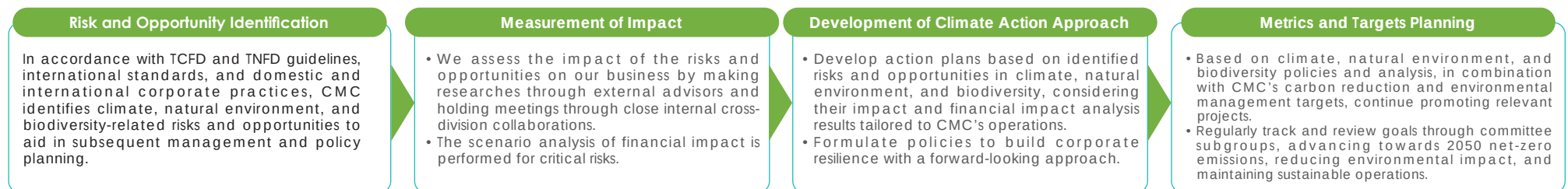
To implement CMC's environmental sustainability policy and respond to the UN's Sustainable Development Goals (SDGs), CMC has extended its successful experience with the 2022 Task Force on Climate-Related Financial Disclosures (TCFD) framework by further introducing the "Task Force on Nature-related Financial Disclosures(TNFD)." Given the close relationship between corporate operations and natural ecosystems, business activities or external factors may alter the state of nature and ecosystems, affecting the benefits they can provide.

Therefore, CMC will regularly review natural ecosystems related to operations, identify potential risks or opportunities, and ensure close connections with nature to devise timely strategies and management measures. Through "governance," "strategy," "risk management," and "metrics and targets," CMC not only discloses climate issues through the TCFD framework but also manages nature and biodiversity issues using the TNFD framework.

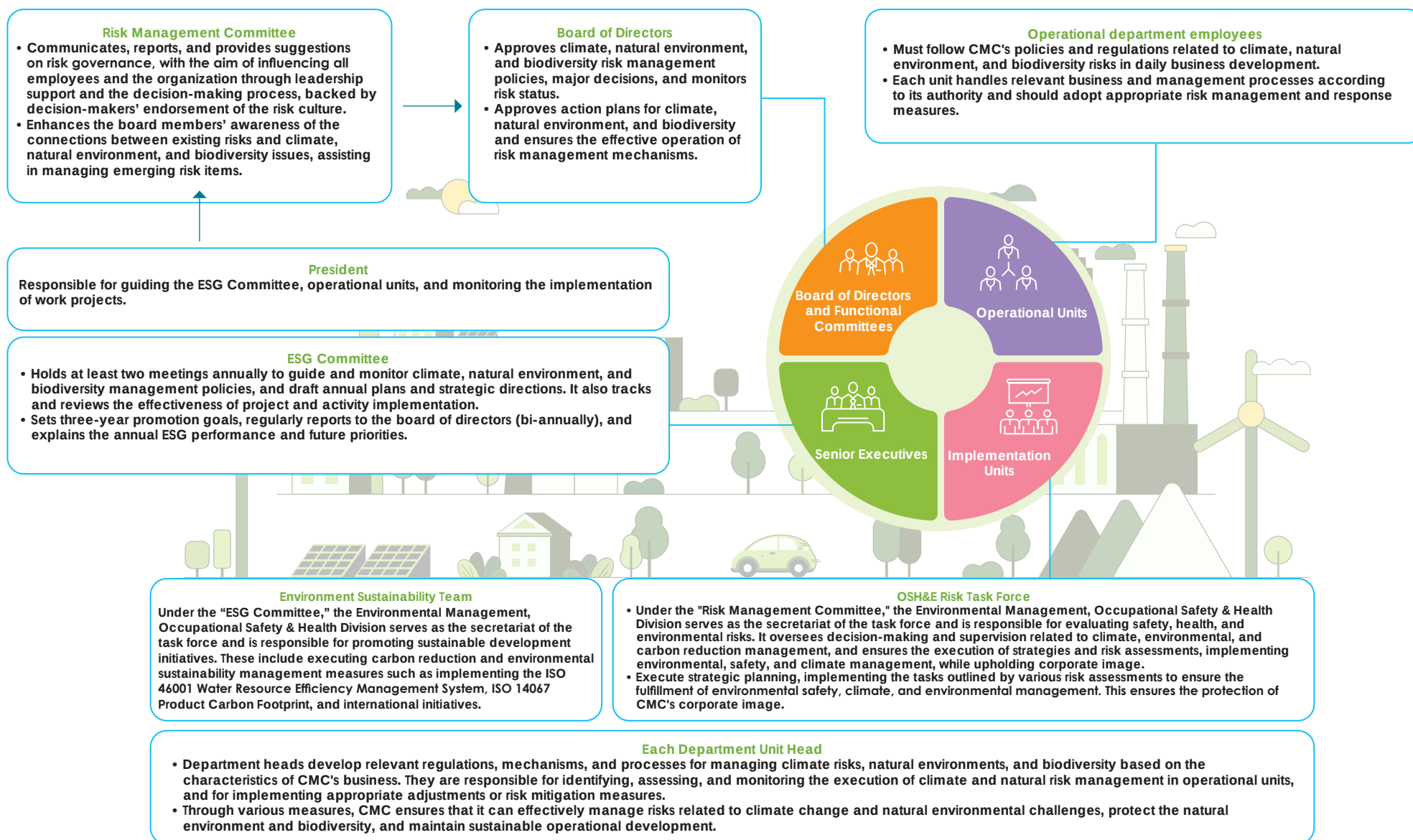
##### CMC TCFD Four Aspects Execution Summary



##### Climate and Nature Management Process



### CMC's Environmental Sustainability Governance Structure

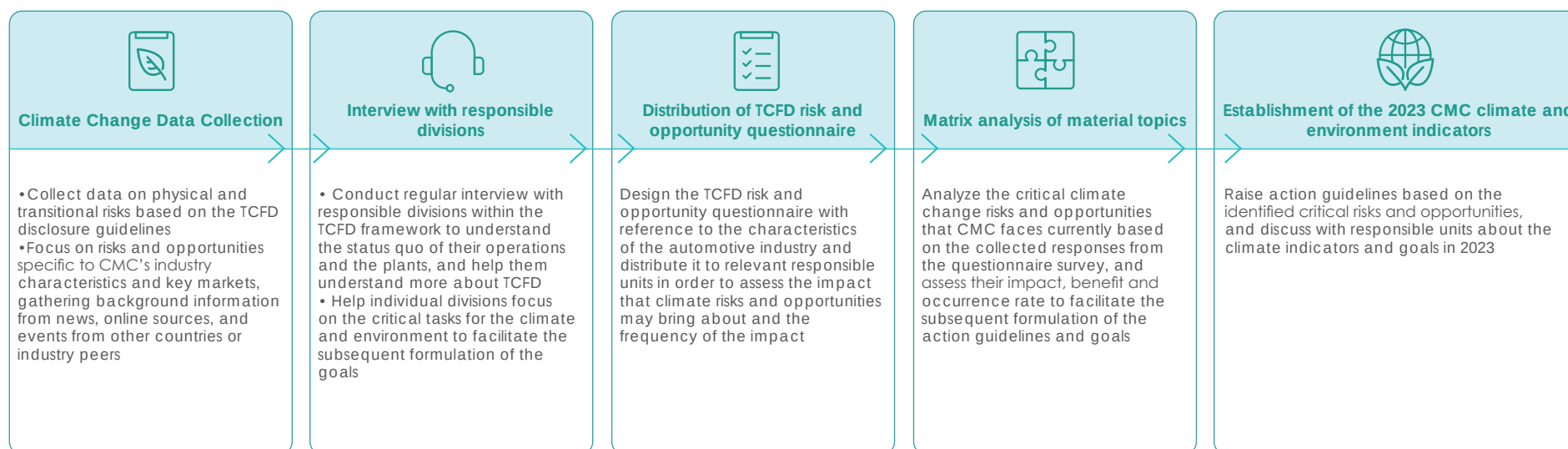


### 4.1.3 Identification of Climate Change Risks and Opportunities

#### Identification of Climate Risks and Opportunities

The Company formulates detailed procedures for identification of climate related risks and opportunities in accordance with the TCFD recommendations. In addition to collecting the information on the climate change and the practices of benchmarking companies, we conduct interviews with internal responsible units within the TCFD framework. In addition, we design assessment questionnaires with reference to these internal and external researches and discussions to ensure more accurate identification of the risks and opportunities related to CMC. By leveraging the identified key risks and opportunities, we establish action plans and energy-saving carbon reduction management indicators. We plan to re-execute the identification and evaluation of TCFD climate change risks and opportunities every three years. Through these continuous efforts toward addressing climate and environmental challenges, we hope to contribute to mitigating global warming and environmental degradation.

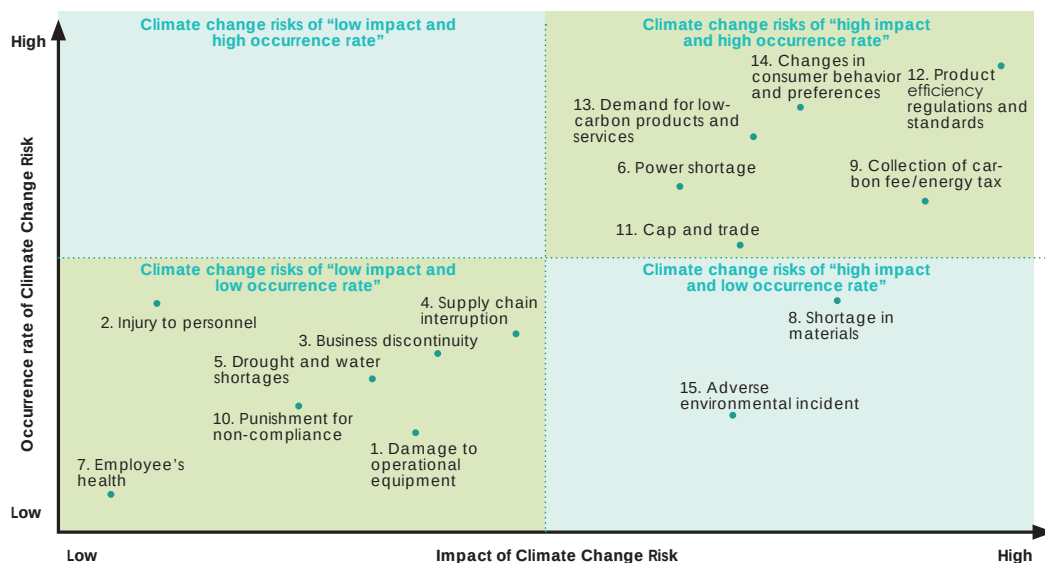
#### Process for Identification of Risks and Opportunities and Formulation of Action Guidelines and Goals



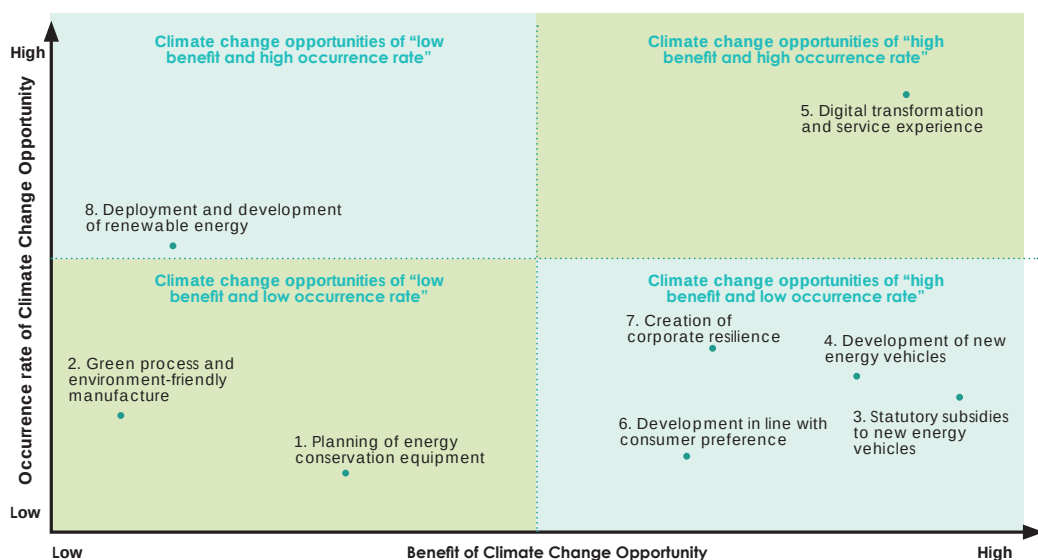


## Climate Change Risk Matrix Analysis Result

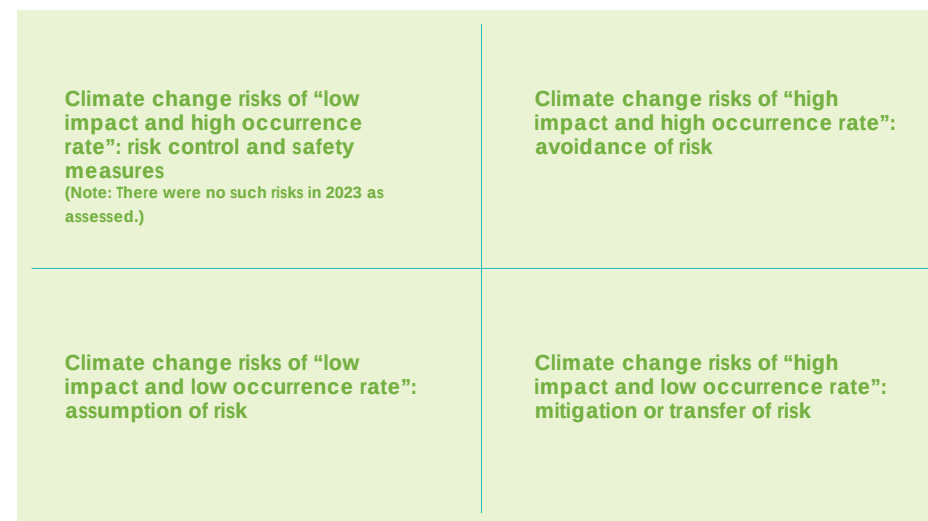
CMC Climate Change Risk Matrix



CMC Climate Change Risk Matrix

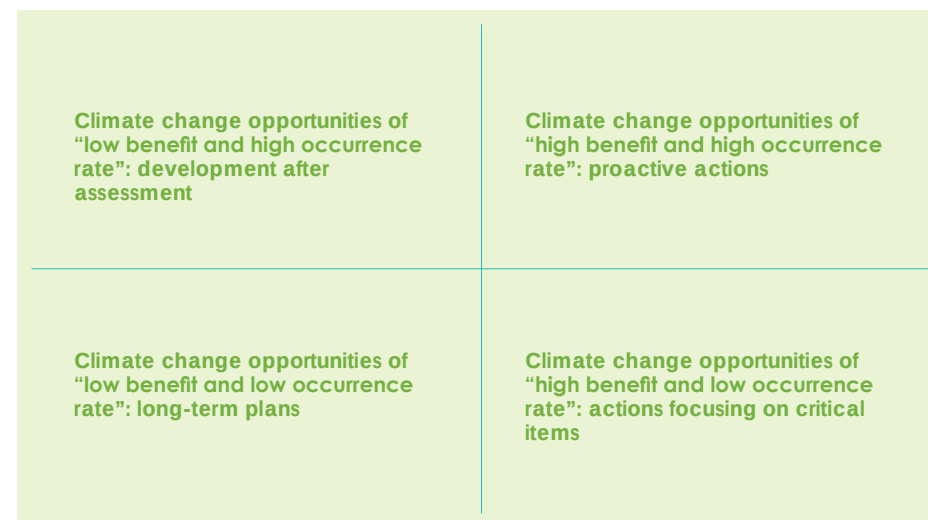


CMC's Corresponding Measures against Climate Risks



Note: Since we have had appropriate management measures for the supply chain and the supply of materials and established response strategies for extreme situations (e.g. chip shortage due to port congestion), and our production and delivery of products have proceeded smoothly over the past two years, we have adequate resilience to cope with the aforementioned two risks of "supply chain interruption" and "shortage in materials". So, they are not the risks of "high impact and high occurrence rate".

CMC's Corresponding Measures against Climate Risks



## Identification of Nature-Related Risks and Opportunities

CMC is committed to supporting the Global Convention on Biological Diversity and will introduce a "biodiversity" initiative in 2024. This initiative will assess the multifaceted impact of CMC's development activities on the environment, species restoration, and habitat protection. Through the Task Force on Nature-related Financial Disclosures (TNFD), CMC will collaborate with global companies to implement biodiversity conservation efforts.

CMC will join global enterprises in implementing biodiversity conservation efforts. In line with the TNFD v0.4-recommended LEAP analysis steps, the Company will define areas of interaction

between its business activities and natural environments, assess how its business relies on and impacts natural resources, and evaluate current strategies while planning for future development. The results of these assessments will be disclosed accordingly.

### CMC's TNFD LEAP Evaluation Process

**Locate:** Identify intersections between the Company's operations and nature.

Based on the Company's business locations, Yangmei Plant has been selected for evaluating interactions with the surrounding natural environment, identifying affected areas and environmental factors.

**Evaluate:** Assess dependencies and impacts on nature.

- By using tools such as SASB and Encore, the Company will review its business model and value chain within the automotive industry, identifying dependency and impact hotspots.
- A value chain mapping of the upstream and downstream relationships in the automotive industry will be created.

**Assess:** Evaluate risks and opportunities related to nature.

- The risk and opportunity list related to the Company's operations are evaluated.
- Questionnaires are distributed to department heads to assess significant nature-related risks and opportunities.
- For identified risks and opportunities, the current risk mitigation and management processes will be reviewed to provide senior management with recommendations on how to avoid, minimize, and mitigate nature-related risks.

**Prepare:** Respond to nature-related risks and opportunities and report.

- Indicators for assessing and managing nature-related risks/opportunities will be established, along with performance targets related to nature dependencies, impacts, risks, and opportunities.
- A 2023 Climate and Nature Environment Report is planned to be published to respond to nature-related risks and opportunities, reporting to all stakeholders.

### CMC's Identification of Industry Dependencies and Impacts

#### Dependencies

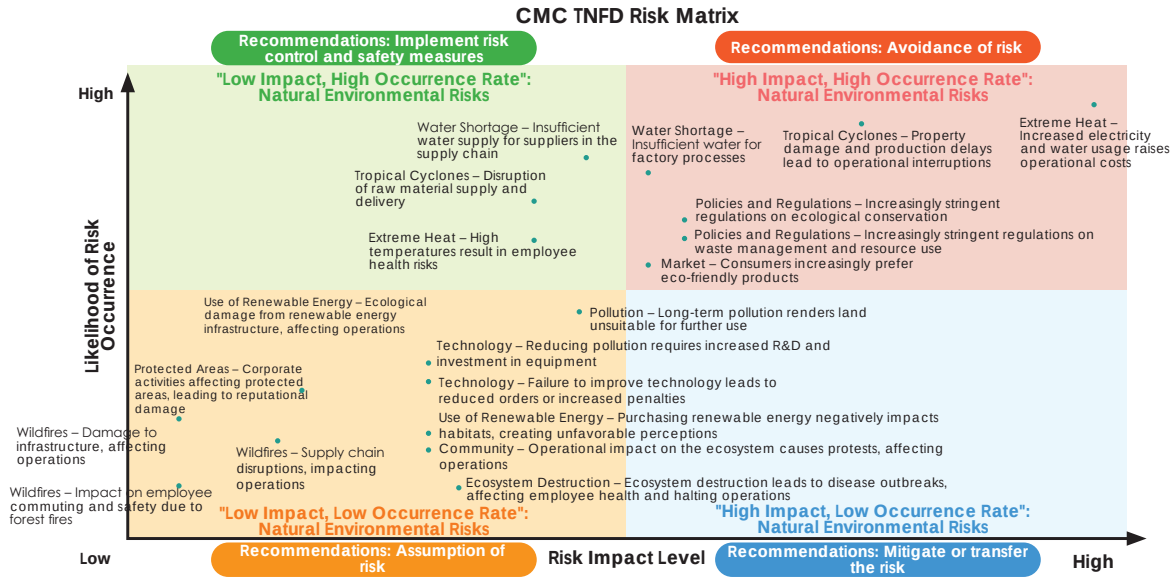
|                        |                                      |
|------------------------|--------------------------------------|
| Surface water          | Atmospheric and ecosystem regulation |
| Groundwater            | Filtration                           |
| Ventilation            | Noise and light pollution            |
| Water flow maintenance | Climate regulation                   |
| Water quality          | Flood and windstorm protection       |
|                        | Soil stability                       |



#### Impacts

|                                  |                |
|----------------------------------|----------------|
| Water consumption                | Soil pollution |
| Greenhouse gas emissions         | Solid waste    |
| Non-greenhouse gas air pollution | Interference   |
| Water pollution                  |                |

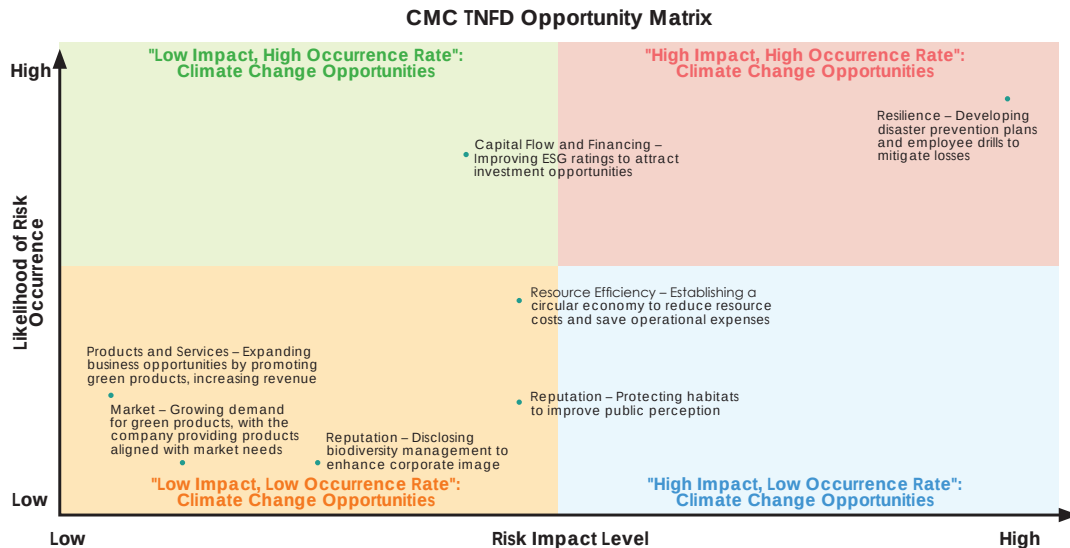
## Analysis Results of Nature and Biodiversity Risk Matrix



## CMC's Nature and Biodiversity Risk Management Focus

|                                                                                                                                                          |                                                                                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>"Low Impact, High Occurrence Rate": Nature and biodiversity risks in this category are managed through "Risk Control and Safety Measures."</b></p> | <p><b>"High Impact, High Occurrence Rate": Nature and biodiversity risks in this category are managed through "avoidance of risk."</b></p>             |
| <p><b>"Low Impact, Low Occurrence Rate": Nature and biodiversity risks in this category are managed through "assumption of risk."</b></p>                | <p><b>"High Impact, Low Occurrence Rate": Nature and biodiversity risks in this category are managed through "mitigation or transfer of risk."</b></p> |

## Nature and Biodiversity Opportunity Matrix Analysis Results



## CMC's Nature and Biodiversity Opportunity Response Focus

|                                                                                                                                             |                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>"Low Benefit, High Occurrence Rate": Nature and biodiversity opportunities are managed through "development after assessment"</b></p> | <p><b>"High Benefit, High Occurrence Rate": Nature and biodiversity opportunities are addressed through "proactive actions"</b></p>               |
| <p><b>"Low Benefit, Low Occurrence Rate": Nature and biodiversity opportunities are managed through "long-term planning"</b></p>            | <p><b>"High Benefit, Low Occurrence Rate": Nature and biodiversity opportunities are managed through "actions focusing on critical items"</b></p> |



#### 4.1.4 Nature and Biodiversity Assessment and Climate Change Risk Scenario Analysis

The climate change has impact on the daily operation of the CMC to a great extent. The terrains of high mountains and steep slopes and the drastic changes of the climate lead to uneven distribution of rainwater and seasonal water shortage in different regions. The floods occur frequently in the typhoon and plum rain season. The stricter environmental regulations may lead to carbon-related fees and emission control someday in the future. These will bring a heavy burden of costs to us. Hence, no matter whether the “physical risk” or “transition risk”, we have assessed their impact carefully and taken management measures in a serious manner. At the same time, CMC places significant emphasis on managing nature and biodiversity risks by assessing the natural ecosystems and biodiversity surrounding its production sites. This ensures that our business activities do not exert excessive pressure on the natural environment. Through these assessments, we identify potential environmental risks and opportunities, and formulate corresponding protection and restoration measures, ensuring that business operations can maintain ecological balance.

#### Analysis of Flood Risk at Business Locations

For our operation and production bases (Yangmei Plant and Hsinchu Plant), we adopt the “Representative Concentration Pathways (RCPs) in the Fifth Assessment Report of the “Intergovernmental Panel on Climate Change” (IPCC) and use the difference in the radiative forcing between 2100 and 1750 as the metrics. Specifically, we use the RCP 8.5 scenario. Based on information from the “National Science and Technology Center for Disaster Reduction – Climate Change Disaster Risk Adaptation Platform,” we estimate the climate conditions for the mid-21st century (2036–2065).

#### Analysis of Flood Risk



As the analysis result of the graphic information indicates, Yangmei Plant is located in the region of Level-3 risk (moderate risk). Hsinchu Plant is located in the region of Level-4 risk where the flood risk is high. As the result indicates, both production bases of the CMC are exposed to flood risk to a certain extent. More hazards to these bases are expectedly in consideration of the more frequent extreme weather conditions. To avoid floods at the plants as a result of extreme climate incidents in the future, prevent the business from discontinuation, and protect the employees from being affected when coming to work, we will formulate response policies based on the result of the analysis, assess potential hazards carefully, and propose management and action guidelines.

Note 1: The flood risk is the analysis result of the hazard, vulnerability and exposure. It reflects the level of disaster risk presented in most GCM models (2036~2065) under the base period (1976~2005) and RCP 8.5 scenario.

Note 2: The disaster risk is classified with the base period as the criterium. The estimated disaster risk graphic reflects a modal analysis based on the results of 33 prediction models..

Note 3: The Level-5 flood risk indicates that the regions has the “relatively” highest disaster risk; the Level-1 flood risk indicates that the disaster risk is relative low but does not mean there is no disaster risk or no disaster incidents would happen.

Note 4: RCP 8.5 high emission scenario - In this scenario, radiative forcing increases to 8.5 watts per square meter by 2100, assuming no change in carbon reduction policies and the continued rise of greenhouse gas emissions at the current rate. This leads to a sustained increase in atmospheric greenhouse gas concentrations, with global temperatures rising by nearly 4°C, causing inevitable damage to the global environment.

**Analysis of Carbon Fee Risks**

To achieve the goal of "Net Zero Emissions by 2050," the Taiwanese government has enacted the "Climate Change Response Act," which was promulgated by the Legislative Yuan in early 2023. In the foreseeable future, carbon fees will be levied on domestic emission sources. In 2023, CMC's greenhouse gas emissions (Scope 1 + Scope 2) totaled 20,386.754 tCO<sub>2</sub>e. Although CMC is not currently a major carbon emitter, the government plans to lower the threshold for major emitters in the future. Once CMC falls into the category of major carbon emitters, operational costs will rise sharply, impacting profitability.

To assess potential exposure, we conducted an analysis using three carbon emissions evolution scenarios proposed by the International Energy Agency (IEA): the Stated Policies Scenario (SPS), the Announced Pledges Scenario (APS), and the Net Zero Emissions by 2050 Scenario (NZE). We also incorporated carbon price forecasts from five sources: the Environmental Protection Administration's recommended rates, the European Union's estimated carbon tax rates, Greenpeace's suggested rates, the NGFS 2050 Net Zero (NZ) Scenario, and the NGFS Below 2°C Scenario. The analysis assesses the level of exposure CMC may face from 2023 to 2050 under varying scenarios.

Sustainability  
Commitment  
from the  
ChairpersonESG  
Highlights

About CMC

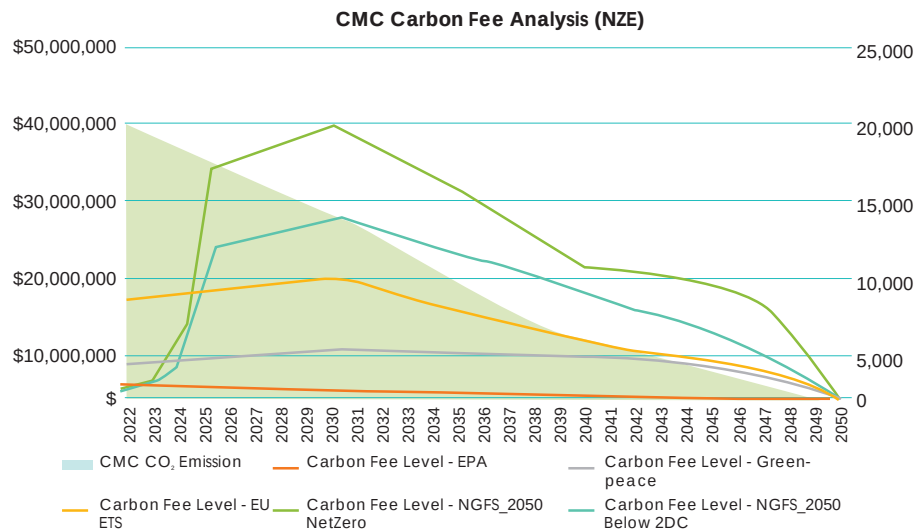
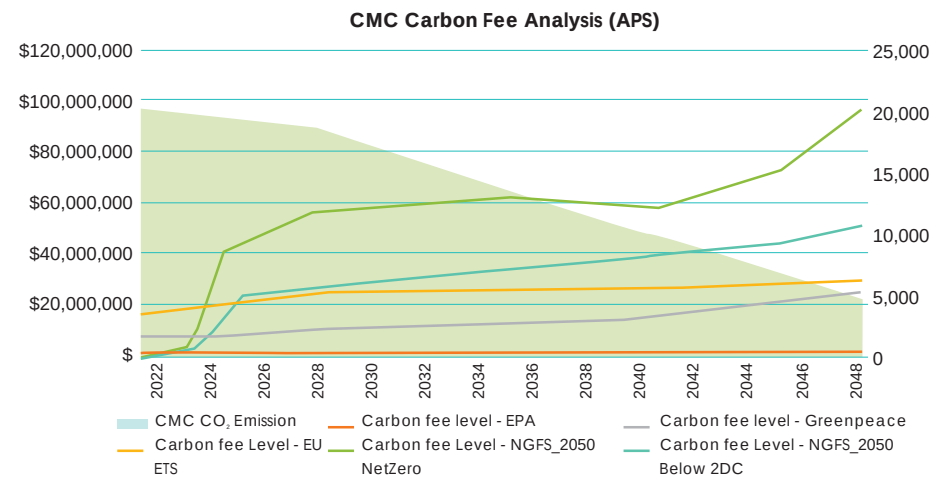
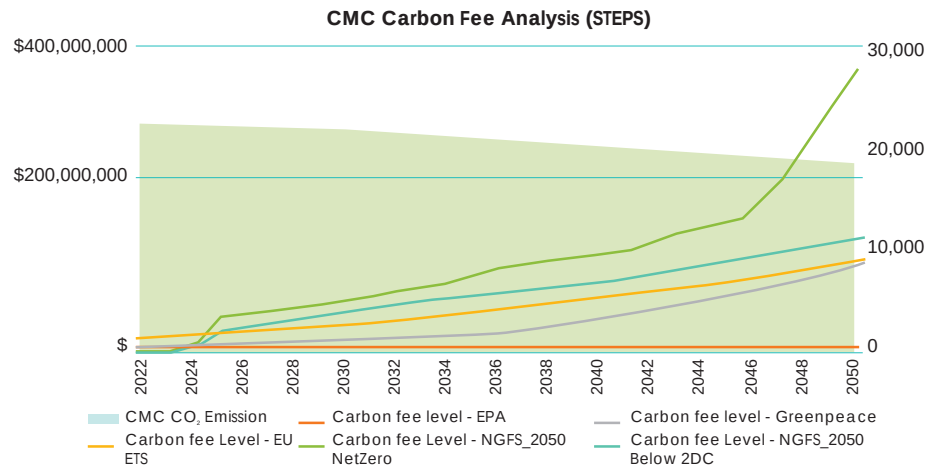
Vision  
Blueprint for  
Corporate  
SustainabilityInnovative  
Technologies  
and Forward-  
Looking  
ValueExcellent  
Governance  
and  
Proactive  
ActionCircular  
Net-Zero  
and Green  
MobilitySafe  
Workplace  
and  
Outstanding  
DevelopmentGiving Back  
to Society  
in Every Way  
Possible

Appendix

The scenario analysis results indicate that CMC incurs significant carbon costs under various carbon emission and carbon fee scenarios, with the highest amount reaching NTD 308,760,126. However, when compared to CMC's total revenue in 2023, this represents only about 0.8%. While the analysis results do not indicate a hazardous impact on CMC's operations, we remain highly focused on carbon-related issues. As an automotive manufacturer and seller, failing to implement transition plans and improve product energy efficiency in response to climate and carbon challenges could lead to an inability to meet market and consumer expectations for

energy-efficient products. Ultimately, this could result in a decline in product market position and being abandoned by the market. Therefore, in addition to actively installing renewable energy infrastructure, we are optimizing the automotive production process. By enhancing technology, we aim to reduce carbon emissions at every stage of CMC's product lifecycle, with the goal of providing customers with environmentally friendly, low-carbon products.

### Analysis of CMC's Carbon Fee Scenario



## Automotive Industry Environmental Interaction Assessment

CMC employs the Encore tool (Exploring Natural Capital Opportunities, Risks, and Exposure) to conduct a dependency and impact analysis. Our main production activities, including the manufacturing of automobiles and related parts, are evaluated from two perspectives: "impact on the environment" and "dependency on the environment," as detailed below.

### Impact of the Automotive Industry on the Environment

#### Greenhouse Gas Emissions: Very High

- The manufacturing process for related components emits significant amounts of greenhouse gases, such as carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), sulfur hexafluoride (SF<sub>6</sub>), hydrofluorocarbons (HFCs), and perfluorocarbons (PFCs).
- The use phase of automotive products also results in substantial greenhouse gas emissions.

#### Water Body Contaminants: High

- Pollutants discharged into water bodies include nutrients (such as nitrates and phosphates) and other substances (such as heavy metals and chemicals).
- The use of certain materials and substances, like acids, solvents, compressed gases, dyes, adhesives, solders, paints, oils, and other chemicals, may cause contamination. Wastewater from cooling and cleaning processes can increase toxicity in aquatic environments.

#### Water Consumption: High

The manufacturing process and facilities use water resources during operations, such as using surface water to cool car body welding machines in automotive production. Depending on production conditions, water may be sourced directly from local water bodies or from a water supply company. Both scenarios involve high water consumption and may contribute to a certain degree of water pollution.

#### Solid Waste: High

- Solid waste is categorized by type (non-hazardous, hazardous, radioactive), specific material content (e.g., lead, plastic), or disposal method (e.g., landfill, incineration, recycling, specialized treatment).
- The manufacturing process generates significant solid waste, including non-product outputs such as glass, metal, plastic, paper, cardboard, wood, rubber, and leather.

#### Soil Contaminants: High

- Soil near the factory plant may be contaminated by wastewater from the plant or hazardous substances such as oils, tars, heavy metals, asbestos, and chemicals.
- Wastewater containing toxic and hazardous chemicals like nickel, ethylbenzene, ethylene oxide, and benzene can lead to soil contamination in nearby areas.



### Dependency of the Automotive Industry on the Environment

#### Groundwater

Pollutants discharged into water bodies include nutrients (such as nitrates and phosphates) and other substances (such as heavy metals and chemicals). The use of certain materials and substances, like acids, solvents, compressed gases, dyes, adhesives, solders, paints, oils, and other chemicals, may cause contamination.

#### Surface Water

Surface water is a freshwater resource supplied through runoff from precipitation in catchment areas and natural water sources.

#### Flood and Storm Protection

- Flood and storm protection relies on the buffering effects of natural and artificially planted vegetation.
- For automotive manufacturers, such protection is crucial to shield production facilities from extreme weather events, ensuring continuous and safe production. Therefore, auto manufacturers often consider the existence or strengthening of natural protective measures when selecting factory locations and designing facility environments to mitigate potential economic losses from severe weather.

#### Vegetation

- Vegetation serves as a key natural barrier to reduce noise and light pollution, limiting the potential impact on human health and the environment.
- Although most production processes can continue even when ecosystem services are fully disrupted, automotive manufacturers still rely on vegetation as a natural protective measure to mitigate environmental impact. For example, vegetation can reduce the spread of noise and light pollution from factories, helping to improve the living conditions of surrounding communities and playing an important role in maintaining local ecological balance.

#### Hydrological Cycle

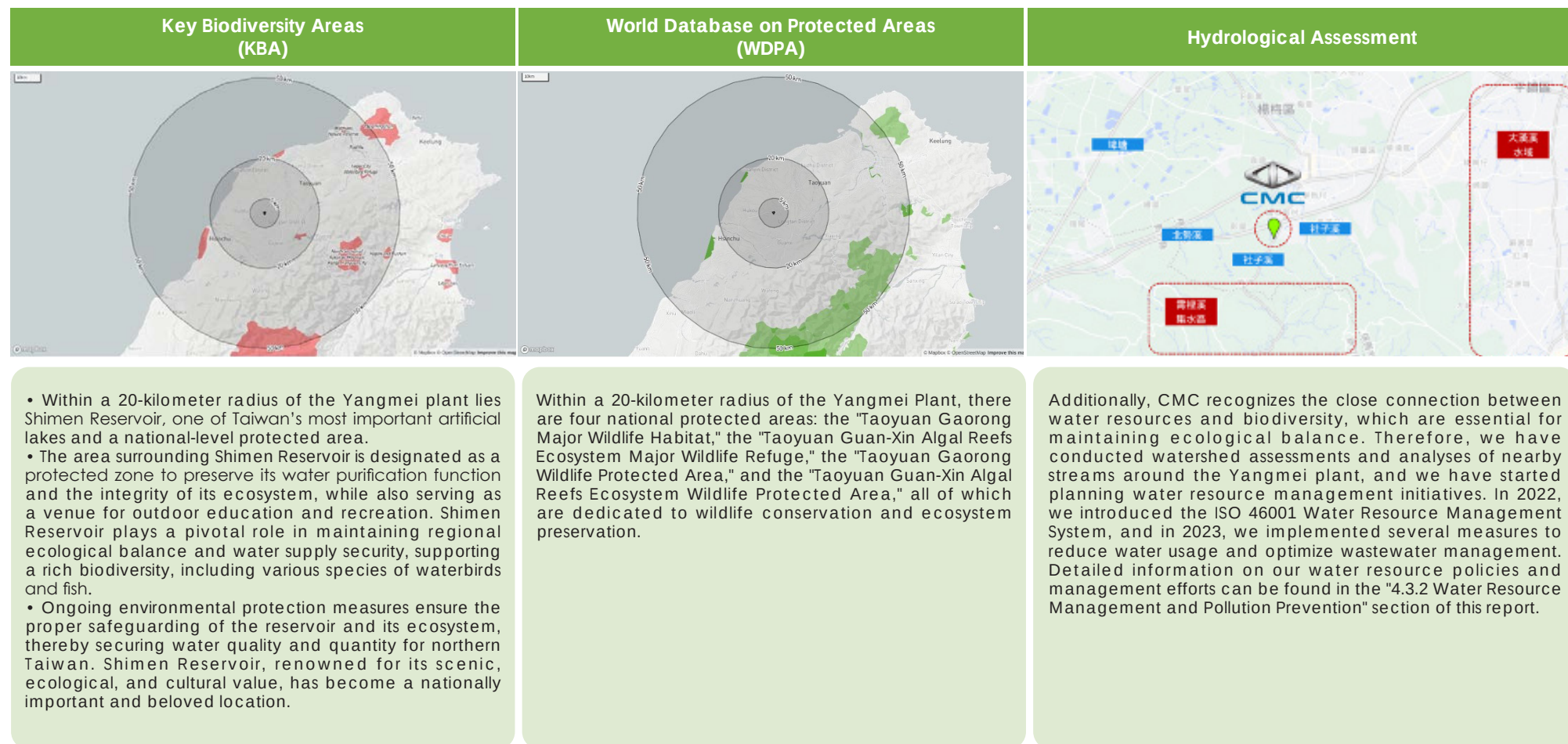
Also known as the water cycle, it is the process by which water circulates through the Earth's atmosphere, land, and oceans. The hydrological cycle is responsible for recharging groundwater (aquifers) and maintaining surface water flows.



**Environmental and Biodiversity Assessment of Production Sites**

CMC employs the Integrated Biodiversity Assessment Tool (IBAT) to assess and analyze the environment surrounding the Yangmei Plant. The assessment results indicate that the plant is not located in an environmentally sensitive area, with no protected or reserved areas or critical wildlife habitats within a 5-kilometer radius. Therefore, it was determined that CMC's operations have no direct impact on biodiversity, and no financial or environmental impact assessment was conducted.

However, to fulfill our environmental responsibilities to the surrounding environment and local communities, we extended our assessment to a 20-kilometer radius around the plant to check for Key Biodiversity Areas (KBA) and data from the World Database on Protected Areas (WDPA). Following the TNFD framework, we also provide internal employee education and training to strengthen awareness of environmental protection. We are also evaluating these key biodiversity areas and protected areas as potential priorities for CMC's future environmental public welfare efforts.



#### 4.1.5 CMC Nature and Climate Action Guidelines

##### Nature and Climate Action Guidelines

Faced with the growing risks of climate change, as well as rising concerns over environmental protection and biodiversity management, both physical and transitional risks pose significant potential impacts for CMC. As an automotive industry player, we are under heightened scrutiny from stakeholders regarding the decarbonization of new energy vehicle research and development, as well as vehicle manufacturing. Therefore, in response to issues related

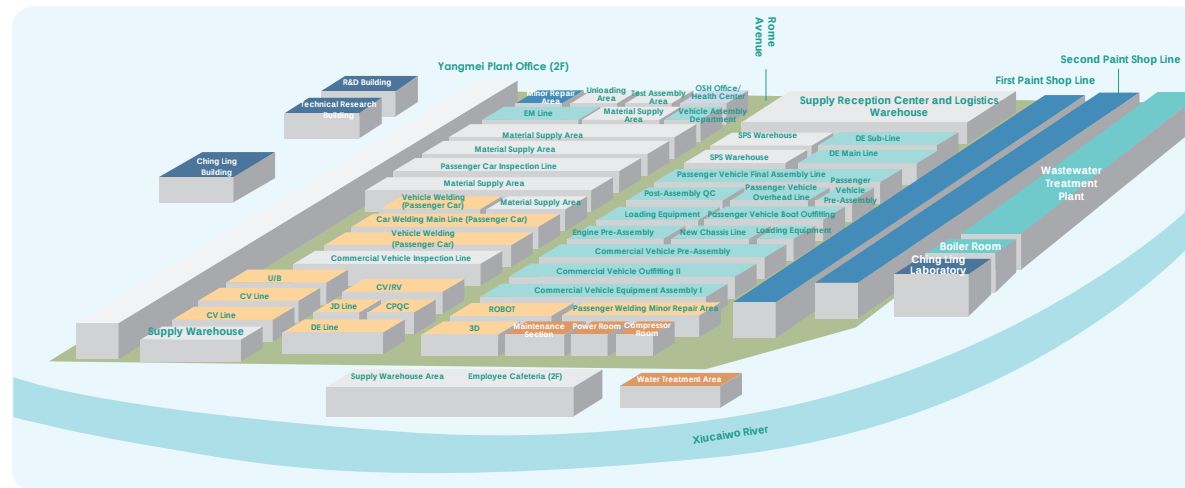
to the natural environment and climate change, CMC has introduced its Nature and Climate Action Guidelines. These guidelines focus on three key aspects: "Improving product energy efficiency," "implementing renewable energy infrastructure," and "managing and mitigating water resource risks." We invest resources to mitigate potential losses from risks, while also assessing opportunity benefits from the opposite perspective of natural environment and climate risk issues, which helps us with setting future goals.

| Item                                     |  <b>Action Guideline 1: Improve product energy efficiency</b>                                                                                                                                                                                                                                                                                                                        |  <b>Action Guideline 2: Establish renewable energy infrastructure</b>                                                                                                                                                                                                                                                                                                                                                  |  <b>Action Guideline 3: Water resource management and damage prevention</b>                                                                                                                                                                                                                                                                                           |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Corresponding Material Risk Items</b> | <ul style="list-style-type: none"> <li>Product efficiency regulations and standards</li> <li>Changes in consumer behavior and preferences</li> <li>Demand for low-carbon products and services</li> </ul>                                                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>Imposition of carbon fees and energy taxes</li> <li>Power shortages</li> <li>Cap-and-trade and emission trading</li> </ul>                                                                                                                                                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>Supply chain disruptions</li> <li>Damage to operational equipment</li> <li>Drought and water shortages</li> </ul>                                                                                                                                                                                                                                                                                                 |
| <b>Development Opportunities</b>         | <ul style="list-style-type: none"> <li>Align with global market trends and consumer preferences by actively developing electric two-wheelers, four-wheelers, PHEVs, and supporting measures</li> <li>Improve vehicle energy efficiency, providing environmentally friendly, low-carbon vehicles to consumers</li> <li>Reduce energy consumption across the vehicle lifecycle, building low-carbon products and services</li> </ul>                                    | <ul style="list-style-type: none"> <li>Develop renewable energy projects ahead of regulatory deadlines, promoting energy diversification to reduce Scope 2 carbon emissions and mitigate the risk of power shortages</li> <li>Enhance energy management, improve energy efficiency, and introduce new energy-saving equipment systems to reduce operational costs</li> <li>Promote energy-saving projects in response to global climate change and renewable energy issues</li> </ul>                    | <ul style="list-style-type: none"> <li>Invest in parts manufacturers, integrate the supply chain, and re-strategize supply chain risk management</li> <li>Improve process water efficiency, increase water resource recycling rates, and reduce water costs</li> <li>Assess opportunities to improve the factory's soil and water conservation and drainage capacity, preventing flooding and enhancing preemptive damage prevention measures</li> </ul> |
| <b>Investments</b>                       | <p>In 2023, NTD 310 million was invested in electric four-wheeler R&amp;D technology.</p>                                                                                                                                                                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>NTD 29.4 million was invested in 2023 to actively install solar power generation equipment, which is expected to generate 636,821 kWh annually, reducing carbon emissions by 315.2 tons of CO<sub>2</sub>e/year.</li> <li>Over a 20-year period, CMC is estimated to avoid NTD 22.09 million in carbon fees and save NTD 46.27 million in electricity costs. The estimated benefit compared to the cost investment is approximately NTD 38.96 million.</li> </ul> | <p>NTD 150,000 was invested in improving the water replenishment method for the exhaust gas scrubber in the paint shop.</p>                                                                                                                                                                                                                                                                                                                              |
| <b>Future Goals</b>                      | <ul style="list-style-type: none"> <li>In line with CAFÉ regulations and internal product line planning, develop the technology for the ET35 electric commercial vehicle with a 3.5-ton capacity.</li> <li>Continue research, development, and market introduction of electric two-wheelers, four-wheelers, and PHEVs, launching products and services that meet market demand.</li> <li>Set a sales target of 6,000 electric four-wheel vehicles by 2027.</li> </ul> | <ul style="list-style-type: none"> <li>Promote power use transition in line with the 2050 net-zero carbon schedule.</li> <li>Continue reviewing regions with buildable capacity, aiming for a cumulative capacity of 11,522 kW by 2030, with 10,647 kW at the Yangmei Plant and 875 kW at the Hsinchu Plant.</li> </ul>                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>Increase the recovery rate of process and domestic water</li> <li>Continuously monitor, manage, and require suppliers to improve fire and flood prevention capabilities to ensure immediate responses and handling in the event of emergencies.</li> <li>In 2024, aim to reduce wastewater generated by 140 tons annually.</li> </ul>                                                                             |

Note: The carbon tax avoidance cost calculation is based on the 2023-2042 NGFS 2050 Net Zero carbon fee price level changes. Electricity savings are calculated at NTD 3.8 per kWh. The carbon emission factor is 0.495Kg.CO<sub>2</sub>e/kWh.

## 4.2 Environmental Management: Energy Conservation for Carbon Reduction

### 4.2.1 Energy Use and Conservation Management



### Overview of Operational Energy Use – CMC's Non-Renewable Energy Usage Over the Past Three Years

| Yangmei Plant               |                       |            |            |            |
|-----------------------------|-----------------------|------------|------------|------------|
| Category of Energy          | Unit                  | 2021       | 2022       | 2023       |
| Purchased electricity       | kWh                   | 23,529,600 | 22,402,800 | 22,192,800 |
| LPG                         | Thousand cubic meters | 0          | 0          | 0          |
| LNG                         | Thousand cubic meters | 1,721,505  | 1,532,509  | 1,433,891  |
| Diesel                      | Liter                 | 7,285      | 11,543     | 6,051      |
| Gasoline                    | Liter                 | 570,023    | 575,087    | 768,870    |
| Carbon emissions            | tCO <sub>2</sub> e    | 16,364     | 15,619     | 15,436     |
| Total energy consumption    | GJ                    | 168,349    | 157,493    | 153,155    |
| Number of vehicles produced | Vehicle/year          | 48,971     | 43,934     | 52,985     |
| Power energy intensity      | MWh/vehicle           | 480.5      | 509.9      | 423.9      |
| Energy use intensity        | GJ/vehicle            | 3.4377     | 3.5848     | 2.9254     |

**Note 1:** The 2023 production performance figures for the Yangmei plant are based on data provided by the Production Planning Unit. (excluding FUSO and two-wheeler models). **Note 2:** The gasoline and diesel consumption data are recorded in the "Greenhouse Gas Raw Material Usage Survey" by the Production Control Division. **Note 3:** The gas consumption for the paint shop is based on CPC Corporation's invoices, while the data for the restaurant (including the kindergarten) are based on receipts from Shintao Natural Gas Company. **Note 4:** Energy unit conversion explanation: 1 kcal = 0.001 Mcal; 1 Mcal = 0.0041868 GJ (gigajoules). **Note 5:** Electricity emission factor: Based on the "2022 Electricity Emission Factor" published by the Bureau of Energy, Ministry of Economic Affairs, which is 0.495 kg CO<sub>2</sub>e/kWh. **Note 6:** CO<sub>2</sub> emission factors are based on the Environmental Protection Administration's "Greenhouse Gas Emission Factor Management Table (Version 6.0.4, June 2019)." Among these: Natural gas emission factor: 1.879 kgCO<sub>2</sub>e/m<sup>3</sup>; Diesel emission factor 2.6060 kgCO<sub>2</sub>e/L; For gasoline (both 92 and 95 grades), the emission factor is calculated as 2.2631 kgCO<sub>2</sub>e/L.

### CMC (Yangmei & Hsinchu Plants) Annual Energy Conservation Overview



**Power Saving Benefit**  
1,036,908 kWh/year



**Gas Savings:**  
98,618 m<sup>3</sup>/year



**Water Savings:**  
22,565 t/yr

Note: The electricity savings are calculated based on NTD 3.5 per kWh.



| Hsinchu Plant               |                    |           |            |           |
|-----------------------------|--------------------|-----------|------------|-----------|
| Category of Energy          | Unit               | 2021      | 2022       | 2023      |
| Purchased electricity       | kWh                | 3,206,308 | 3,109,000  | 3,338,995 |
| Gasoline                    | Liter              | 107,056   | 112,788    | 82,992    |
| Diesel                      | Liter              | 142,145   | 87,006     | 87,925    |
| LPG                         | Liter              | 100,590   | 123,270    | 157,990   |
| Carbon emissions            | tCO <sub>2</sub> e | 2,124     | 2,240      | 2,381     |
| Total energy consumption    | GJ                 | 19,413.32 | 18,981.494 | 21,404.60 |
| Number of vehicles produced | Vehicle/year       | 110,335   | 93,219     | 89,950    |
| Power energy intensity      | MWh/vehicle        | 0.0290    | 0.0415     | 0.037     |
| Energy use intensity        | GJ/vehicle         | 0.1795    | 0.2534     | 0.237     |

**Note 1:** Liquefied Petroleum Gas (LPG) conversion factor – 1000 kg = 1,818 L. **Note 2:** The unit calorific values of fuel are referenced from the Bureau of Energy's table of energy product unit heat values, as follows: (1) Electricity 860 kcal/kWh (2) Gasoline 7,800 kcal/L (3) Diesel 8,400 kcal/L (4) Liquefied Petroleum Gas (LPG) 6,635 kcal/L; 1 kcal=4.184 kJ. **Note 3:** The production volume equivalence at the Hsinchu Plant is calculated as: engine output \* 1 + die-cast output \* 0.8 + aluminum parts output \* 0.36 + large vehicle output \* 2.68. **Note 4:** Electricity energy intensity (kWh/equivalent unit) = electricity consumption (kWh) / production output (equivalent units). **Note 5:** Energy use intensity (GJ/unit) = total energy consumption (GJ) / production output (units). **Note 6:** Energy consumption figures refer to internal energy consumption within the company.

## Energy Conservation and Management

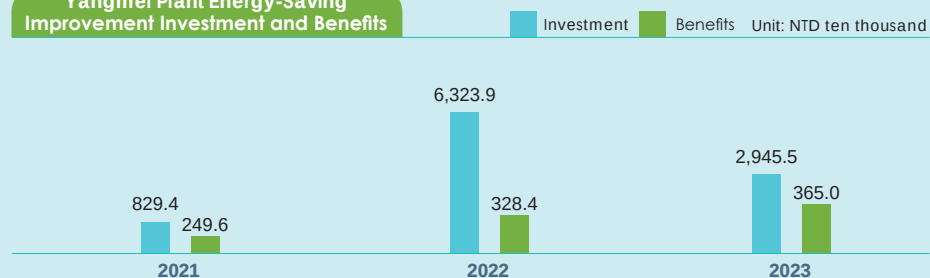
Since 2009, CMC has voluntarily disclosed its greenhouse gas emissions annually on the "National Greenhouse Gas Registration Platform." The company also conducts regular inspections using tools such as equipment diagnostic tables and carbon reduction potential data sheets. Through two main pillars—"continuously promoting energy-saving activities, including non-production energy consumption" and "establishing environmental management system audits and energy-saving subsidies," CMC drives its energy management and longstanding commitment to energy conservation and carbon reduction. In terms of energy-saving initiatives, CMC is achieving its energy conservation and carbon reduction goals by replacing outdated equipment with energy-efficient alternatives and introducing new energy-saving technologies and monitoring equipment. These efforts are aligned with the "Smart Energy Management System" introduced in 2017, and energy-saving measures are incorporated into annual projects.

Regarding environmental management audits, CMC has implemented a comprehensive energy audit system, setting and executing energy-saving goals and projects. The company analyzes energy efficiency, holds regular energy meetings, and reviews and proposes

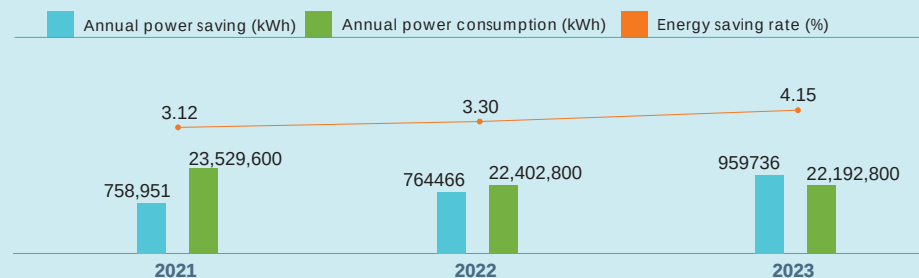
improvement plans to ensure effective energy management. To further enhance energy efficiency and optimize savings, CMC actively seeks certifications such as ISO 14001 (Environmental Management System), ISO 50001 (Energy Management System), and ISO 46001 (Water Efficiency Management). These certifications help strengthen the company's energy and conservation management capabilities. We have implemented energy conservation and carbon reduction effectively for many years and worked with all the employees to make a contribution to this planet.

Under effective management and control measures, CMC's total energy-related investments at the Yangmei Plant over the past three years amounted to approximately NTD 101 million (including solar-related investments), with accumulated benefits reaching NTD 9.43 million. The average overall energy savings rate was 3.52% (including 2.43% from solar photovoltaic power generation). At the Hsinchu Plant, the total energy-related investments amounted to approximately NTD 3,126,900, with accumulated benefits of around NTD 857,300, and the average overall energy savings rate was 2.86%.

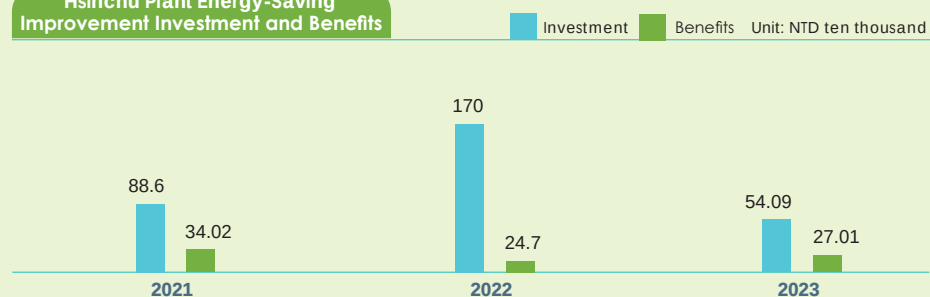
### Yangmei Plant Energy-Saving Improvement Investment and Benefits



Note: Energy saving rate = S power saving / (S annual power saving + C annual power consumption); 2021 to 2023: 3.52% on average.



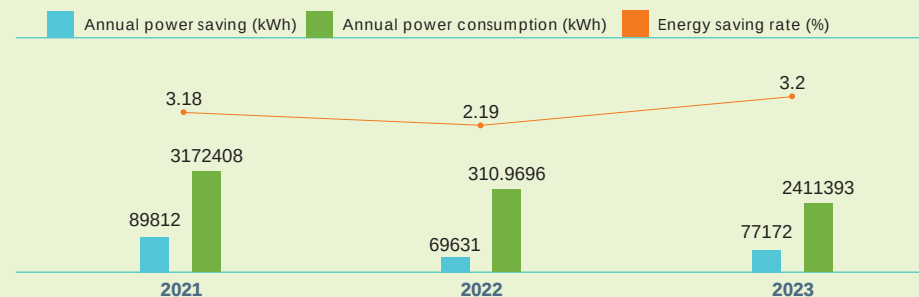
### Hsinchu Plant Energy-Saving Improvement Investment and Benefits



Note 1: Energy savings rate = total electricity savings / (total annual electricity savings + annual electricity consumption); the average for 2021 to 2023 was 2.86%.

Note 2: Electricity unit price: NTD 3.5 per kWh.

Note 3: The 2021 electricity emission factor announced by the Ministry of Economic Affairs on July 22, 2022, is 0.509 kgCO<sub>2</sub>e/kWh





## 4.2.2 Management of GHG emissions

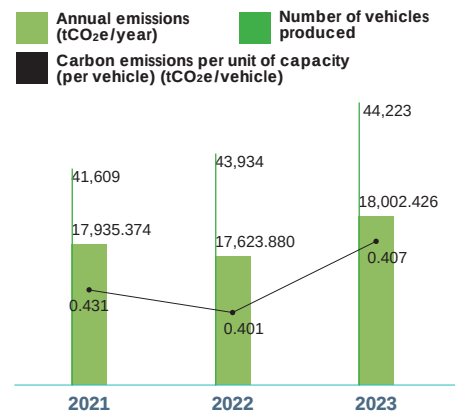
We have checked the GHG emissions generated by each plant every year and passed the third-party verification since 2018. The Company implements the ISO14064-1:2018 greenhouse gas inspection and management system (new version) from 2022 and applies the GHG emissions in Scope 3 in addition to those in Scope 1 and Scope 2. 2018 remains the base year for Scope 1 and Scope 2 while 2021 was the base year for Scope 3.

For carbon emission management and information, before external verification, the total direct emissions (Scope 1) for 2023 were 8,552.8945 tCO<sub>2</sub>e, with indirect emissions (Scope 2) amounting to 12,190.7061 tCO<sub>2</sub>e. Scope 3 greenhouse gas emissions were 2,553,457.100 tCO<sub>2</sub>e, of which 91.73% were attributed to emissions during the product usage phase. In addition to the disclosure at the internal ISO 14001 Environmental Management System review meetings, we voluntarily disclosed the greenhouse gas emissions on the National Greenhouse Gas Registration Platform of the Environmental Protection Administration to fulfill our responsibility of disclosure.

### Carbon Intensity of CMC's Products

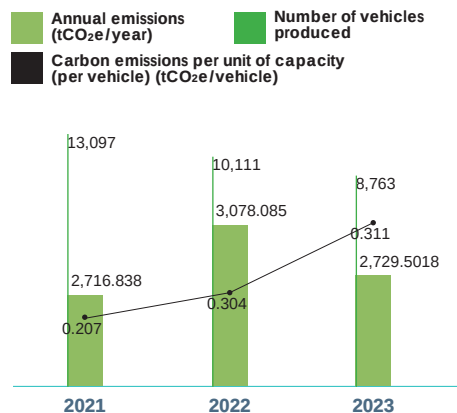
The carbon intensity of products reflects the process efficiency indirectly. Thus, we can calculate the carbon emissions intensity of the products based on the vehicles produced at the Yangmei Plant and Hsinchu Plant and their greenhouse gas emissions, in the hope to help the Company march toward the goal of sustainable operations by implementing effective energy management.

#### Greenhouse Gas Emission Intensity and Emissions Statistics for Yangmei Plant (Scope 1 and Scope 2)



Note 1: Greenhouse gas emissions intensity (tCO<sub>2</sub>e/vehicle/year) = annual emissions (tCO<sub>2</sub>e/year)/vehicles produced.  
Note 2: The vehicles produced means the sum of the four-wheelers and two-wheelers.

#### Greenhouse Gas Emission Intensity and Emissions Statistics for Hsinchu Plant (Scope 1 and Scope 2)



Note 1: Greenhouse gas emissions intensity (tCO<sub>2</sub>e/vehicle/year) = annual emissions (tCO<sub>2</sub>e/year)/vehicles produced.  
Note 2: The vehicles produced means the total number of four-wheelers

| Scope 1 and Scope 2 Emissions |                           |                           |                            |                |                    |                                       |
|-------------------------------|---------------------------|---------------------------|----------------------------|----------------|--------------------|---------------------------------------|
| Category                      | CO <sub>2</sub> Emissions | CH <sub>4</sub> Emissions | N <sub>2</sub> O Emissions | HFCs Emissions | Subtotal Emissions | Total emissions (t-CO <sub>2</sub> e) |
| Category 1 (Note 1)           | 5,935.3360                | 266.7456                  | 73.1094                    | 2,277.7026     | 8,552.8945         | 20,743.601                            |
| Category 2 (Note 2)           | 12,190.7061               | -                         | -                          | -              | 12,190.7061        |                                       |

| Scope 3 Emissions                  |                           |                |                    |                                       |
|------------------------------------|---------------------------|----------------|--------------------|---------------------------------------|
| Category                           | CO <sub>2</sub> Emissions | HFCs Emissions | Subtotal Emissions | Total emissions (t-CO <sub>2</sub> e) |
| Waste Disposal and Treatment       | 230.4084                  | -              | 230.4084           | 2,553,457.100                         |
| Employee Commuting                 | 1,100.9612                | -              | 1,100.9612         |                                       |
| Upstream Transportation of Goods   | 4,688.6511                | -              | 4,688.6511         |                                       |
| Downstream Transportation of Goods | 1,119.8868                | -              | 1,119.8868         |                                       |
| Business Travel                    | 5,009.9422                | -              | 5,009.9422         |                                       |
| Procured Goods                     | 163,232.4460              | -              | 163,232.4460       |                                       |
| Capital Goods                      | 6,760.8611                | -              | 6,760.8611         |                                       |
| Asset Use                          | 90.8158                   | -              | 90.8158            |                                       |
| Product Use Phase                  | 2,270,440.6153            | 71,731.4490    | 2,342,172.0643     |                                       |
| Product End of Life Phase          | 28,784.6328               | -              | 28,784.6328        |                                       |
| Generated from Investments         | 266.4305                  | -              | 266.4305           |                                       |

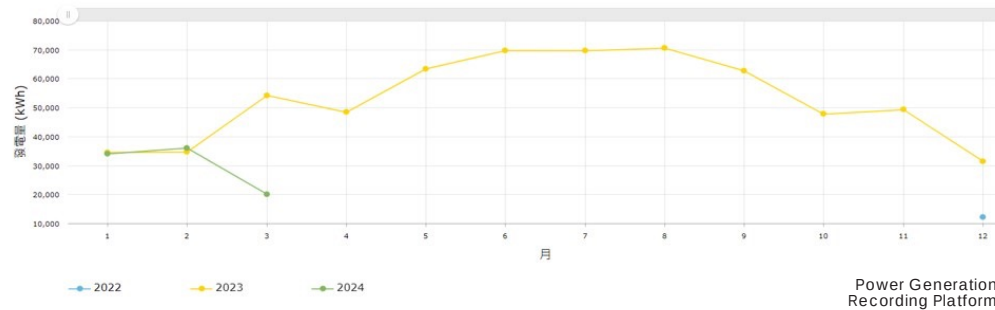
Note 1: Scope 1 covers the direct greenhouse gas emissions generated from combustion of fuels in a fixed equipment (e.g. boiler, RTO, oven, restaurant, and emergency power generator), process emissions (e.g. CO<sub>2</sub> and acetylene used in the manufacturing process, and fire test), mobile combustion sources of transportation (e.g. company car, finished vehicle, forklift, and test oil), fugitive emissions (refrigerant and septic tank). Total direct emissions amount to 8,552.8945 tCO<sub>2</sub>e/year.

Note 2: Scope 2 refers to energy-related indirect greenhouse gas emissions, with the primary source being purchased electricity. The energy-related indirect emissions total 12,190.7061 tCO<sub>2</sub>e/year.

Note 3: The baseline year for greenhouse gas emissions is set as 2018, and the organizational boundary for emissions inventory follows the operational control approach as defined in Section 4.1 of ISO 14064-1:2006. The disclosure boundary includes both the Yangmei and Hsinchu Plants.

#### 4.2.4 Establishment of Renewable Energy Infrastructure

CMC's environmental sustainability policy actively promotes energy conservation, carbon reduction, and the use of renewable energy. Starting in 2016, CMC began planning to install solar power generation equipment in phases through leased sites. Phase 1, the installation of solar panels on the rooftop of the stamping workshop at the Yangmei Plant and of the buildings at the Hsinchu Plant, was completed. Electricity meters were installed for electricity transmission at the end of 2016. The Phase 2 works at the Hsinchu Plant and Youshi Plant were completed in 2018 and the Phase 3 works at the Hsinchu Plant were done in March 2020. A total of 3,371,724kWh of electricity was generated in 2021, contributing to a reduction of about 1,692.6 tons CO<sub>2</sub>e. In compliance with the Ministry of Economic Affairs' regulations on "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity," which mandates that electricity users with a contract capacity of over 5,000 kW must establish renewable energy capacity equal to 10% of their contract capacity, CMC is actively promoting the installation of solar power generation equipment. We invested NTD 29.4 million to install a 536.5 kW solar power generation system at our Yangmei plant in 2022. The system was completed and connected to the grid that same year. In 2023, CMC continued planning the expansion of solar power generation equipment, with the goal of increasing renewable energy capacity at both the Yangmei and Hsinchu Plants. The Yangmei Plant has adopted a power generation monitoring platform to manage its renewable energy generation and track the efficiency of solar power output. The platform provides an overview of operational and maintenance statuses, daily reports, and monitoring forecast reports. It allows CMC to clearly track solar power generation and operational performance across different time periods, identify issues for optimization, and support the planning of future renewable energy developments for CMC.



The Yangmei Plant has adopted a power generation monitoring platform to manage its renewable energy generation and track the efficiency of solar power output. The platform provides an overview of operational and maintenance statuses, daily reports, and monitoring forecast reports. It allows CMC to clearly track solar power generation and operational performance across different time periods, identify issues for optimization, and support the planning of future renewable energy developments for CMC.



#### Carbon Reduction Methods for Scope 1 and 2:

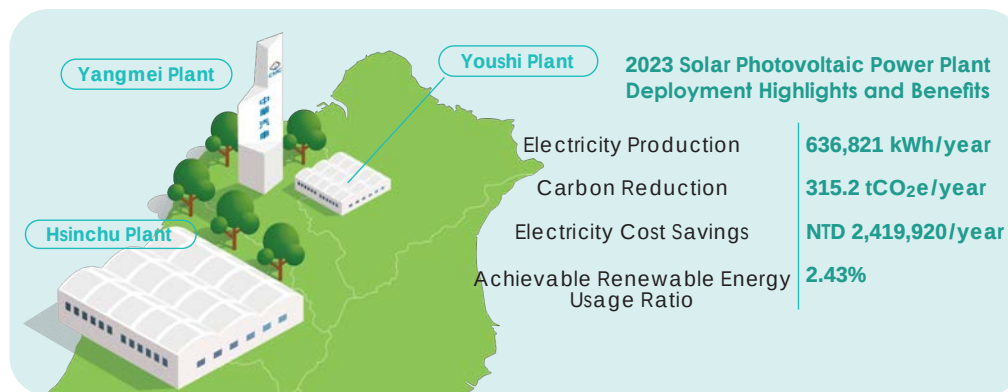
- (1) Continuously promoting energy-saving activities within the plant.
- (2) Gradually installing solar photovoltaic systems across factory areas.
- (3) Improving the efficiency of natural gas usage, adopting alternative energy sources (such as hydrogen), and introducing carbon capture and storage technology.
- (4) Improving processes to reduce VOC emissions.
- (5) Precisely calculating refrigerant filling and adopting new eco-friendly refrigerants.
- (6) Ongoing waste reduction efforts.
- (7) Electrification of company vehicles and forklifts.



#### Carbon Reduction Methods for Scope 3:

- (1) Improving the fuel efficiency of gasoline vehicles.
- (2) Increasing the electrification of product sales (targeting 30% by 2030, 60% by 2035, and 100% by 2040).





Performance of the Solar Power Equipment in 2023

| Plant         | Purpose                         | Cumulative Generation (kWh) | Annual Generation (kWh) | Installed System Capacity (kW) | Use (kWh) | Accumulated CO <sub>2</sub> reduction (kg) | Electricity Cost Savings |
|---------------|---------------------------------|-----------------------------|-------------------------|--------------------------------|-----------|--------------------------------------------|--------------------------|
| Yangmei Plant | Rented out                      | 5,426,090                   | 967,866                 | 852.0                          | -         | 3,456,419.2                                | -                        |
|               | Self-Built and Self-Used System | 648,996                     | 636,821                 | 536.5                          | 648,996   | 321,253                                    | 1,220,761                |
| Hsinchu Plant | Rented out                      | 9,123,415                   | 2,091,647               | 2,007.81                       | -         | 5,811,615.5                                | -                        |

Note: The electricity cost savings are calculated based on NTD3.8 per kWh.

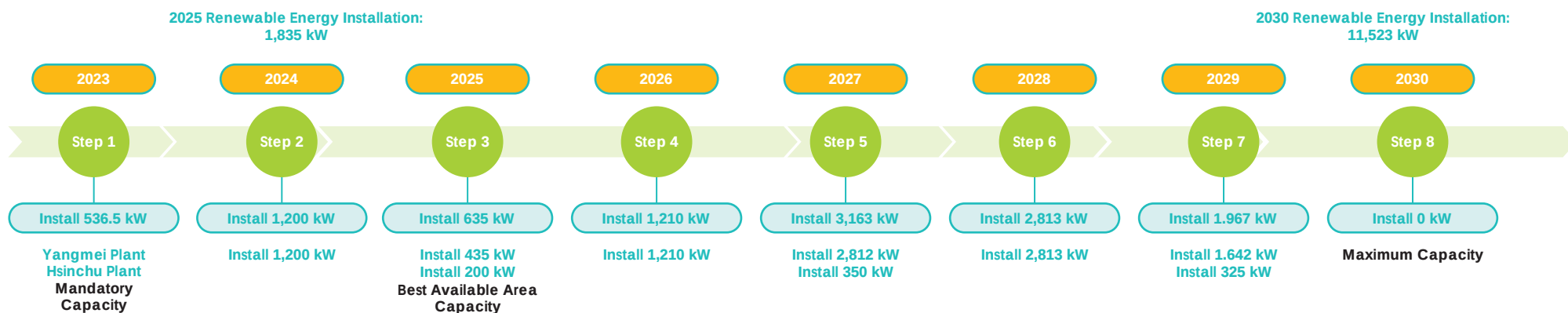
**CMC's Mid- to Long-Term Renewable Energy Development Plan**

Explanation of future solar photovoltaic equipment installation plans:

In addition to the completed mandatory renewable energy capacity installations, CMC continues to assess potential areas for further capacity expansion. Aligning with the 2030/40/50 renewable energy development goals, which set targets for the proportion of renewable energy in the power mix, CMC independently plans to implement energy equipment installations in five phases, with a total projected capacity of 11,523 kW.

**2023-2030 Solar Photovoltaic Power Installation Plan**

- The Yangmei plant will install 1,068 kW and the Hsinchu plant will install 87 kW, with a total investment of NTD 660 million in 2026, resulting in a carbon reduction of 6,172 tons CO<sub>2</sub>e/year.
- Phase 1: Completed the mandatory installation of 536 kW in 2023 (completed).  
Phase 2: By 2025, CMC will complete the installation of 1,835 kW in the best available areas.  
Phase 3: By 2030, CMC will install the maximum possible capacity of 9,687 kW, reaching a cumulative total of 11,523 kW.



### 4.3 Pollution Control and Recycling: Commitment to Pollution Control and Regenerative Economy

#### 4.3.1 Air Pollution Management and Mitigation Projects

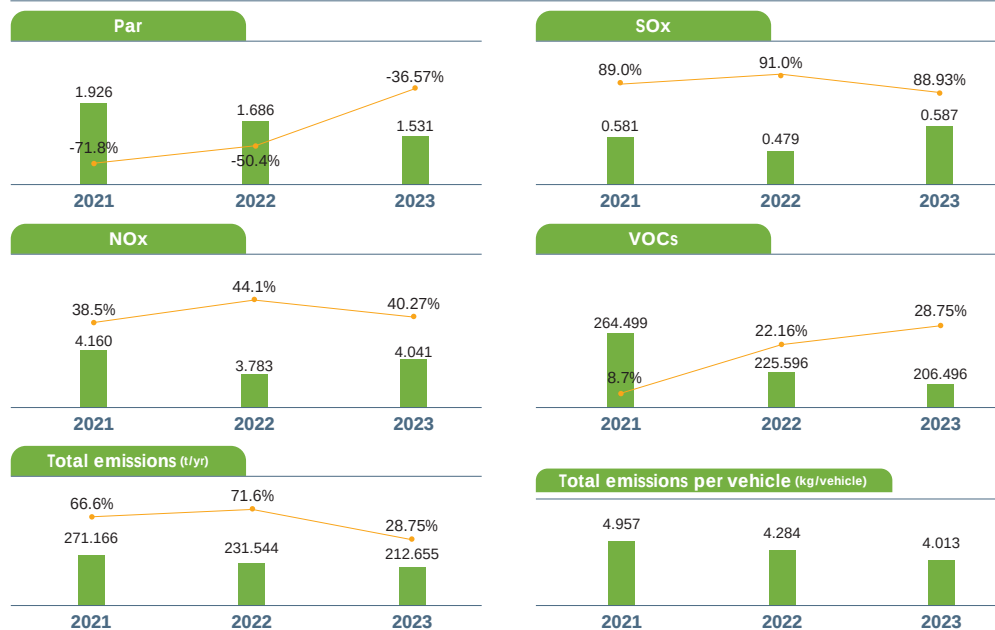
##### An overview of the emission of air pollutants

To effectively prevent air pollution and maintain the environmental air quality around its facilities, CMC has installed Regenerative Thermal Oxidizers (RTO), acid gas scrubbers, and automatic robotic painting systems. These systems have increased painting efficiency to over 89.5%, significantly reducing particulate pollutants (Par), sulfur oxides (SOx), nitrogen oxides (NOx), and volatile organic compounds (VOCs). The reduction in VOC emissions helps protect the health of nearby residents. At the Yangmei Plant, external testing of the boiler chimneys and RTO exhaust pipes confirmed compliance with emission standards. The Hsinchu plant, equipped with pollution control systems such as settling chambers, pulse-jet bag filters, and scrubbers, has also maintained pollutant emissions far below regulatory limits.

The main sources of air pollutants at CMC stem from the painting and aluminum die-casting processes, which emit particulate matter (Par), sulfur oxides (SOx), nitrogen oxides (NOx), and volatile organic compounds (VOCs). The total emissions per vehicle unit were 4.013 kg in 2023.

Emission of Air Pollutants

Unit: Emissions (t/yr) Reduction compared to 2014 (%)



Note 1: 2014 is used as the base year (Emissions (ton) in 2014: 1,121 for Par; 5,301 for SOx; 6,765 for NOx; 289.81 for VOCs)

Note 2: Data sourced from the Environmental Protection Administration's regulated pollution source database website.

Note 3: Part of the data on the emissions of the air pollutants during 2019-2023 has been revised based on the review result of the Environmental Protection Administration.

Note 4: The emissions of the air pollutants of the Yangmei Plant and Hsinchu Plant in Q4 2023 were calculated on the Control Fees and Emissions Reporting Integrated Management System.

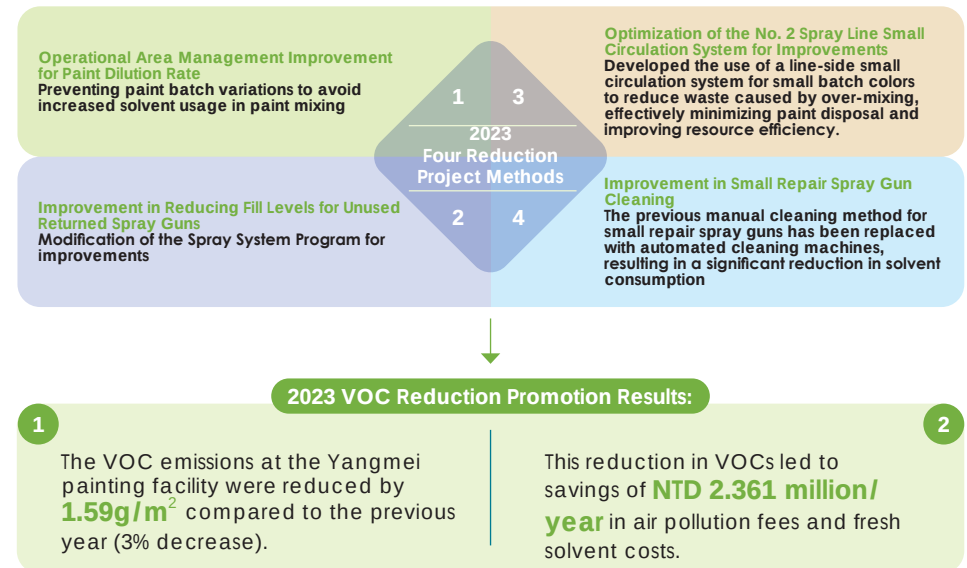
##### Ozone-depleting substance management

In terms of the control of ozone-depleting gases or substances, we are no longer using halons and any other similar substance, as required by the government, and completely switch to using R134a refrigerants. As for other ozone-depleting gases or substances produced during manufacturing, improvements are made by updating process technology for electrical equipment in the processes and the emissions of NOx and VOCs are kept below the emission limits defined by the Environmental Protection Administration. Additionally, in response to the "Kigali Amendment," Taiwan will freeze the use of hydrofluorocarbons (HFCs) by 2024 and reduce their usage by 10% by 2029. CMC is currently working towards the goal of ensuring that all new vehicle models produced from 2029 onward will use the new refrigerant R-1234yf.

##### Emission of VOCs

With the aim of effectively reducing air pollution, CMC has endeavored to cut the VOC emissions produced in the painting process in a step-by-step manner over the years. From 2014 to 2018, we adopted a two-stage approach to the updating of the exhaust equipment and its circulating water system for paint mist capturing in the spray painting booth for the No.1 top painting line of the painting process at the Yangmei Plant to boost the efficiency of capturing the fugitive paint mist in the air during spray painting. In the same period of time, we also installed a dedicated painting robot to improve the spray painting efficiency.

Since 2021, CMC's Yangmei plant has set a five-year target to reduce VOCs (volatile organic compounds) emissions by 5%. The target was successfully achieved in the first year, and the plant continues to set new annual plans based on the reduction benefits, implementing various improvement projects to sustain progress.





VOC Emissions Status in Yangmei Plant's Painting Process Over the Past Three Years

| Year | Recycled Solvents(kg) | Volume of Waste Solvents Transported (ton) | Ratio of Recycled Solvents Used (Note 1) | Waste Solvent Recycling Ratio | Waste Solvent Reduction Rate(Compared to 2017) |
|------|-----------------------|--------------------------------------------|------------------------------------------|-------------------------------|------------------------------------------------|
| 2021 | 73,066                | 76.39                                      | 40.17%                                   | 48.89%                        | 68.8%                                          |
| 2022 | 64,913                | 43.92                                      | 45.10%                                   | 61.31%                        | 82%                                            |
| 2023 | 50,532                | 41.01                                      | 40.45%                                   | 55.11%                        | 83.7%                                          |

Note 1: Ratio of recycled solvents used = Volume of recycled solvents/(Volume of recycled solvents + Volume of fresh solvents used)

Note 2: Ratio of waste solvents recycled = Volume of recycled solvents/(Volume of recycled solvents + Volume of waste solvents transported)

VOC Emissions Status in Yangmei Plant's Painting Process Over the Past Three Years

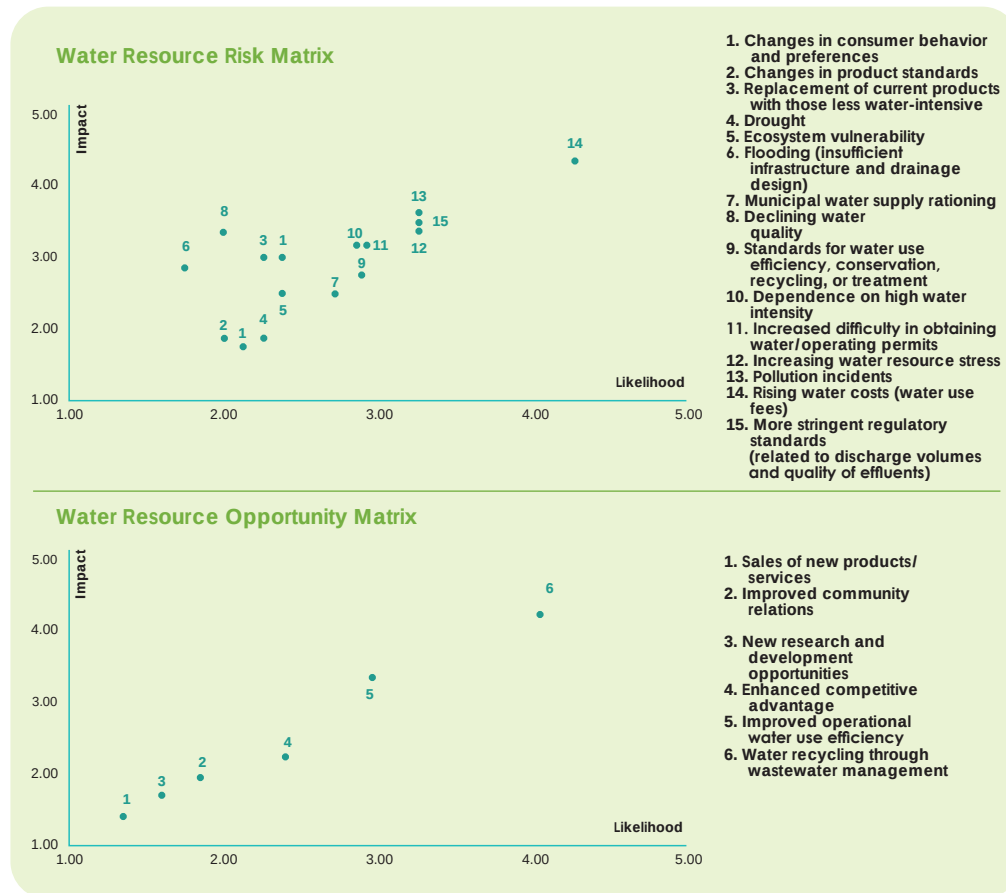
| Annual average volume/year                                           | 2021  | 2022  | Targets in 2023 | 2023  |
|----------------------------------------------------------------------|-------|-------|-----------------|-------|
| VOCs(g/m <sup>2</sup> )                                              | 56.48 | 52.25 | 51.85           | 50.66 |
| Emission Reduction Compared to Previous Year                         | 4.8   | 4.23  | 0.4             | 1.59  |
| Emission Reduction Percentage (%) Compared to Previous Year (Note 1) | 7.83% | 7.49% | 0.77%           | 3.04% |

Note 1: VOC emissions from CMC's painting process in 2020 were 61.28 g/m<sup>2</sup>.

### 4.3.2 Water Resource Management and Pollution Control

#### Water Resource Management Approach

CMC manages its water resources through the IA-0020 Water Resource Management Manual and IB-0309 Risk and Opportunity Management Procedures. These ISO documents help identify and manage the interaction between CMC's operations and water resources. According to section 4.1.1 of IA-0020, the organization is required to understand its capacity for water resource management and continuously improve its water performance. In terms of identification, by the end of March each year, CMC collects information on both internal and external water-related issues and needs through surveys, emails, meetings, and the completion of the "CMC Water Resource Risk and Opportunity Assessment Form." This process helps identify water impacts and stakeholder expectations regarding water resource management. The findings from this assessment are then addressed through CMC's water resource management system. Detailed results of the risk and opportunity assessments are provided in the following chart.



CMC places great emphasis on water conservation, investing in multiple water-saving equipment improvement projects. These initiatives focus on key water usage areas, including replacing equipment, improving efficiency, and promoting water recycling and reuse. In addition to continuously promoting water conservation awareness in both production processes and daily life, CMC is also advancing several water-saving initiatives. These include projects such as the recovery and reuse of steam condensate from boilers, reverse osmosis (RO) water recovery from UF washing in the painting process, and water recycling in the die-casting process, all of which effectively reduce water consumption.

#### Water Withdrawal in the Plants

| Yangmei Plant                                                   | 2021   | 2022    | 2023    |
|-----------------------------------------------------------------|--------|---------|---------|
| Third Party Water Withdrawal Volume (in million liters)         | 37.134 | 39.403  | 45.533  |
| Groundwater withdrawal (in million liters)                      | 163992 | 158.752 | 130.099 |
| Total withdrawal (in million liters)                            | 201126 | 198.155 | 175.632 |
| Water use intensity (ton/vehicle) (Note 2)                      | 4.11   | 4.51    | 3.35    |
| Hsinchu Plant                                                   | 2021   | 2022    | 2023    |
| Third Party Water Withdrawal Volume (in million liters)         | 2.851  | 4.656   | 5.017   |
| Groundwater withdrawal (in million liters)                      | 6.008  | 4.185   | 3.783   |
| Total withdrawal (in million liters)                            | 8.859  | 8.841   | 8.8     |
| Water use intensity (tons/per equivalent vehicle unit) (Note 3) | 0.0803 | 0.0948  | 0.0978  |



Note 1: Numbers of the water rights certificates: H0113148, H0108471, H0123080, H0112073

Note 2: Source of the data for Yangmei Plant: Monthly water bills (including those for plants and dormitory) from Taiwan Water Corporation and the monthly reported volume of groundwater used

Note 3: Source of the data for Hsinchu Plant: Water bills and the regular wastewater testing data on the EMS

Note 4: As the volume of water used on water bills from Taiwan Water Corporation is not calculated from a fixed date (but from the middle of a month, in most cases), the period on the bill may be inconsistent with the period of time during which the water is used. The result, 201,126 tons of water used, was obtained after the volume of water used was recalculated based on the actual period on the bill

Note 5: Hsinchu Plant's equivalent units = Motor production\*1 + die casting production\*0.25 + mechanically processed bell housing production\*0.57 + truck production\*2.68

## Water Pollution Control Policy

CMC's wastewater and sewage mainly include painting process wastewater and domestic sewage from the plants. For water quality monitoring, we primarily monitor chemical oxygen demand (COD), biochemical oxygen demand (BOD), suspended solids (SS), Escherichia coli, and heavy metals.

To ensure compliance with environmental regulations on wastewater pollution control, we focus on the separation of rainwater and wastewater, upgrading wastewater treatment equipment, maintaining wastewater systems, and implementing reduction measures. Additionally, new equipment and monitoring technologies are introduced for better control. In 2018, we introduced a new sludge dryer, which has significantly reduced sludge production. On top of that, we have set up high-concentration wastewater collection tanks to collect pre-treated wastewater with higher concentration separately. The wastewater is pumped back to the retention basin for equalization and treatment in a fixed quantity at a fixed time interval in order to reduce the impact of a sudden inflow of high-concentration wastewater into the wastewater system. In terms of wastewater treatment and effluent water quality testing, we outsource regular measurements and establishes trend charts for monitoring. By maintaining optimal operational conditions, we have improved wastewater treatment efficiency and achieved goals related to energy conservation and waste reduction. In 2023, all effluent test results from the plant were well below discharge standards and regulatory limits, with no significant impact on water sources.

For the process and domestic sewage of CMC's Yangmei Plant and Hsinchu Plant, the Yangmei Plant's sewage is discharged to Xiucaiwo Section of Shezi River through the discharge outlet next to the new gate after being treated in the wastewater treatment plant. The Hsinchu Plant's pipeline is connected to the Hsinchu Science Park's Wastewater Treatment Plant where the effluents are released to Jiadong River.

## Discharge of Wastewater and Sewage

| Plant         | Status of discharge                          | 2021    | 2022   | 2023   |
|---------------|----------------------------------------------|---------|--------|--------|
| Yangmei Plant | Wastewater discharged (M <sup>3</sup> /year) | 98,258  | 92,449 | 76,427 |
|               | Sludge volume (t/yr)                         | 86.43   | 61.81  | 62.45  |
|               | Plant's production (vehicle)                 | 48,971  | 43,934 | 52,985 |
|               | Wastewater discharge intensity               | 2.006   | 2.104  | 1.46   |
| Plant         | Status of discharge                          | 2021    | 2022   | 2023   |
| Hsinchu Plant | Wastewater discharged (M <sup>3</sup> /year) | 7,045   | 7,118  | 6,993  |
|               | Sludge volume (t/yr)                         | 0       | 5.48   | 0      |
|               | Plant's production (vehicle)                 | 114,286 | 93,219 | 89,950 |
|               | Wastewater discharge intensity               | 0.0616  | 0.0763 | 0.0777 |

### Yangmei Plant's Effluent Water Quality Test Results

| Test Item                        | Effluent Limit  | Average Value in 2021 | Average Value in 2022 | Average Value in 2023 |
|----------------------------------|-----------------|-----------------------|-----------------------|-----------------------|
| pH value                         | 6-9             | 7.3                   | 7.4                   | 7.2                   |
| Water temperature (°C)           | Lower than 35°C | 24.5                  | 24.2                  | 25.2                  |
| Chemical oxygen demand (mg/L)    | 100             | 24.6                  | 27.8                  | 28.2                  |
| Suspended solids (mg/L)          | 30              | 5.6                   | 5.4                   | 4.8                   |
| Biochemical oxygen demand (mg/L) | 30              | 6.5                   | 8.9                   | 7.2                   |
| Hexavalent chromium (mg/L)       | 0.5             | ND                    | ND                    | ND                    |
| Cyanide (mg/L)                   | 1.0             | ND                    | ND                    | ND                    |
| Copper (mg/L)                    | 1.5             | ND                    | 0.36                  | 0.05                  |
| Nickel (mg/L)                    | 0.7             | 0.11                  | 0.05                  | 0.09                  |
| Lead (mg/L)                      | 0.5             | ND                    | ND                    | 0.16                  |
| Zinc (mg/L)                      | 3.5             | 0.01                  | ND                    | 0.05                  |
| Cadmium (mg/L)                   | 0.03            | ND                    | ND                    | ND                    |
| Total chromium (mg/L)            | 2.0             | ND                    | ND                    | ND                    |
| Ammonia nitrogen (mg/L)          | 120             | 0.08                  | 0.24                  | 0.42                  |
| Villiaumite (mg/L)               | 15              | 1.81                  | 1.68                  | 1.89                  |
| Nitrate nitrogen (mg/L)          | 50              | 14.56                 | 17.49                 | 18.8                  |
| Boron (mg/L)                     | 10              | 1                     | 0.69                  | 0.45                  |
| Tin (mg/L)                       | 2.0             | ND                    | 0.01                  | ND                    |
| Molybdenum (mg/L)                | 0.6             | 0.03                  | 0.003                 | ND                    |
| Oil (mg/L)                       | 10              | ND                    | ND                    | 1.6                   |
| Escherichia coli                 | 200000          | ND                    | ND                    | 3115                  |

Note: In response to the Environmental Protection Administration's amendment of the Water Pollution Control Measures and Test Reporting Management Regulations, ammonia nitrogen and other water quality test items were added in 2019. ND represents that the item was not detected

### Hsinchu Plant's Effluent Water Quality Test Results

| Test Item                        | Science Park's Control Limit | Average Value in 2021 | Average Value in 2022 | Average Value in 2023 |
|----------------------------------|------------------------------|-----------------------|-----------------------|-----------------------|
| pH value                         | 5-9                          | 7.1                   | 7.0                   | 6.9                   |
| Suspended solids (mg/L)          | 400                          | 28.95                 | 10.8                  | 16.4                  |
| Chemical oxygen demand (mg/L)    | 480                          | 64.05                 | 79.6                  | 107                   |
| Biochemical oxygen demand (mg/L) | 400                          | 12.2                  | 22.7                  | 22.8                  |
| Oil (mg/L)                       | 30                           | 3.4                   | 4.6                   | 3.8                   |
| Water temperature (°C)           | Lower than 45°C              | 24.5                  | 23.7                  | 25.3                  |
| Hexavalent chromium (mg/L)       | 0.35                         | ND                    | ND                    | ND                    |
| Copper (mg/L)                    | 1.5                          | ND                    | ND                    | 0.29                  |
| Nickel (mg/L)                    | 0.7                          | ND                    | ND                    | ND                    |
| Lead (mg/L)                      | 0.5                          | ND                    | ND                    | ND                    |
| Zinc (mg/L)                      | 3.5                          | 0.025                 | 0.04                  | ND                    |
| Cadmium (mg/L)                   | 0.02                         | ND                    | ND                    | ND                    |
| Total chromium (mg/L)            | 1.5                          | ND                    | ND                    | ND                    |
| Mercury (mg/L)                   | 0.005                        | 0.0018                | ND                    | ND                    |
| Arsenic (mg/L)                   | 0.35                         | ND                    | 0.0007                | ND                    |
| Villiaumite (mg/L)               | 15                           | 0.47                  | 0.44                  | 0.07                  |
| Nitrate nitrogen (mg/L)          | 50                           | 21.425                | 9.85                  | 16.8                  |
| Boron (mg/L)                     | 5                            | 0.06                  | 0.26                  | 0.2                   |
| Tin (mg/L)                       | 2                            | ND                    | ND                    | ND                    |
| Molybdenum (mg/L)                | 0.6                          | ND                    | ND                    | 0.012                 |

Note 1: The Environmental Protection Administration amended the Water Pollution Control Measures and Test Reporting Management Regulations. ND represents that the item was not detected  
Note 2: The data is from the water quality test report issued by the external organization commissioned by the Hsinchu Plant

### 4.3.3 Waste Management and Circular Economy

#### Waste treatment

To minimize the environmental hazards of waste, CMC ensures that all industrial waste generated is handled by certified public and private waste removal and treatment institutions. This practice is in place to reduce potential environmental harm and comply with the Environmental Protection Administration's regulations on waste management and recycling. CMC is committed to implementing comprehensive management of environmental pollutants and hazardous waste to reduce the overall production of waste. Non-recyclable waste often contains substances that could cause actual or potential environmental impacts if not managed properly. For example, untreated buried plastic waste may contaminate groundwater, while stockpiling refractory materials occupies space and requires more energy for management. CMC mitigates these impacts through recycling processes. Paint sludge

generated during spraying can pollute soil and water bodies, and untreated organic sludge can cause foul odors, posing health hazards. Medical waste and general waste, suitable for incineration, are managed by CMC using thermal treatment and incineration to reduce environmental impact. Complex wastes such as spent ion exchange resins, which may contain hazardous materials after exposure to heavy metals during production, are subjected to physical treatments to minimize their impact.

In 2023, CMC produced 520.0959 metric tons of non-recyclable waste, marking a 45.44% reduction compared to the baseline year of 2017 when 953.2999 metric tons were produced. This also represents a 2.62% reduction compared to 2022, with a 5.6% reduction in waste per unit of production. Additionally, there were no instances of hazardous waste transportation, import, or export involving materials regulated by the Basel Convention in 2023.

Statistics on Total Non-recyclable Waste Over the Last Three Years (Unit: Ton)

| Year | Plant         | General commercial waste |       |                |                                |                           |                   |                          |                       |              |                |               |                           |                  | Hazardous commercial waste |                                        |                    | Non-recyclable waste |
|------|---------------|--------------------------|-------|----------------|--------------------------------|---------------------------|-------------------|--------------------------|-----------------------|--------------|----------------|---------------|---------------------------|------------------|----------------------------|----------------------------------------|--------------------|----------------------|
|      |               | Reuse                    |       |                | Physical treatment             |                           | Thermal treatment |                          | Cleaning              | Incineration |                |               | Landfill                  |                  | Incineration               | Solidification                         | Physical treatment |                      |
|      |               | Wood                     | Glass | Waste plastics | Waste heat-resistant materials | Spent ion exchange resins | Organic sludge    | Non-hazardous oil sludge | Waste iron containers | Waste oil    | Paint residues | General waste | Includes glass containers | Inorganic sludge | Medical waste              | Chemical compounds containing chromium | Solvents           |                      |
| 2021 | Yangmei Plant | 323.39                   | 5.91  | 8.89           | 0.1                            | -                         | 86.43             | -                        | 11.93                 | 3.79         | 108.33         | 231.26        | -                         | -                | 0.0149                     |                                        | 76.39              | 518.2449             |
| 2022 |               | 1,007.18                 | 4.2   | 61.35          | 0                              | 3.6                       | 61.81             | 0                        | 17.23                 | 4.38         | 114.24         | 218.75        | 1.02                      | 0                | 0.0142                     | 0                                      | 43.92              | 464.9642             |
| 2023 |               | 5,309.23                 | 4.52  | 224.99         | -                              | -                         | 62.45             | -                        | 25.39                 | 0.92         | 80.31          | 242.63        | 1.17                      | -                | 0.0159                     | -                                      | 41.01              | 453.8959             |
| 2021 | Hanchu Plant  | 317.85                   | -     | -              | -                              | -                         | -                 | 6.61                     | 4                     | -            | 0              | 83.79         | -                         | 1                | -                          | 0.83                                   | 0                  | 96.23                |
| 2022 |               | 242.8                    | -     | -              | 0                              | 0                         | 5.48              | 6.28                     | 4.18                  | 0            | 0              | 52.26         | 0                         | 0                | 0                          | 0.91                                   | 0                  | 69.11                |
| 2023 |               | 191.91                   | -     | -              | -                              | -                         | -                 | -                        | 4.12                  | -            | -              | 61.11         | -                         | -                | -                          | 1.03                                   | -                  | 66.26                |

Note 1: The data is from the Industrial Waste Report and Management System of the Environmental Protection Administration, Executive Yuan, and the statistical report on recyclable waste

Statistics on the Recycling and Reuse of Waste Over the Last Three Years (Note 1)(Unit: Ton)

| Year | parts with high unit prices |                            |          |                 |                                  |            |       |                                      |          | Total Waste | Recycling Rate % |
|------|-----------------------------|----------------------------|----------|-----------------|----------------------------------|------------|-------|--------------------------------------|----------|-------------|------------------|
|      | Iron                        | Aluminum scraps and copper | Paper    | Waste lubricant | Packaging materials and plastics | Waste wood | Glass | Non-packaging materials and plastics | Total    |             |                  |
| 2021 | 2,169.65                    | 19.87                      | 405.09   | 1.09            | 66.34                            | 641.24     | 5.91  | 8.89                                 | 3,318.08 | 3,932.55    | 84.37            |
| 2022 | 2,018.89                    | 22.32                      | 578.58   | 6.37            | 82.81                            | 1,249.98   | 4.2   | 61.35                                | 4,024.5  | 4,558.57    | 88.28            |
| 2023 | 2,033.34                    | 20.62                      | 1,594.67 | 8.48            | 178.38                           | 5,501.14   | 4.52  | 224.99                               | 9,566.14 | 10,086.2959 | 94.84            |

Note 1: The data is from the Industrial Waste Report and Management System of the Environmental Protection Administration, Executive Yuan, and the statistical report on recyclable waste

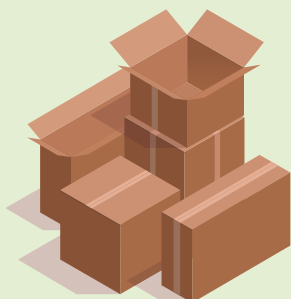
Note 2: Waste oil treatment companies recycle oil for physical treatment involving oil-water separation and solid-liquid separation. The oil is then reclaimed and reused as fuel oil

Note 3: Total waste generated: General waste + Hazardous waste + Recycled waste

#### 2023 Waste Reduction Project – Yangmei Plant Paper Compression and Baling Machine

##### Project Description

By introducing a baling machine, waste paper is compressed into compact bales, effectively addressing the issue of insufficient storage space in the waste paper operation area, which had previously led to environmental disarray.



##### Benefits

The square packaging of waste paper saves waste paper storage space, improves environmental cleanliness and improves vehicle movement lines.

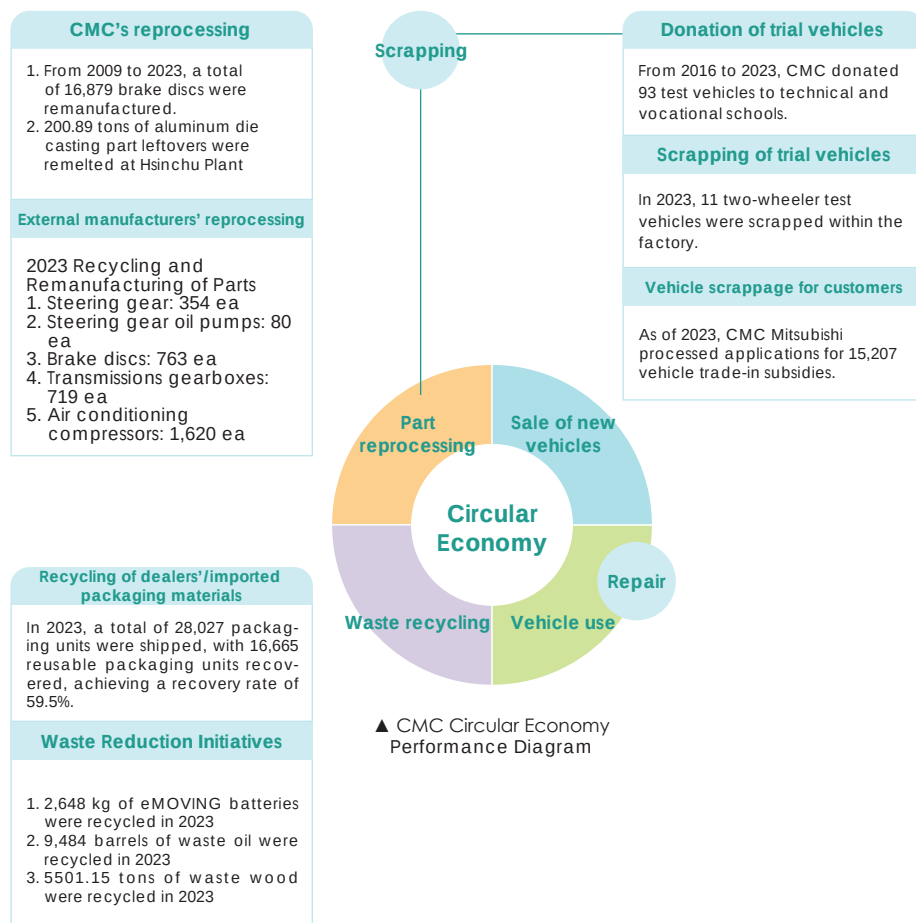
- Saved **302** trips by disposal transport vehicles
- Reduced **3.68** tCO<sub>2</sub>e/per year





## CMC's Circular Economy

The Company strives to develop a circular economy and is the only manufacturer that is capable of recycling and processing discs. We have gained quite outstanding accomplishments in the reclamation and reprocessing of vehicle parts, waste recycling, scrapping and donation.



In an effort to ensure the environmental friendliness of our products, CMC seeks optimal solutions in the R&D, design, manufacturing, production, and sale stages to reduce waste generated to the utmost. We not only improve the recycling of all plastics from vehicles on a continuous basis, but also unceasingly enhance the part recycling rate. By accomplishing the specific design and development goals initially set and combining technological innovation with R&D, our aim to achieve product sustainability can be attained.

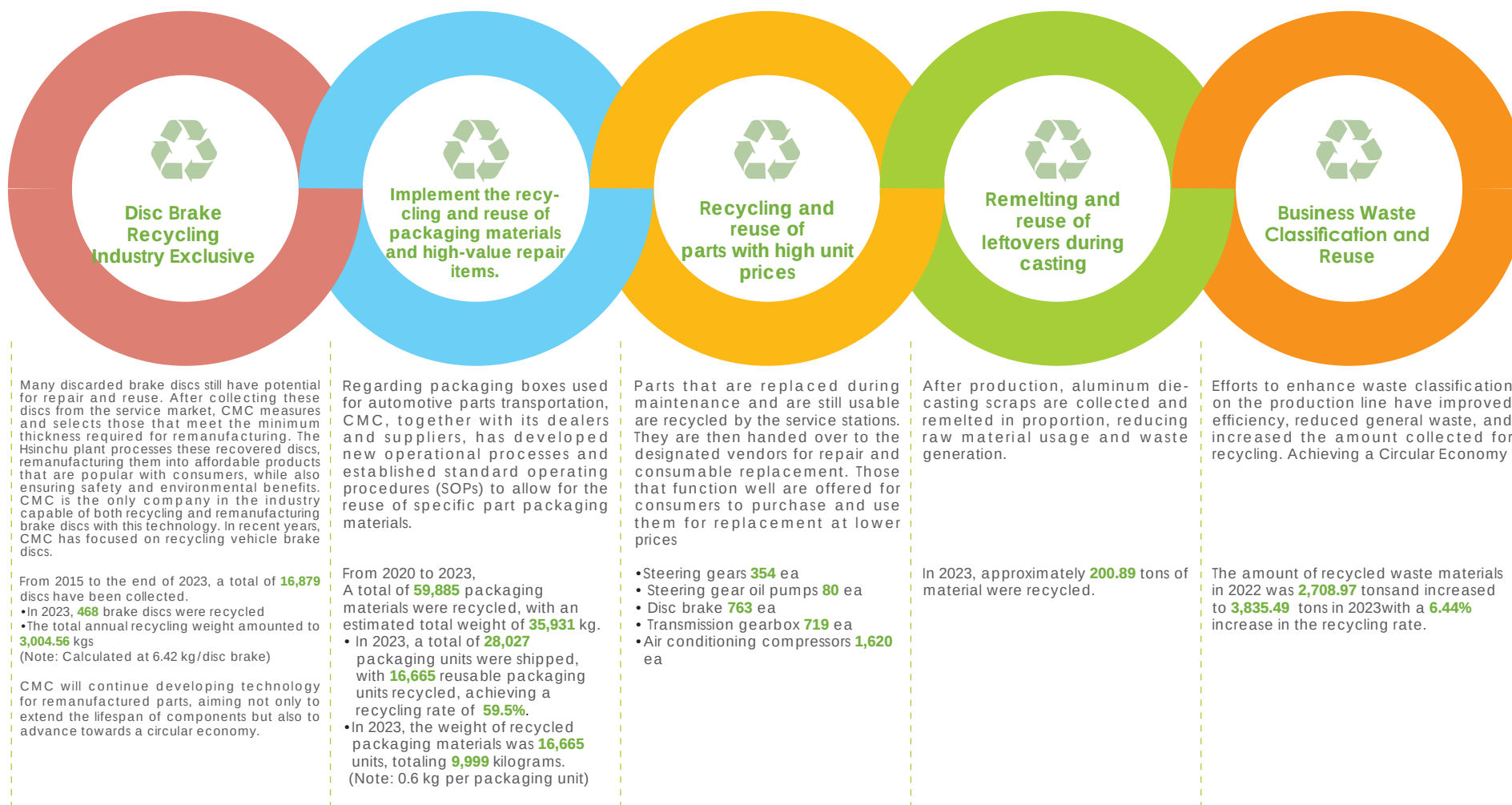
### CMC's efforts to create a circular economy are as follows:

1. To enhance automotive part reuse, recovery, and recycling, we signed up to the voluntary regulation program of the automotive industry launched by the Taiwan Transportation Vehicle Manufacturers Association in response to the Resource Recycling Act to ensure that the minimum recyclable rate of 80% and the minimum recyclable and reusable rate of 85% for target models (whole vehicle) from January 1, 2008.
2. Replacing truck wooden beds with recycled plastic wood, promoting resource reuse and reducing the use of raw timber.
3. Implementing a circular material rack for MG models to reduce wood consumption and promote resource reuse.
4. Transitioning from the use of single-use plastic cups to recyclable paper cups in the factory's café to enhance recycling value.
5. The part designs with clear recyclable sign help identify the vehicle parts that can be reused and the recycling purpose, making it easier to recycle and reuse the vehicle parts and components.
6. Reusing waste solvents for cleaning within the factory to reduce the purchase of raw solvents while promoting resource reuse.
7. Recycling packaging materials such as foam, fiber padding, and bubble wrap for vehicle components.
8. Designing auto parts for easy disassembly to enhance the recyclability of parts after vehicle scrapping.



## Recycling and Reclamation Leading to Circular Economy

CMC has adopted circular economy principles, driving the recycling, reprocessing, and reuse of scrap materials and high-value parts, while actively investing in water and electricity reuse systems. These initiatives deliver multiple benefits, including environmental protection, resource conservation, and energy efficiency, all while reducing costs for consumers.



### Promotion of Green Procurement: Hsinchu Plant Recognized by the Ministry of Environment for Commitment to Green Procurement

The Ministry of Environment encourages companies to use environmentally friendly products and report their green procurement amounts, aiming to create a green supply chain and enhance Taiwan's industrial competitiveness. CMC's Hsinchu Plant has received the "Outstanding Private Enterprise Green Procurement Award" for three consecutive years since 2020. In 2022, the green procurement amount for materials used in the OUTLANDER and LANCER models, including engine components, reached **NTD 351.46 million**.



#### 4.3.4 Toxic Chemical Substance Management

##### Toxic Chemical Substance Management

CMC is extremely cautious about the management of toxic chemical substances. To avoid any possible leakage of the substances, we not only have strict management systems, but also develop emergency response measures for the occurrence of accidents. Through the effective management of chemical substances used in the processes at our painting factory, the chance of disasters occurring at the factory can be minimized, thereby protecting the work safety of our employees. At CMC's Yangmei Plant, we have implemented a comprehensive SOP to mitigate the risks associated with organic solvent leakage, particularly in the event of natural disasters. The plant is equipped with disaster prevention systems that actively detect the severity of any incidents to prevent greater losses. As we pay extreme attention to the safety of relevant personnel, a leakage and fire emergency response drill is carried out semi-annually in the Paint Mixing Room (Waste Solvent Room, Cleaning Solvent Room) at CMC's Yangmei Plant.

##### Disaster Prevention Equipment Functional Assurance



Check if there is oil seepage and leakage at exposed pipeline/flange connections



Personnel use a handheld gas leak detector to check if there is leakage on the pipelines/flange surfaces



The combustion unit of the oven at the painting factory is equipped with a gas leak detector to automatically detect any leakage on the pipelines/flange surfaces



A leak detection device is installed for the paint pipelines. In case of a paint or solvent leakage, the pump is automatically shut off and a message is sent for notification



A seismic sensor is installed at the painting factory. When an earthquake with a magnitude of 5 or higher occurs, the main valve will be closed automatically

##### Disaster Prevention Reporting Execution Process



Reporting the solvent leakage



Shutting off the solvent supply pipelines



Containing the solvent leakage



Assisting in evacuation



First aid training



Automatic fire extinguishing system activated



Fire extinguishing training



Drill completion and review

1

##### Toxic Substance Management Practices

2

For the effective management of the cleaning solvent used in the processes at the painting factory, methyl isobutyl ketone, classified as Class 4 toxic chemical substances, the designated personnel records the use of the solvent on a daily basis, submits the handling record every month, and calculates and reports the release quantity annually

We have established a "Toxic Chemical Hazard Prevention and Response Plan," under which the painting facility conducts semi-annual emergency drills. These exercises simulate scenarios such as large-scale solvent leakage or fires in the paint and solvent storage rooms, focusing on emergency evacuations and co-ordinated disaster response efforts.



##### Hsin Chu Plant Received the "Five-Star Award for Occupational Safety and Health Excellence"

To establish a comprehensive occupational safety network, CMC regularly conducts fire drills at both the Yangmei and Hsinchu plants. Occupational safety principles are integrated into daily operations to ensure the safety of all employees. From 2021 to 2023, the Hsinchu Plant's efforts in promoting effective occupational safety and health practices were recognized by the Ministry of Labor, earning the plant the prestigious "Five-Star Award for Occupational Safety and Health Excellence" in 2023.



### 4.3.5 Noise Prevention and Improvement

To ensure employees work in a comfortable environment, CMC gradually replaced high-noise pneumatic guns with low-noise electric ones at the Hsinchu plant in 2023. A total of 57 electric guns were installed, with a cumulative cost of approximately NTD 1.982 million. In the Yangmei plant, 17 noise-reduction proposals were implemented, including improvements for six transfer equipment noise issues, six operational tool noise issues, one pneumatic component, and four other noise reduction efforts. These subtle improvements successfully eliminated various noise disturbances with an investment of NTD 1.06 million. Over the years, a total of 140 electric guns have been installed.

#### Noise Prevention and Improvement Project



#### Examples of Noise Improvement Cases for Operational Tools and Pneumatic Components

##### Problem

The pneumatic cylinder stop on the car door transfer equipment conveyor belt produced excessive noise upon impact, raising concerns about potential hearing damage.

##### Improvement Topic

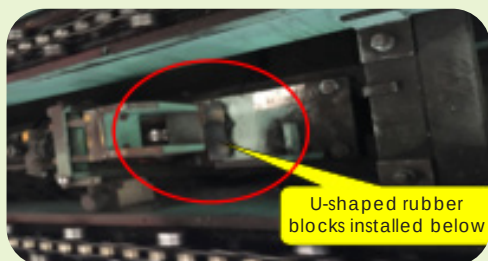
Noise reduction of the pneumatic cylinder operation in the commercial vehicle assembly return area.

##### Improvement Measure

A U-shaped rubber block was added beneath the pneumatic cylinder to absorb shock and cushion impacts, effectively reducing the noise level.

##### Benefits

The addition of the U-shaped rubber block significantly cushioned impacts, reduced collision noise, and improved the working environment.



▲ U-shaped rubber blocks installed below



#### Handling Equipment Noise Reduction

##### Problem

The microswitch on the pre-assembly frame was placed too close beneath the steel plate, causing noise when the plate collided with the switch. The proximity of the switch needed improvement.

##### Improvement Topic

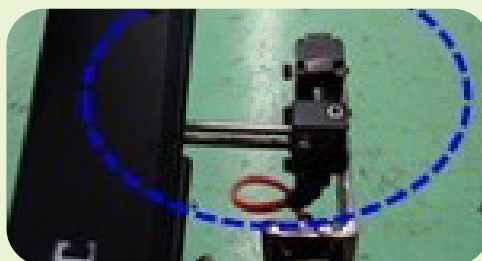
Noise reduction from steel plate collisions in the rear axle pre-assembly of the CMC Veryca truck.

##### Improvement Measure

The microswitch was repositioned, and an L-shaped iron sheet was used to move the steel plate 15 cm away from the switch, preventing contact and reducing noise.

##### Benefits

After the adjustment, the assembly process no longer produced collision noises, greatly enhancing operational efficiency and product quality.



▲ Improvement results



#### Tool Noise Reduction

##### Problem

The tail light installation for the CMC Veryca truck used a standard impact driver with a fast rotational speed and high torque, generating significant noise and negatively impacting the work environment.

##### Improvement Topic

Improvement of tools for tail light installation on the CMC Veryca truck.

##### Improvement Measure

Replacing the standard impact driver with a fixed-torque electric screwdriver to reduce noise.

##### Benefits

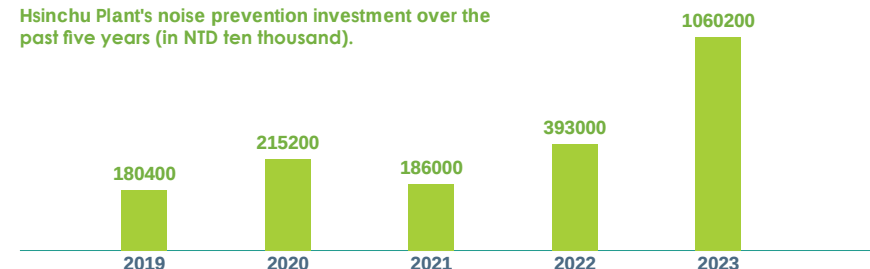
Based on actual tests, noise levels were reduced from 93.8 dB to 88.6 dB



▲ Noise reduced to 88.6 dB after switching to fixed-torque electric screwdrivers

In 2022, CMC focused on managing noise levels in the plant with key improvements as follows:

Hsinchu Plant's noise prevention investment over the past five years (in NTD ten thousand).



Note: For 2022, Yangmei Plant improvements were categorized under daily safety and health management; therefore, no separate project costs were reported.



4.4 Ecological Conservation: Reviving Species and Promoting Environmental Education

CMC is committed not only to low-carbon manufacturing but also to ecological conservation and environmental education. Through the establishment of a sustainable ecological park within its factory grounds and the implementation of training courses led by expert instructors, CMC aims to protect local native species and foster biodiversity. This initiative provides employees with opportunities to connect with nature during their breaks and engage as ecological volunteers, helping to maintain and guide visitors in the park, thereby promoting environmental protection and enhancing awareness of Taiwan's rich biodiversity.

CMC Ecological Park Development Approach

The CMC Ecological Park focuses primarily on restoring native aquatic plant species, creating a healthy and diverse ecosystem. This initiative aims to attract and support various species, enhancing the park's biodiversity and fostering a natural environment. The park will undergo regular ecological species surveys to guide ongoing conservation efforts.

Creating Diverse Biological Habitats

The park's design incorporates porous spaces, deadwood microhabitats, riparian buffer zones, native aquatic plants, and multi-layered vegetation, all aimed at creating diverse habitats for various species. This thoughtful approach fosters a rich and vibrant ecological environment.

Creating high-quality ecological landscape water bodies

The installation of ecological scenic water areas not only increases the visual richness of the environment but also enhances biodiversity by providing diverse habitats for wildlife. It also offers a high-quality leisure and sightseeing environment for employees and visitors alike.

Water Resource Conservation and Utilization

Efficient use of domestic wastewater from employees is achieved by purifying and reusing it for plant irrigation and to replenish the ecological water areas.

Improve water quality eutrophication conditions

Facilities such as a circulating water supply system are in place to purify the water through natural processes, increasing the dissolved oxygen content and improving eutrophication in the water. Additionally, in the available riparian zone, a vegetative buffer zone can be established to purify surface runoff and reduce pollutants entering the river.

Providing a rich environmental education space

The plan includes ecological water bodies, gravel filtration areas for water purification, diverse native vegetation, observation trails, and interpretive facilities. It will become a rich environmental education space and can collaborate with nearby communities, schools, and associations to provide opportunities for internships and hands-on experiences.

Achieving multiple objectives

In addition to meeting the basic spatial needs of the park, it should also cater to recreational activities, enhance biodiversity in the habitat, integrate local culture and industry, develop unique characteristics, restore landscape vitality, and fulfill its environmental education function, thereby improving land use efficiency.

4.4.1 Establishment and Maintenance of Ecological Facilities at the Plants



In 2023, CMC invested NTD 700,000 in maintenance. As of 2022, a total of **NTD 3.785 million** had been invested in engineering, with an additional **NTD 21.42 million** planned for 2024 to carry out further transformation projects.

Native Species Rehabilitation and Biodiversity Survey

In April and May of 2023, CMC conducted its first comprehensive ecological survey of the ecological park before its transformation. This survey will serve as a baseline for future restoration planning. Once the transformation is complete, the park will undergo at least one annual ecological survey to build a robust ecological database.

Initial Ecological Survey Results

The first inventory of the park's aquatic area revealed a focus on native aquatic plants, with the yellow water lily being a prominent species. Other native species also thrive in the park. In the terrestrial area, forests composed mainly of Fagaceae trees and Himalayan ash are prevalent. Monthly maintenance of the ecological park is conducted with the help of expert consultants, including Mr. Tzu-Ming Wu from the Yellow Water Lily Workshop, ensuring the park retains its natural and native state.

| Native flora              | Exotic species | Bird species                                                               | Butterflies + Odonata | Aquatic Species (Fish)                                  | Aquatic Invertebrates                                                       |
|---------------------------|----------------|----------------------------------------------------------------------------|-----------------------|---------------------------------------------------------|-----------------------------------------------------------------------------|
| 110<br>Accounting for 64% | 63             | Recorded: 10 families, 13 species, 80 individual sightings<br>Bird species | 9 orders, 62 species  | 5 families, 9 species recorded 314 individual sightings | 8 families, 8 species including 3 species of shrimp and 5 species of snails |

Aquatic Zone

Emergent plants: Dwarf rotala, water hyssop, Asian lizard's tail, fragrant polygonum, Persicaria glabra, arrowleaf tearthumb, Alisma canaliculatum, common rush, woolly waterlilies, Callitriche stagnalis, Hygrophila pogonocalyx, rough horsetail, Acorus calamus, bulrush, Limnophila rugosa, water fern

Submersed plants: Vallisneria natans, dwarf arrowhead, ottelia, Limnophila trichophylla

Floating-leaf plants: Nymphaeodes indica, yellow water lily, crested floating heart

Floating plants: Hydrocharis dubia, Salvinia natans

Riparian plants: Cephalanthus naucleoides, powder-puff tree, Salix warburgii, coronarius gingerlily

Terrestrial Zone

The terrestrial zone is primarily composed of Fagaceae forests and Himalayan ash trees.

## Challenges and Solutions for Native Species Rehabilitation

Since 2022, CMC has been managing the ecological park and further advanced its renovation and planning in 2023. The biggest challenge faced during the optimization and restoration of the ecological park has been the invasion of exotic species. The removal of invasive species cannot be accomplished overnight and requires continuous maintenance and management. The current solution involves draining the ponds and applying specific construction techniques to remove and control the invasive species.



### Ecological Pond Construction Method

#### Draining the Pond

Before construction, the pond is drained to remove invasive plant species (a total of 63 species) and animals such as golden apple snails, tadpole snail, mosquito fish, tilapia, spot-legged tree frogs, and American crayfish. We particularly focus on the removal of American crayfish and spot-legged tree frogs.

#### Maintenance and Management

Invasive species are aggressive and fast-growing, requiring active monitoring and manual removal. This creates significant challenges in terms of labor management and scheduling.



### Future Plans for Yangmei Plant's Ecological Park

#### Ecological Pond Area

The pond primarily focuses on the restoration of native Taiwanese aquatic plant species, such as Taiwan water shield, to create a healthy and thriving ecological environment.

#### Forest Area

This area features species from the Fagaceae family and Himalayan ash, with plans to create a beetle observation zone in the future, attracting children and families to learn about ecology.

#### Herb Garden

A natural greenhouse where employees can grow small plants and take them back to the office, adding joy to their daily routines.



### Introduction Benefit

- An ecological plant is formed through the combination of a plant and an ecosystem. This provides employees with more soft recreational space and allows them to benefit from ecological improvements. Our employees may enjoy and get to know the ecosystem outside of work and thereby engage in ecological restoration and help facilitate ecological conservation.
- After its completion, the ecological pool has attracted birds such as Chinese bulbuls, egrets and turtle doves to drink water and allured dragonflies, butterflies and other insects, creating a small ecological park in the plant, and has become a leading model in the industrial park. We plan to share our experience in building the ecological pool with the industrial park service center to promote the idea to all plants in the industrial park in the hope of turning the whole industrial park into an ecological park.

Taiwanese lettuce harvested as an addition to lunch



Strawberries harvested for employees to enjoy



### Rebuilding of an environment for wetland species to grow



### Development of an aquaponics system



### Yangmei Plant Sustainable Ecological Pond: Rehabilitation of Native Taiwanese Aquatic Plants and Resident Birds

#### Rehabilitation of Native Plants in the Sustainable Ecological Pond

To promote biodiversity and achieve the sustainable goal of "community co-prosperity," CMC initiated a project to improve the lotus pond at the Yangmei Plant in 2017. Over the years, this pond has been gradually developed into an ecological pond, successfully restoring native species such as yellow water lily, water hyssop, Sinotaia quadrata freshwater snails, and rosy bitterling. At the same time, invasive species like the American crayfish and golden apple snails were removed. In 2023, the first ecological survey was conducted, revealing the presence of resident bird species such as common kingfishers, light-vented bulbul, and black-crowned night herons around the ecological pond. CMC aims to continue fostering biodiversity to create a sustainable, harmonious living environment.



Common kingfisher



Light-vented bulbul



Black-crowned night heron



Swinhoe's white-eye



Yellow water lily



Water hyssop



Sinotaia quadrata



Rosy bitterling



#### 4.4.2 Nature and Ecological Education

##### Ecological Kindergarten Courses

An ecological pool near kindergartens is the best learning site for life education for children. Ecology-related issues have been chosen as the themes of picture book courses at the beginning of a semester:



Students looked for caterpillars in the area full of water snowball, a nectariferous plant, in the ecological pool to closely observe how a caterpillar undergoes metamorphosis



Students picked up the seeds of Fagaceae plants around the ecological pool and use creativity and random materials to turn them into art related to festivals through parent-child cooperation for maintaining the beauty of nature in their works



A field next to the ecological pool was fertilized with compost produced from kitchen waste and fallen leaves, significantly boosting the organic vegetable yield and enhancing the health of the kindergarten students and teachers



Native fishes and shrimps in the ecological pool were moved temporarily to the classroom for children to observe how they swim in the water. Such fish-raising activities taught the children to respect and care for life



Strawberries, tomatoes, cowpea and water spinach were grown through aquaponics based on the seasons. In courses for growing bonsai from seed, students were taught how to plant Mexican mint from cuttings to try different methods of cultivation and develop an understanding of a variety of plant cultivation methods



##### Creating an Educational Ecological Park

In addition to ongoing collaboration with Tzu-Ming Wu of the Yellow Water Lily Workshop for native species conservation, CMC aims for the ecological park to be more than just a piece of land. Since 2023, CMC has invited experts like Mr. Te-Hung Chen from the Society of Wilderness to conduct courses, along with various environmental consultants, to design comprehensive ecological education programs. These courses span both indoor and outdoor environments, covering terrestrial and aquatic ecosystems, and offer hands-on learning experiences for CMC

employees to connect with and better understand nature. Under the guidance of Mr. Chen and the ecological design expertise of architect Chiang-Ho Chen, the park is being developed to foster biodiversity and ecological sustainability. This initiative is designed to deepen the connection between the CMC family and nature, inspiring employees and their families to cherish and care for the land that sustains them. By fostering this bond, CMC hopes to promote a shared sense of stewardship and harmony with the natural world.

2023/ Indoor Course



2023/07/23 - Outdoor Class at Bade Pond and Wei Family Pond, Taoyuan



2023/08/13 - Outdoor Class at CMC Ecological Pond



2023/09/10 - Outdoor Class at Wanli Education Center



2023/09/24 - Outdoor Class at CMC Ecological Pond



2023/11/19 - (Volunteer Trip) Ecological Volunteers at Daxi Green Union Farm



2024/03/05 - Native Species Conservation and Exhibit Setup at CMC Ecological Pond



2024/03/15 - CMC Ecological Volunteer (Outdoor) Training at Albe Eco Farm





# 5 Safe Workplace and Outstanding Development



- 5.1 Talent Planning: Driving Sustainable Corporate Growth
- 5.2 Talent Attraction and Retention: Diverse Recruitment, Remuneration, and Benefits
- 5.3 Development and Training: Robust Learning for Competency Upgrade
- 5.4 Reassuring Workplace: Ensuring Employee Satisfaction and Enjoyment







## Material topic



Recruitment and retention



Safe workplace



## Core Vision and Commitment

At CMC, employees are our most valuable asset. We are committed to safeguarding employee health, creating a safe and secure working environment, and strengthening the connection between employees and CMC through diverse channels and activities. We accompany our employees on their growth journey, enhancing core competencies and driving welfare policies centered around their needs, aiming for collective corporate success and mutual well-being.



## Outcomes and Achievements in 2023



Recognition of **31 exemplary employees**



**26** summer interns offered full-time positions



**6 sessions** of CPR and AED education and training with **338** employees participating



**4,796 sessions** of education and training attended by **32,676 employees**, totaling **51,462 hours**



Employee-driven proposals: **350 proposals**, resulting in **52** implemented improvements, saving a total of **NTD 395,506**



Free newborn insurance services are offered with **38 employees** benefiting  
Childbirth gifts: **38** employees received childbirth gifts



## Strategic Goal

### Short-term

Enhance CMC's external salary competitiveness to improve employee retention and recruitment

### Medium-term

- Support the company's digital transformation through education, training, and process optimization
- Continuously improve the workplace and health environment to ensure a comfortable working space

### Long-term

Promote diversity and inclusion, attract and retain top professional talent, offer competitive compensation, and foster a culture of continuous learning and growth, making CMC a company employees take pride in.



Sustainability Commitment from the Chairperson

ESG Highlights

About CMC

Vision Blueprint for Corporate Sustainability

Innovative Technologies and Forward-Looking Value

Excellent Governance and Proactive Action

Circular Reduction and Safeguarding Environment

Safe Workplace and Outstanding Development

Giving Back to Society in Every Way Possible

Appendix

## 5.1 Talent Planning: Driving Sustainable Corporate Growth

### 5.1.1 Employee Composition

CMC implements relevant human resource policies and internal regulations, focusing on developing employee composition policies that align with the company's growth strategy. We strive to provide equal employment opportunities and a fair working environment, aiming to create a healthier corporate culture.

#### Employment Overview

- Workforce composition and structure

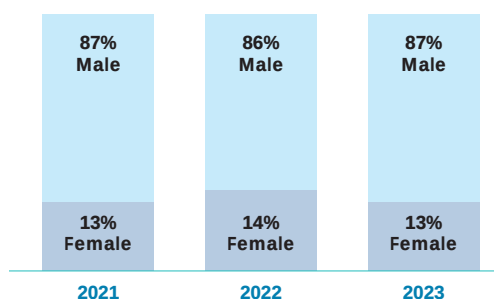
As of the end of 2023, CMC employed a total of 2,372 employees, including 314 women and 2,058 men. Among them, 2,308 were full-time employees, with 2,050 being Taiwanese nationals (298 women and 1,752 men) and 258 foreign full-time employees (all male). Additionally, 64 staff members were employed under contract or temporary employment, while 28 dispatched (contracted) workers completed the rest of the workforce. Compared to 2022, CMC's workforce grew by 255 employees in 2023, continuing its momentum of attracting sufficient talent to drive overall growth. Employees with over 20 years of service make up 36.80% of the workforce (873 people), highlighting the sense of stability and satisfaction that CMC creates for its employees.

Employees at and below the age of 30 accounted for about 19%; those between 31 to 50 years of age took up about 51%; and those at and beyond the age of 51 occupied approximately 31%. Hence, the extension of the career lifespan and retirement planning for middle-aged and senior employees has thus become an important issue that we prioritize.

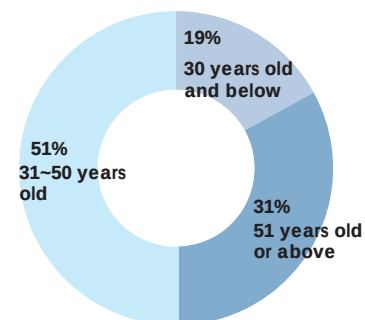
2023 Employee Gender Composition

| Job Grade                                                                    | Female     | Male         |
|------------------------------------------------------------------------------|------------|--------------|
| Employee                                                                     | 291        | 1,820        |
| Frontline supervisors (Team Leads, Head Technicians, Deputy Head Technician) | 0          | 82           |
| Middle Management                                                            | 17         | 116          |
| Senior Management                                                            | 6          | 40           |
| <b>Total</b>                                                                 | <b>314</b> | <b>2,058</b> |

Gender ratio of employees over the past three years



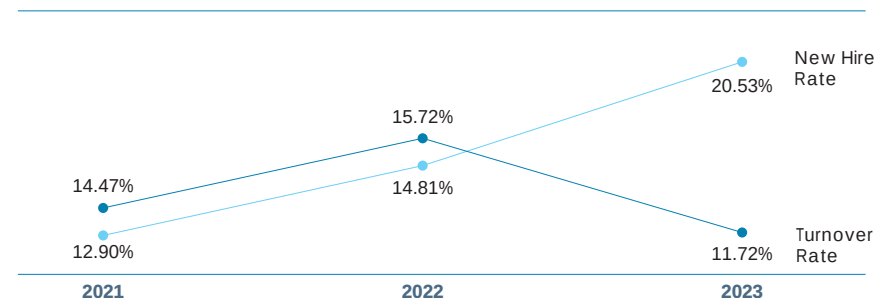
Age composition of employees in 2023



### New Hires and Employee Turnover

In 2023, CMC's new hire rate was 20.53%, with a total of 487 new hires, while the turnover rate dropped to 11.72%, with 278 separations. This shows a notable increase in the hiring rate and a significant decrease in the turnover rate. CMC is committed to ensuring the satisfaction of new employees and identifying potential adaptation challenges early on. To achieve this, CMC conducts regular interviews and surveys with employees who have been with the company for less than three years. These initiatives enable management to gain insights into the employees' perspectives, experiences, and integration within the organization. By gathering this feedback, CMC can proactively address any concerns or issues new hires may face, thereby fostering a more supportive and inclusive environment. This approach also strengthens communication channels between new hires and their supervisors, ensuring a smoother transition and higher employee retention.

New Hire Rate and Turnover Rate Over the Last Three Years

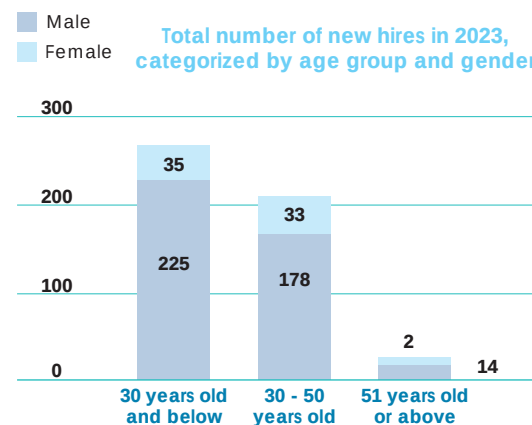


Note 1: Turnover definition: Employees who leave the organization voluntarily or due to dismissal, retirement, or death.

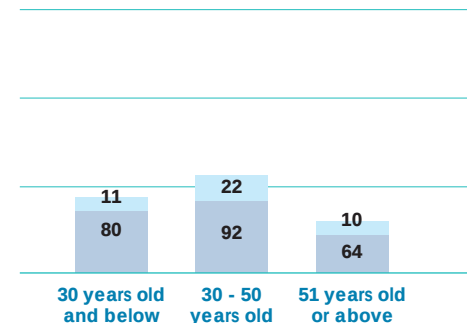
Note 2: New hire rate (%) = (Number of new hires / Total employees at year-end)

Note 3: Turnover rate (%) = (Number of employees leaving / Total employees at year-end)

Total number of new hires in 2023, categorized by age group and gender



Total number of employee separations in 2023, categorized by age group and gender



## Commitment to Local Hiring

CMC values local talent, recognizing the importance of employees familiar with the local culture, regional values, and market dynamics. Hiring locally not only contributes to the local economy but also fosters deeper community connections, aligning with CMC's corporate social responsibility. By supporting local hires, CMC aims to contribute to the prosperity and development of the communities it operates in.

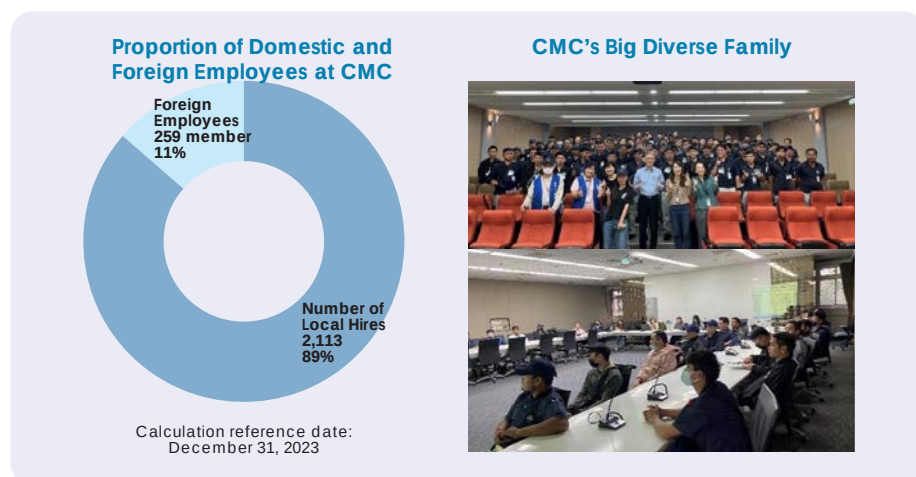
| Proportion of Local Employees |                              |                                                                         |                         |                                         |                                                     |                                          |
|-------------------------------|------------------------------|-------------------------------------------------------------------------|-------------------------|-----------------------------------------|-----------------------------------------------------|------------------------------------------|
| Year                          | Total Number of Employees(A) | Number of Employees with Households Registered Locally <sup>2</sup> (B) | Local Hiring Rate (B/A) | Number of Top Managers <sup>1</sup> (C) | Number of Local Hires <sup>2</sup> Top Managers (D) | Proportion of Local Top Managers (D)/(C) |
| 2021                          | 2,048                        | 1,277                                                                   | 62.35%                  | 40                                      | 24                                                  | 60.00%                                   |
| 2022                          | 2,066                        | 1,166                                                                   | 56.44%                  | 45                                      | 22                                                  | 48.89%                                   |
| 2023                          | 2,372                        | 1,489                                                                   | 62.77%                  | 46                                      | 21                                                  | 45.65%                                   |

Note 1: Top managers are defined as personnel acting as in-plant divisional and higher-level managers

Note 2: Local is defined as those with household registration within Taoyuan.

## Foreign Employee Recruitment and Management Policy

CMC, like many companies nationwide, is experiencing a labor shortage. To address this, the company initiated its first foreign employee recruitment in 2023, hiring an initial batch of 80 foreign workers. Later in the year, an additional 179 talents were recruited, totaling 259 foreign employees (as of the end of 2023, the total number stood at 258 due to a vacancy resulting from a resignation). CMC aims to foster a diverse corporate culture and enhance both production capacity and product quality through this approach.



CMC is committed to providing a welcoming and inclusive work environment where foreign employees can seamlessly integrate into the CMC family. By fostering a culture of respect and equality, CMC ensures that all foreign employees feel valued, free from discrimination or unequal treatment. Through a variety of supportive initiatives, such as dormitory management, regular meetings, language support services, new employee training, and cultural exchange activities, CMC helps foreign employees adapt and excel in their roles, ensuring a smooth and successful integration into the workplace.

|                                                                                      | Description                                                                                                                                                                                                                                                                                                                                                                               | Effectiveness and invested resources                                                                                                              |
|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
|   | Through a collaborative selection process between dormitory managers and the Human Resource Management Division, 22 dormitory heads were chosen, with each overseeing 12 to 20 individuals on average.                                                                                                                                                                                    | In 2023, a budget of approximately NTD 88,000 was allocated to support this initiative.                                                           |
|   | The selected dormitory heads meet quarterly, with the meetings focusing on disseminating recent company policies and activities (such as year-end gala banquets and singing competitions), addressing foreign employees' concerns, and discussing any ad-hoc issues. Attendees are provided with meal boxes during the meetings.                                                          | The first foreign employees' dormitory head meeting was held in November 2023, and subsequent meetings will be held quarterly on a regular basis. |
|   | Given that foreign employees may not be familiar with traditional Chinese characters or the language, prior to their arrival, all necessary work documents, safety signage, and labels for key locations are translated into Thai. In addition, an average of one translator is assigned per 10 foreign employees, with translators stationed onsite to serve as communication bridges.   | In 2023, the total budget for translation services was approximately NTD 1.71 million.                                                            |
|  | Upon arrival, foreign employees undergo a two-day training program covering topics such as ethical business practices, personal data protection, information security, workplace safety, and company policies. This is followed by a five-day on-the-job training within their respective departments to ensure a full understanding of work responsibilities and operational procedures. | A one-week comprehensive training program is conducted before employees begin their official duties.                                              |



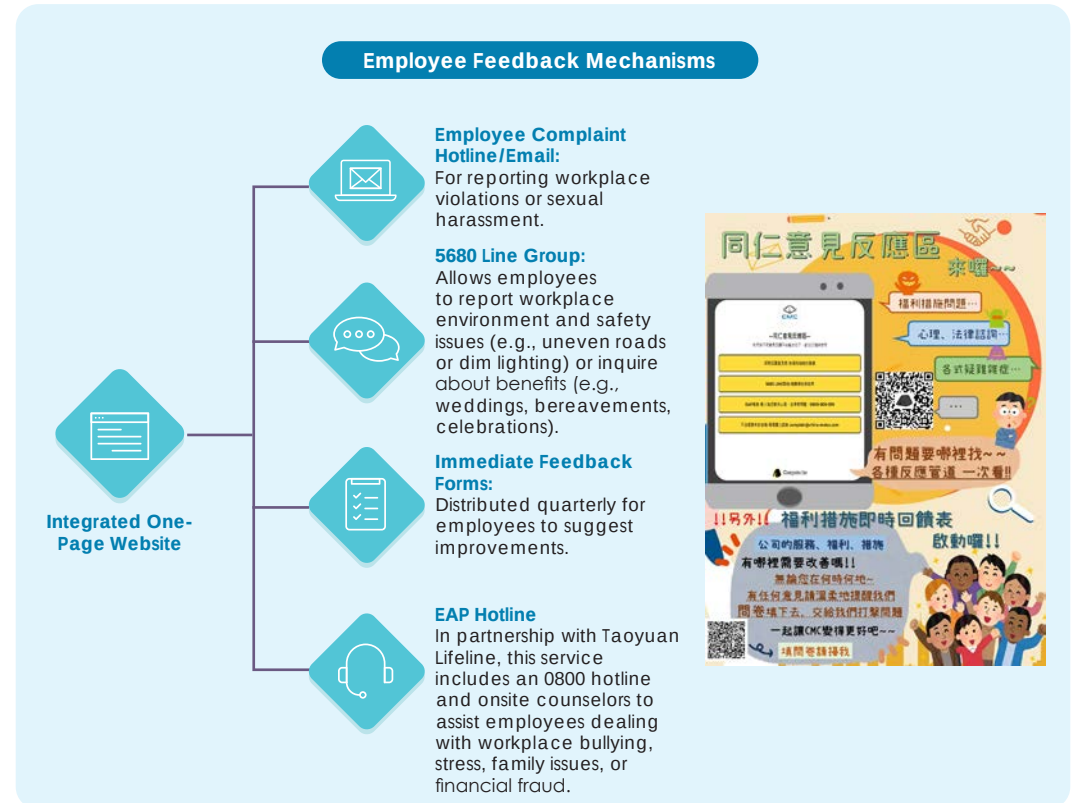
### 5.1.2 Employee Engagement and Job Satisfaction

CMC maintains a proactive and positive labor-management relationship by establishing diverse and open channels for dialogue. Each year, CMC commissions a professional research agency (104 HR Academy) to conduct an employee satisfaction survey to gain comprehensive insights into employees' perspectives. This allows CMC to benchmark against industry standards and continuously improve management systems, creating a cycle of high interaction and continuous improvement between the company and employees.

#### Employee Communication

As we value the opinions and rights of employees, the Company offers various internal communication channels, has an union and an Employee Welfare Committee in place, as required by law, and convenes regular labor-management meetings. In 2023, all full-time employees with non-fixed term contracts were protected under the "collective bargaining agreement". In addition to participating in labor-management meetings to discuss labor-related matters, employees can communicate through various channels, such as direct dialogues with the President, employee suggestion boxes, and the "5680 Employee Line Group." In 2023, CMC optimized the existing 5680 Line group, ensuring employees registered with real names for effective communication. Automated responses were also introduced to improve response efficiency, with a 100% participation rate, making it a highly effective channel for labor-management communication. In 2023, CMC held four labor-management meetings, one union employee representative assembly, and four Employee Welfare Committee meetings. The primary discussion topics included updates on company operations, the 2023 salary adjustment plan, the impact of COVID-19, labor shortages, and employee concerns. Specific issues discussed included adjustments to travel expenses and the leadership reward program. During each meeting, the company provided updates on the progress of previous resolutions and developed new response plans and actions based on employee feedback.

#### Employee Communication Structure





## Employee Job Satisfaction

To fully understand employee perspectives, CMC continued its collaboration with 104 Job Bank in 2023 to conduct a comprehensive "Employee Satisfaction Survey" across the company. In addition to the six existing dimensions—supervisor, compensation, colleagues, work, development, and corporate culture—this year introduced a new dimension on sustainable management. This was combined with employee engagement metrics to gauge their sense of value alignment, commitment to effort, and retention willingness, which will inform the company's strategy for optimizing related initiatives.

In the 2023 CMC Employee Satisfaction Survey, 1,990 valid responses were collected, with a response rate of 99.7%. The overall satisfaction score increased from **4.4** to **4.46** (on a 6-point scale).

Compared with external benchmarks, overall satisfaction improved from PR52 to PR58, while scores for "remuneration" rose from PR48 to PR50, "colleagues" from PR51 to PR53, and "commitment to effort" from PR48 to PR50, all reflecting year-on-year improvements.

The newly added "Sustainable Management" dimension scored **4.8** points with a PR68, reflecting strong performance.



Note: The full score for all the items is 6.



### Bridge to Engagement with Employees

In 2023, both overall employee satisfaction and engagement increased compared to 2022. In 2023, performance in areas such as sustainable management, leadership, work, corporate culture, and value alignment was outstanding (above the overall average, with a PR > 50, and an improvement compared to 2022). Employee satisfaction and engagement have steadily increased each year, with high satisfaction and engagement among new hires within the first year. Remuneration and performance appraisal categories saw a slight decline compared to 2022 (but with PR > 50), therefore continuous optimization is needed. Further evaluation of the salary policy (compensation and salary adjustment system) is recommended to ensure alignment with business development and talent retention strategies. Additionally, strengthening salary competitiveness for employees with 5 to 15 years of service and establishing a benefits system that resonates with them would be beneficial.

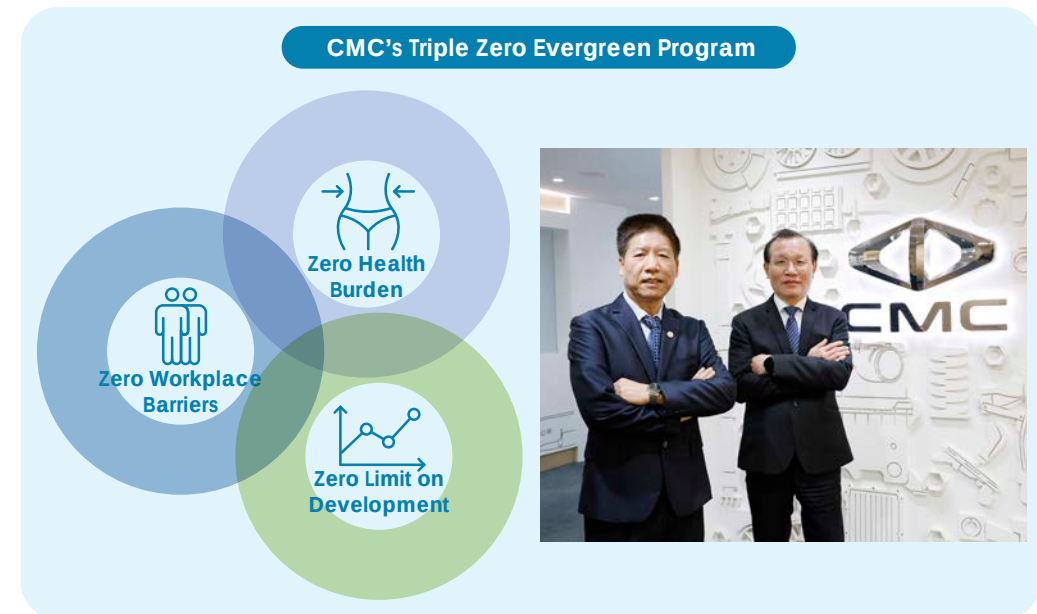
To communicate company policies and achievements, CMC hosted two Fat Cart Afternoon Tea Meetings last year, sharing the company's participation in the "Taiwan Sustainable Talent Action Alliance." CMC also earned recognition from CommonWealth Magazine with the "CommonWealth Excellence in Corporate Social Responsibility Award," "CommonWealth Sustainable Talent Award," and Parenting Magazine's "Family-Friendly Workplace Award." The Company reaffirmed its commitment to providing training and development resources, establishing fair promotion systems, and continuously improving remuneration and benefits to ensure that every employee can confidently join in CMC's sustainable growth.

## 5.1.3 Aging Workplace and Career

CMC has also focused on creating a friendly work environment through ergonomic improvements, especially for middle-aged and older employees. To help employees navigate significant life transitions, CMC launched the "Leap Forward Life" series of lectures and activities. These programs, organized in three stages, "Understanding Change," "Confident Transformation," and "Joyful Leap", focus on four key life transformation aspects: physical health, social relationships, financial planning, and community involvement. The initiative aims to equip employees with the knowledge and mindset to confidently transition into the next phase of life. Additionally, CMC provides diverse activities and development plans for middle-aged and senior employees, extending their career paths and encouraging the cultivation of new skills. This also supports knowledge transfer, helping sustain the company's long-term development.

### [CMC Triple Zero Evergreen Program]

When population aging is taking place in Taiwan, the effective use of middle-aged and elderly employees has become an important issue in workforce planning and practice at CMC. According to our statistical data, 36.79% of CMC employees have over 20 years of service, and around 28% of employees are over the age of 51. In response to the growing need for human resource strategies that motivate and integrate middle-aged and senior employees, while also addressing the increasing demand for delayed retirement, CMC launched the "CMC Triple Zero Evergreen Program" in 2012. This program is centered around three main pillars: "Zero Barriers in the Workplace," "Zero Health Burdens," and "Zero Limits on Development." These are supported by five key initiatives: "Diverse Development and Training," "Comprehensive Health Care," "Stress Relief and Well-being Promotion," "Ergonomic Workplace Management," and "Career Recalibration." The goal of this program is to extend the career paths of senior talent, allowing them to continue contributing to both their personal growth and the company's success.



### Zero Workplace Barriers

CMC's Yangmei Plant has implemented project improvements and employee-driven initiatives to encourage staff to independently propose suggestions for mitigating physical and mental health risks in the workplace and improving safety and health facilities in the working environment. These activities aim to address the issue of an aging workforce and enhance employee job satisfaction, driving the factory toward more human-centered production. In 2023, relevant improvement proposals included 67 ergonomic improvements, 16 noise reduction items, 35 temperature control enhancements, and 997 potential mechanical equipment safety improvements. The goal is to effectively reduce employee fatigue, provide a health-friendly work environment for middle-aged and senior employees, and minimize work hazards or risks associated with physical decline.

#### Statistics on Major Improvement Categories and Number of Items in 2023

| Category | Ergonomic Improvements | Mechanical Equipment Safety Improvements | Environmental Improvements | Noise Reduction |
|----------|------------------------|------------------------------------------|----------------------------|-----------------|
| Total    | 87                     | 997                                      | 35                         | 16              |

#### 2023 Employee Proposal Awards and Cost-Saving Results

| Scope              | Awarded Cases             | Cases  |
|--------------------|---------------------------|--------|
| Company-wide       | First Prize               | 0      |
|                    | Second Prize              | 2      |
|                    | Third Prize               | 7      |
|                    | Fourth Prize              | 43     |
|                    | Creative Prize            | 40     |
|                    | Foundation Prize          | 258    |
|                    | Total submissions in 2023 | 350    |
| Cost savings (NTD) |                           | 395506 |

Note: Due to damage to the IT system and the launch of a new improvement proposal system in 2023, some data was lost. The statistics in this table were retrieved with the assistance of the IT Department and only cover the period from January to June 2023. Data from the remaining period is unavailable.



In 2023, the Improvement Proposal System at CMC received a total of **350 proposals**, with **52 projects** achieving a four-star rating or higher and successfully implemented. These initiatives resulted in cost savings amounting to **NTD 395,506**.

### Job Redesign

CMC has implemented a "job redesign" initiative, allowing senior employees with extensive work experience and professional skills to contribute to various project improvements. Simultaneously, the company introduced an "improvement proposal system" on the production line to optimize manufacturing processes. Employees are also encouraged to actively participate in company activities and share external experiences. Since 2015, the company has consistently won awards in the Ministry of Labor's "Job Redesign for Aging Workforce." In 2023, the company won third place in the Commonwealth Magazine Talent Sustainability Award, the First Prize for Age-Friendly Outstanding Solution at the 19th Annual Corporate Social Responsibility and ESG Award by Global Views Monthly, and the Taiwan Corporate Sustainability Awards (TCSA) – Gold Award for Corporate ESG Report and Leadership in Senior-Friendly Practices. In addition to optimizing operational processes, improving efficiency, and reducing costs, employees also gain personal recognition through these awards, fostering a sense of accomplishment beyond their daily work.

#### MOL Job Redesign for Aging Workforce Award Content



#### CMC Triple Zero Evergreen Program - Awarded Prizes

**2023**

CMC's Triple Zero Evergreen Program earned the First Prize for Age-Friendly Outstanding Solution at the 19th Annual Corporate Social Responsibility and ESG Award by Global Views Monthly in 2023.



## Zero Health Burden

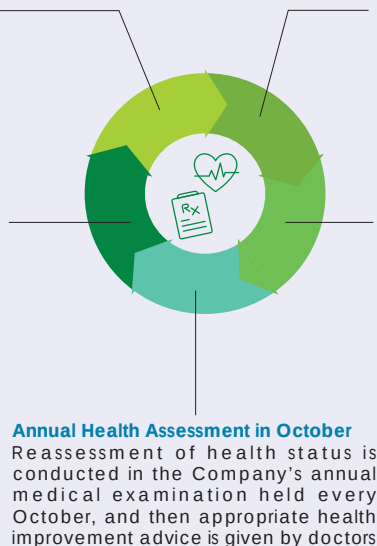
In an effort to ensure the health of our middle-aged and older employees, we have a comprehensive health management procedure in place. In addition to having nurses conduct health management and follow-ups for the employees at risk, several measures, such as “overwork control, health promotion, health management activities, and the development of assistive aids for the employees with disabilities”, are implemented to continuously improve the health of our middle-aged and older employees.

### Annual Health Check Results Classification

Based on the results of health examinations, if an employee presents three or more abnormal indicators related to metabolic syndrome, a Framingham Risk Score (FRS) assessment is conducted to predict their risk of developing cardiovascular disease within the next ten years.

### Control and reduction of monthly overwork time (overtime hours)

Employees at high risk: We remind and alert them through an overtime system and have their managers keep an eye on their conditions. A control measure is in place whereby the average overtime per month for these employees must not exceed 37 hours over six consecutive months.



## Cardiovascular Disease Risk Management Cycle for Employees

### Generating High, Medium, and Low-Risk Lists

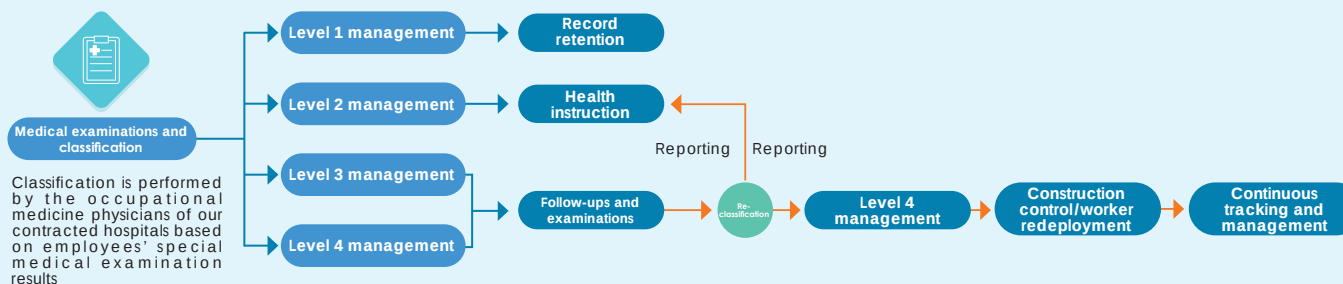
The Safety Management Team assesses employees' risk levels based on established criteria, identifying those at high, medium, or low risk of cardiovascular disease. These lists are then provided to each department to implement appropriate working hours management strategies according to the risk level.

### Implementation of health management and promotion activities

1. Free medical clinic and health consultation services are provided, along with 7 blood pressure monitors, 5 scales, and 18 AEDs installed in the company, allowing employees to monitor their health at any time.
2. Regular health education campaigns, including chronic disease prevention, infectious disease awareness, diet and exercise promotion, and health seminars on topics such as nutrition and exercise.
3. Tailored health promotion activities designed to meet the needs and health conditions of different employee groups, such as fat-reduction programs, free smoking cessation clinics, free onsite nutritionist consultation services, fitness activities, low-salt and low-oil diets, hiking, and supervisor-led exercise sessions to continuously improve or maintain employees' physical health.



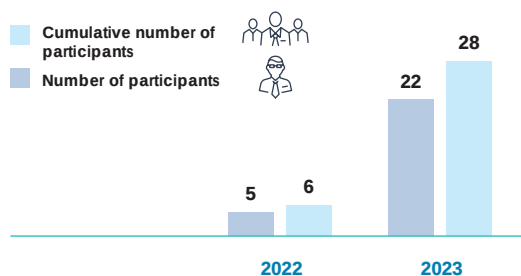
## Special Health Classification Flow Chart





### Intergenerational Inclusion Program

In recent years, we have seen both a significant influx of new employees and a number of retirements. To effectively preserve and pass down the wealth of experience and wisdom of retired personnel, we have implemented a rehiring mechanism. In 2023, 22 mid- to senior-aged employees successfully extended their careers through this initiative. This not only creates opportunities for experienced staff to interact, learn, and exchange ideas with the younger generation, but also helps sustain the company's values and spirit.



### Zero Limit on Development

Taiwan's automotive supply chain is robust, with technology and experience that are internationally competitive. To ensure senior workers can extend their careers, CMC established Brilliant Insight International Consultancy Service (BiCS) in 2012. This subsidiary recruits senior internal talent, providing internal instructor training programs to help employees become consultants in related professional fields, thus continuing to contribute their expertise. It has become a new platform for seasoned employees to further their career growth.

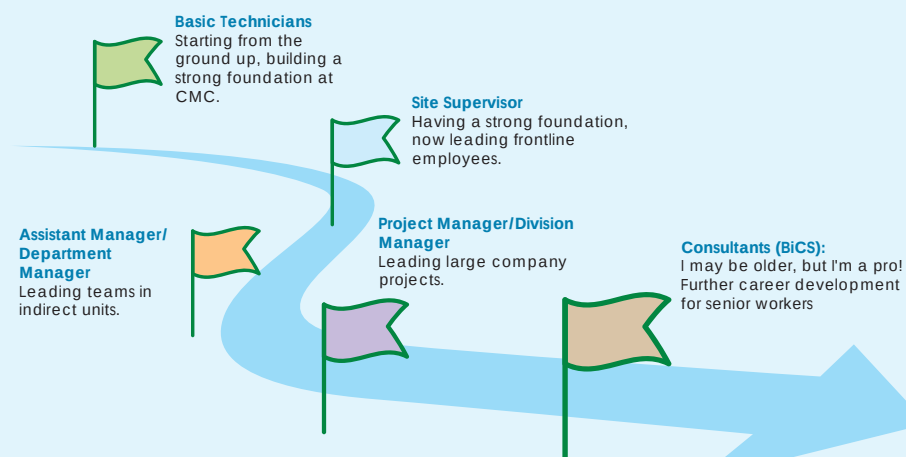
For senior management or frontline staff nearing retirement, China Motor Corporation conducts an assessment of corporate development needs prior to the employee's retirement. Through interviews, the company gains an understanding of the employee's retirement career plans, while also considering their family caregiving and transportation needs to help match them with suitable positions within affiliated companies.

Additionally, when there are vacancies within the group's related companies or partner factories, we first consult with senior employees about their willingness to take on the roles and provide relevant training courses. In 2023, we successfully assisted two employees in transitioning to new positions, along with offering favorable retirement (or resignation) programs. These programs provide more flexible eligibility than legal requirements and include retirement benefits that exceed legal standards, allowing employees to arrange their personal planning at their own pace. This approach ensures that employees can transition to new career paths without worry, while talented individuals continue to have a platform to shine and thrive in their work.

### Career Transition Outcomes for the Middle-aged and Older Employees(Unit: Person)

| Year                    | 2021 | 2022 | 2023 |
|-------------------------|------|------|------|
| Annual transitions      | 8    | 0    | 2    |
| Accumulated transitions | 40   | 40   | 42   |

### CMC's Commitment to Providing Limitless Career Opportunities

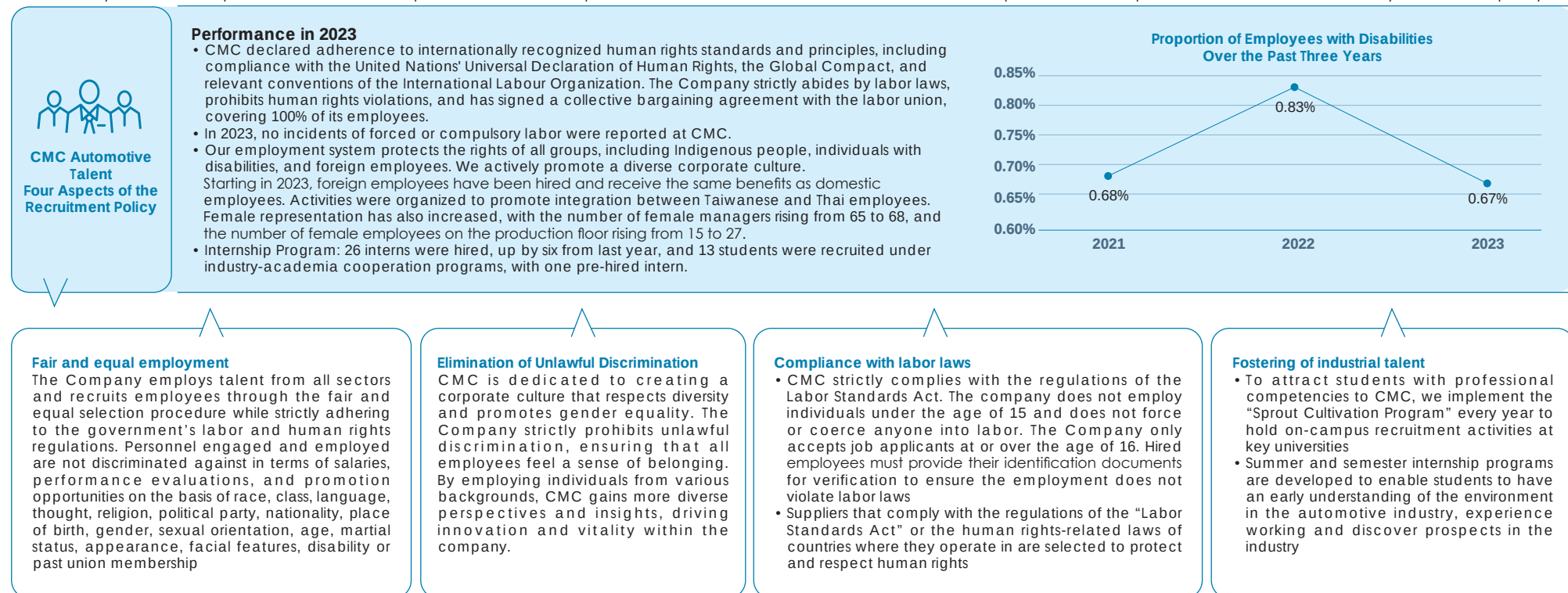




## 5.2 Talent Attraction and Retention: Diverse Recruitment, Remuneration, and Benefits

### 5.2.1 Recruitment of Diverse Professional Talent

In consideration of the increasingly fierce competition in the talent market in as well as the demand for and transformation of tech talent for new strategic development. In 2023, we not only continuously review and optimize our recruitment plan, but also develop "talent recruitment indicators" for our recruitment procedure to improve the recruitment efficiency and talent quality.

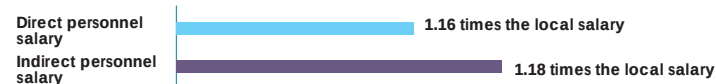


## 5.2.2 Competitive Remuneration and Talent Retention Action Plan

### Competitive Remuneration Policy

We offer a competitive remuneration system to attract and retain outstanding talents to grow with the Company. The median salary for our full-time non-managerial employees ranks among the top 15% of listed automotive manufacturers. CMC is committed to becoming our employees' enterprise of well being that guarantees them a worry-free career and encourages them to achieve the Company's business goals.

### Ratio of the Standard Salary of Our Entry-level Personnel to the Local Minimum Salary

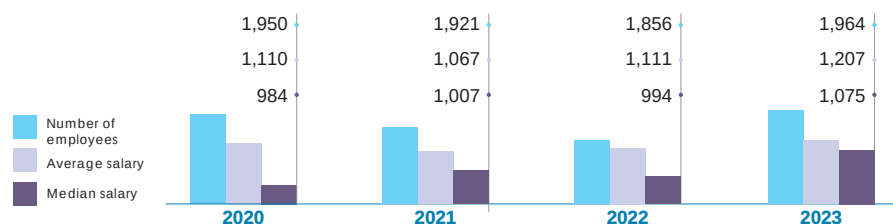


Note 1: The minimum salary in Taiwan announced in January 2023 is NTD 26,400. Entry-level direct personnel are technicians and entry-level indirect personnel are assistants.

Note 2: There are no differences in the salary on the basis of gender.

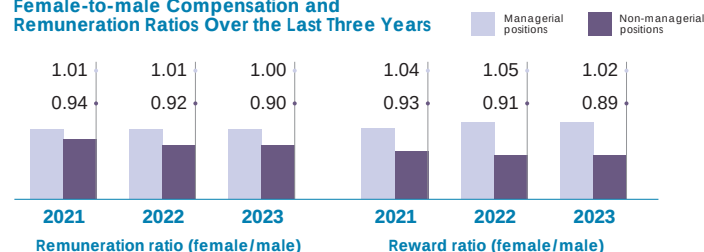
Note 3: Our employees are classified into direct and indirect personnel. The direct personnel refer to production line technicians and the indirect personnel refer to office staff, excluding vice presidents and higher-level managers, temporarily transferred personnel, expatriates, project managers and entry-level assistants.

### Number and Salary of the Full-time Non-managerial Employees (Unit: NTD thousand; person)



Note: Information on "full-time employees who do not hold managerial positions" reported to the TWSE for the previous year. This information should be submitted to the Market Observation Post System (MOPS) by the end of April each year.

### Female-to-male Compensation and Remuneration Ratios Over the Last Three Years

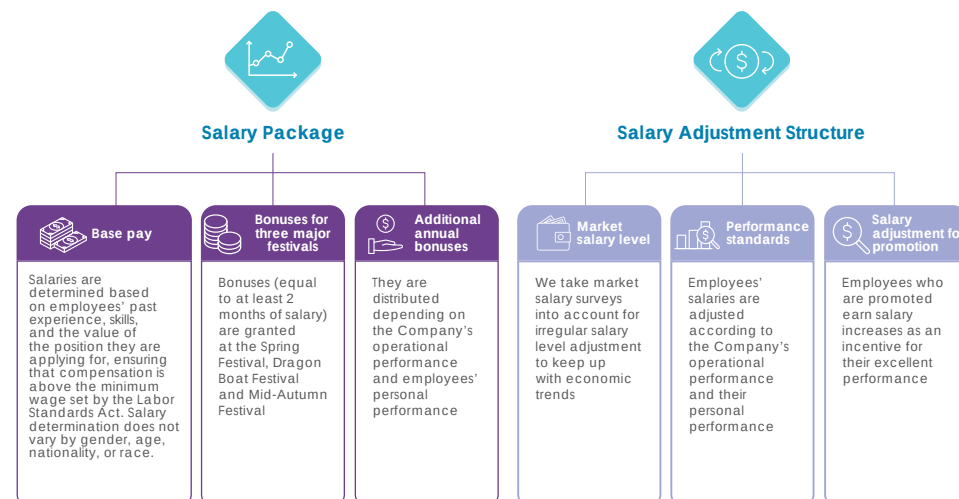


Note 1: Our employees are classified into direct and indirect personnel. Direct employees refer to production line technicians, while indirect employees are office staff. Additionally, management positions are defined as section-level managers and above.

Note 2: Indirect employees exclude Assistant Vice President level managers and above, personnel on secondment, expatriates, project managers, and entry-level assistants.

Note 3: For employees hired within the current year and employed as of December 31, their annual compensation is calculated by annualizing their monthly salary over 12 months.

Note 4: "Compensation" refers to monthly salary, while "remuneration" refers to monthly salary plus bonuses.



### Talent Retention Action Plan

In 2023, the Company's new hire rate and turnover rate were 20.53% and 11.72%, respectively. We performed follow-ups with certain groups where the termination of employment took place the most frequently and drew up and implemented a talent retention program. The action plan for 2023 is as follows.

#### Assistance to New Employees in Adaptation

To gain insights into the job satisfaction of new employees and to provide early warning for potential adaptation issues, in 2023, we conducted care interviews and surveys for employees with less than three years of service. This initiative was designed to gain insight into new hires' perspectives and dynamics within the organization. If any employees were found to be struggling with adaptation, feedback was promptly provided to the respective department heads, enhancing communication between the company and new employees.

#### Mid-Career Employee Feedback and Support

Based on satisfaction surveys, employees with 5 to 15 years of service have shown slightly lower engagement compared to those with other tenures of service. These employees play a crucial role, possessing rich professional skills while also shouldering significant work pressure. To address their concerns, CMC has organized support meetings specifically for this group. Professional counselors were invited to guide employees in expressing their work and family-related stress, while also listening to their feedback and expectations regarding company policies. The aim is to assist them in achieving a healthy work-life balance.

#### Employee Satisfaction Survey

We continue to conduct employee satisfaction surveys to review the correlation between changes in company policies and employee satisfaction. Additionally, we have incorporated the variable of tenure to identify the varying needs of employees at different stages, allowing us to formulate targeted improvement measures.

#### Resonating Employee Welfare and Benefits

We have invested in renovating the employee cafeteria and café, offering open lobby spaces and small private booths to accommodate diverse needs, providing employees with a space to relax and recharge. Additionally, plans are in place to gradually renovate employee dormitories, the multi-purpose activity center, and the on-site daycare, starting in 2024, to further enhance welfare facilities.

#### Incorporation of Managers' Opinions into the Development of the Company's Future Policies

As surveyed, employees with five to ten years of service terminated their employment with the Company mainly due to "the Company's future development" and "limited salary growth". For such group of employees, all managers were required to further convey the Company's vision and development prospects and associate them with the current jobs of the employees.

### 5.2.3 Various Benefits and Care Measures

CMC was awarded the 2022 "Work-Life Balance Award – Employee Care Category" by the Ministry of Labor, recognized for its promotion of flexible working arrangements and family-friendly policies that support childcare. The Company offers various forms of assistance tailored to employees at different life stages.

In addition, to help employees take care of their families, we have formulated several leave programs such as "paid custom leaves", including leave for the employees to accompany their children on their first day of school and wedding officiant leave, to allow our employees to take part in all the growth stages of their children. The Company has a kindergarten and an after-school care center in place to address our employees' needs for nursery and childcare.



NTD **29,296,096** were invested in employee care measures and benefits in 2023

### Happy and Diversified Vacation

To help employees take care of their families and their jobs at the same time, CMC offers a variety of leave programs based on their needs at different life stages.

#### Short-term summer vacation

Each year, during the school summer holidays, CMC arranges a mini summer vacation for employees, lasting around 9-11 consecutive days, to allow employees to enjoy quality family time.

- A total of 2,318 employees benefited from the leaves in 2023

#### Volunteer leave

Employees are provided with three days of fully-paid volunteer leave every year to encourage them to participate in volunteering activities

- A total of 363 employees applied for this leave category in 2023



#### Extended paternity leave

To take care of employees after their childbirth and ensure care and education for their children, the duration of paternity leave for male employees is extended

- A total of 42 employees applied for this leave category in 2023

#### Flexible working hours

Our flexible working hour system allows employees to start working from 7:00 to 10:00

- A total of 1,012 employees applied for this leave category in 2023

#### Custom leaves

To respect folk customs involving weddings, funerals, and festivals, we have designed "paid custom leaves", including leave for the employees to accompany their children on their first day of school and wedding officiant leave, enabling our employees to take part in all the growth stages of their children.

- A total of 64 employees benefited from this leave in 2023

### 2023 Highlights

#### Enhanced Parenting Subsidies

- Childcare allowance increased from NTD 3,000/year to NTD 24,000/year
- Nursery school tuition subsidy increased to NTD 24,600/year



#### Support for foreign employees:

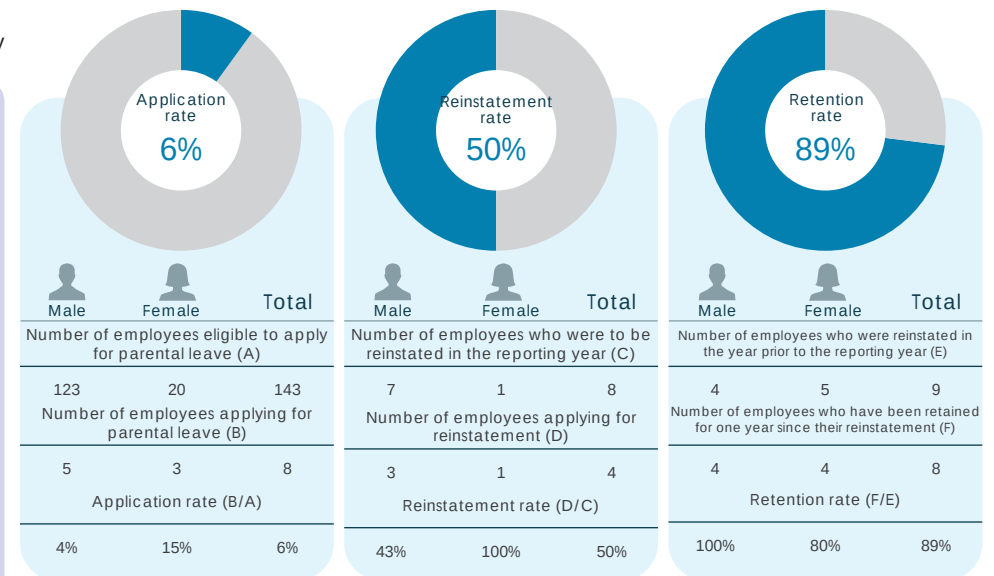
- Welcome package for new employees arriving in Taiwan
- Bi-weekly reviews to address employee adaptation issues
- Quarterly employee care meetings
- Thai-Taiwanese food events showcasing East vs. West cuisine
- Postcard messaging activities to foster employee connections

#### Comprehensive Care System

CMC provides Employee Assistance Programs (EAPs) with one-on-one consultation services through an appointment system, offering access to professionals such as lawyers and psychological counselors to support employees' diverse needs.

### Parental Benefits

Details regarding the application status for parental leave among CMC employees in 2023.



A: Number of employees eligible to apply for parental leave: Comparison between the number of employees whose child(ren) was (were) under 3 years old at the beginning and end of 2023.

C: Number of employees who were to be reinstated in the reporting year: includes the number of employees who applied for reinstatement in 2021 and were expected to be reinstated in 2023; those who applied for reinstatement in 2022 and were expected to be reinstated in 2023; and those who applied for reinstatement in 2023 and were expected to be reinstated in 2023

D: Number of employees applying for reinstatement: includes the number of employees who applied for reinstatement in 2021 and were reinstated in 2023; those who applied for reinstatement in 2022 and were reinstated in 2023; and those who applied for reinstatement in 2023 and were reinstated in 2023

(D/C): Reinstatement rate = Total number of employees reinstated from parental leave/Total number of employees who should have been reinstated from parental leave\*100

(F/E): Retention rate = Total number of employees who had still been employed for 12 months since their reinstatement from parental leave/Total number of employees reinstated from parental leave during the previous reporting period\*100

## Maternal Protection and Various Benefit Plans

CMC's "childbirth care" aims to reduce the burden and stress of employees during pre- and post-childbirth. We hope to create an environment where the employees are willing to give birth and enabled to look after their children with no worries by allowing them to take care of their jobs and families at the same time and providing them with all-inclusive services for childbirth care, so as to help them maintain work-family balance. We continuously execute the "maternal care" program to offer supportive measures to pregnant employees, including not only active maternal health protection measures, but also on-site reserved parking spaces for pregnant employees, protective clothing for expectant mothers, pregnancy cards, child care books and magazines available for borrowing, and other thoughtful services.



### CMC's Childbirth Care Mechanism

#### Before childbirth

##### Maternal health protection

- When CMC is informed of an employee's pregnancy, the Company proactively conducts a hazard assessment and implements control measures. A series of physical and mental health protection actions are taken, including consultations with occupational health and safety personnel, nursing staff, and occupational disease specialists. Additionally, risk classification management and job suitability arrangements are made to ensure the health and safety of pregnant employees and those returning to work postpartum while breastfeeding.
- CMC has endeavored to promote the maternal health protection program. To protect pregnant workers, the program covers workers for the period from the date of their reported pregnancy to their childbirth as well as those who still need to breastfeed within a year after their childbirth. We change their work conditions (e.g. by adjusting their workload), adjust their working hours, and make job changes based on the suitability suggestions of our occupational physicians.
- Free newborn insurance services are offered, with 38 employees benefiting therefrom in 2023**

##### Reserved parking spaces

- Reserved parking spaces near our office building, 100% anti-electromagnetic wave and anti-radiation clothing, a reading section with over 6000 books about pregnancy and parenting as well as children's books, regularly added parenting magazines, and well-designed breastfeeding rooms are available for pregnant employees.

##### Designated Parking Spaces

- To prevent discomfort during nap times for pregnant employees, we have specially prepared a quiet space with rest beds for their use.

##### Protective clothing for expectant mothers

- In consideration of the safety of pregnant employees using electronic devices, CMC provides them with anti-radiation clothing designed for expectant mothers that can deliver 100% shielding from electromagnetic waves.



##### Apple Pregnancy Card

- Every pregnant employee is given an "Apple Pregnancy Card" which not only helps them understand the comprehensive services and resources the Company provides during pregnancy but also allows them to receive an apple each week as a token of good health and safety. Additionally, the Company collaborates with medical institutions to offer special prenatal check-up services to enhance the health of both mother and child.



##### Parenting magazines

- The CMC library and daycare center feature a specialized section of over 6,000 books on pregnancy, childcare, and children's literature. Additionally, parenting magazines like Babies and Mothers, Parenting Life, and Commonwealth Parenting Magazine are available for employees to borrow for free.

##### Pregnancy Gift

- Every pregnant employee will receive a cash gift for maternity of NTD 2,000 for each baby. A total of 8 employees benefited in 2023



#### After childbirth

##### Childbirth Gift

- Every employee that gave birth can receive a gift for childbirth of NTD 1,600 per baby. In 2023, 38 employees benefited from this program.

##### Childcare measures

- After-school temporary childcare services are offered according to the Company's calendar, employees' attendance time, and their children's holidays. When holiday overtime is required, holiday childcare services also available. About 200 employees use such services every year.
- Tuition at the Company's affiliated kindergarten is more favorable than external kindergartens, with a 30% tuition discount for employees' children. In addition, there is extra financial support for monthly fees, resulting in nearly zero monthly fees after government childcare subsidies.
- Employees with children under the age of 3, who do not yet meet the criteria for infant class enrollment but are enrolled in childcare institutions, can apply for an annual childcare subsidy of NTD 24,000 per child.

##### Affiliated kindergarten

- The Company established a kindergarten next to the office area in 1997. The kindergarten provides preschool education services for children between 2 and 6 years of age. To mesh with the working hours of employees, the kindergarten is open for children from 7 a.m. to 7 p.m. and provides childcare services that match the employees' working hours on both workdays and weekends. Since its establishment, the kindergarten has taken in the children of 848 employees in total.
- Benefits: If the children of employees attend our kindergarten from baby class to senior class, the employees may save about NTD 117,600/child in monthly tuition and transport costs. If the children proceed with their studying in the family-friendly care center, the employees may save about another NTD 198,600/child

##### Family-friendly child center

- Starting from its establishment in 2001, the family-friendly care center has offered family-friendly services for our employees' children between 6-12 years old at elementary school and has taken in a total of 176 children of our employees.

##### After-school temporary childcare services

- The services help employees maintain work-family balance. About 15 employees apply for the services per year

##### Thematic Parent-Child Camps

During the summer break, in celebration of Father's Day, a special parent-child camp is organized to create warm moments where parents and children can spend time together at work. The President personally greets the children of employees as they visit the workplace to observe their parents' work environment. Interns, many of whom are graduates of the Company's daycare, assist in guiding the children, adding a jovial and friendly atmosphere to the interactions. Throughout the tour, familiar faces, employees who the children have known since they were young, explain and showcase various work areas. Colleagues and friends of the parents also engage with the children, offering a systematic introduction to the work environment and explaining CMC's future development and vehicle manufacturing processes.

The Company's facilities, such as the photo studio, library, and image gallery, are also utilized for activities like parent-child photo shoots, DIY crafts, baking, and children's movement activities. The aim is to foster harmonious interaction between employees and their families and strengthen their sense of connection to the Company.



Employee Insurance System

In addition to offering labor and health insurance coverage to employees and making sufficient pension contributions, as required by law, we have a well-developed insurance mechanism in place, covering group insurance, expatriate insurance, the medical assistance services and insurance plans provided by International SOS.

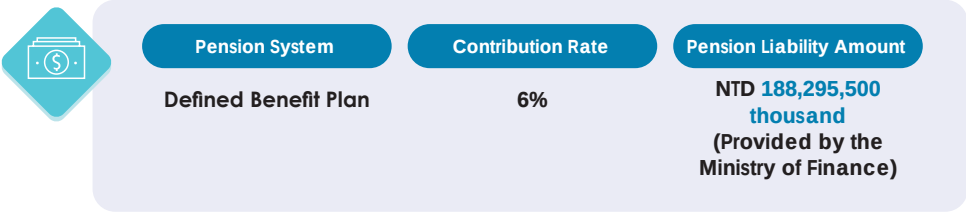
**In 2023, CMC allocated a total of NTD 7,762,665 for overall insurance premiums, with employee claims assistance amounting to NTD 3,448,711.**

| Inclusion of employees' family members into insurance coverage                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Improved protection for our expatriates and their dependents whom they take with them                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Employee family members are also included in the insurance coverage, offering a daily hospitalization benefit of NTD 1,000 for employee spouses and children. Additionally, employees can opt to enhance their family members' insurance coverage at a discounted group premium rate. This includes life insurance, accident insurance, and cancer medical insurance. A total of 228 individuals participated in this enhanced insurance program, further extending protection to employees expatriated overseas and their dependents. | To further ensure the health and safety of our expatriates, we take out casualty insurance with coverage up to NTD 10 million and medical insurance with coverage up to NTD 300,000 for our expatriates; casualty insurance with coverage up to NTD 3 million and medical insurance with coverage up to NTD 300,000 for the dependents of our expatriates taking with them; and travel insurance with coverage up to NTD 3 million and medical insurance with coverage up to NTD 300,000 for the dependents of our expatriates visiting them. The Company also provides the medical assistance services and insurance plans provided by International SOS for our expatriates and their dependents whom they take with them to meet their needs for overseas medical and business travel needs. |

Pension System

CMC implements a defined benefit plan managed by the government in the retirement system in accordance with Taiwan's "Labor Standards Act". Pensions are paid to employees based on their years of service and their average salary in the six months prior to the retirement approval date. The Company makes a contribution of 6% of the monthly salary of the employees. For detailed explanation of the retirement system, please refer to the "Post-employment Benefit Plan" on P.157 of the annual report.

CMC Pension System





2023 Family Day Group Photo



Kiddie's Story House



Visually Impaired Massage



Mochi Pounding Cultural Experience



Parent-Child Theatre



Leofoo Village Family Day

### CMC 2023 Family Day

The 2023 Family Day was held at Leofoo Village Theme Park, with approximately 5,800 employees and their families participating. The event allowed family members to experience the company's warm and passionate corporate culture, relieving work-related stress and enhancing team solidarity. The Family Day activities were diverse, featuring games, competitions, and performances, allowing employees and their families to enjoy a pleasant day while fostering internal emotional connections within the company.

### Diverse internal activities

### Well-being and Cultural Diversity for Foreign Employees

#### Well-being and Cultural Diversity for Foreign Employees

At CMC, we value the integration and adaptation of employees from different genders and nationalities, believing that diversity and inclusion are key to sustainable operations. In response to the nationwide labor shortage, CMC proactively introduced a multicultural workplace by integrating employees from different racial backgrounds for the first time, fostering a culturally diverse environment.

#### Employee Care Meetings

Regular care meetings are held to ensure that foreign employees are adapting well to life in Taiwan.

#### Welcome Package

A welcome package is provided to foreign employees upon their arrival, helping them better integrate into Taiwanese life.

#### Taiwan-Thailand Food Exchange

A food exchange event featuring Taiwanese and Thai cuisine was held to promote cultural integration through shared culinary experiences.

#### Postcards of Affection

A postcard-sending activity was organized to help foreign employees alleviate homesickness and adjust to their new life in Taiwan.



### CMC Fun Events

#### Mother's Day Event

Organized the "DIY Turkish Mosaic Lamp" activity, with 162 participants, including employees and their families.



#### Father's Day Event

Organized the "888 Cool Father's Day" event, where employees enjoyed games during lunch, won ice cream, wrote cards, and participated in a lucky draw. A total of 350 people participated.



#### Themed Afternoon Tea Food Trucks:

Held a gourmet food truck market to thank employees for their hard work and boost morale. The event also helped bridge the gap between employees and technical information through delicious food, resulting in significant improvement in corporate culture satisfaction according to survey results.



#### Voice of CMC Singing Competition

Launched the first "Voice of CMC Singing Competition," inviting employees and their families to participate. A total of 55 employees joined, sharing joyful moments together. The competition not only brought together singing enthusiasts but also fostered team cooperation across departments.



## 5.3 Development and Training: Robust Learning for Competency Upgrade

### 5.3.1 Talent Development

To enhance the quality of human resources and develop future talent, CMC established a training center that integrates both "company growth" and "employee satisfaction." The goal is to cultivate professional talent, unlock personal potential, and build a learning organization that aligns company development with employee growth.

CMC has always been deeply committed to talent development, striving to create a continuous and diverse learning environment. Through five major training systems—New Employee Orientation Training, Competency Training, Management Training, Professional Training, and Project-Based Training—CMC outlines a comprehensive learning blueprint for its employees. This ensures that the skills and competencies needed by the company are instilled in every team member, aligning their personal growth with the Company's future development.

#### CMC's Five Training Systems

##### Project training system

Enhances employees' cross-departmental work capabilities through project-based learning.

##### Professional training system

Focuses on the specific professional skills required by each department.



##### Management training system

Management competencies expected of supervisors

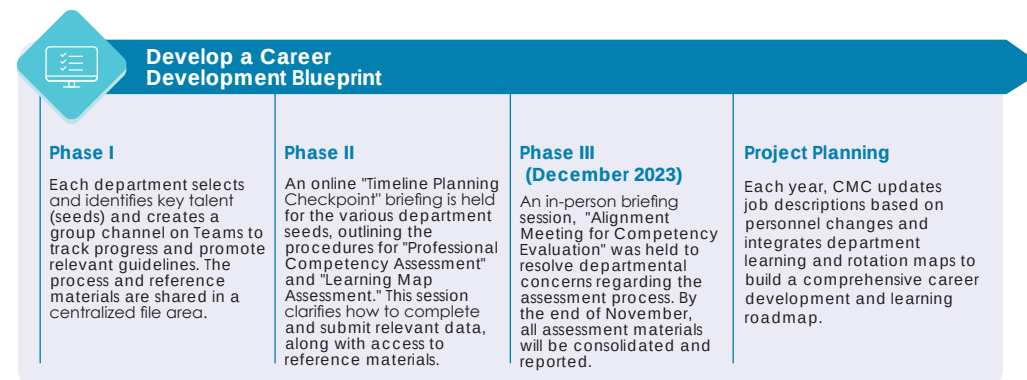
##### New employee training system

Provides tailored courses for new employees to help them integrate into the CMC family.

##### Competency Training System

Offers competency-related courses designed around the core skills that all CMC employees should demonstrate.

### 2023 Talent Development Project



To building a career development blueprint, CMC provides a structured career development roadmap that informs employees about promotion opportunities and development progress, boosting their motivation and encouraging long-term retention within the organization, ultimately fostering sustainable talent development.



Supervisors at CMC are expected to demonstrate strong management competencies, particularly in the area of personnel cost management. By integrating personnel costs into their management responsibilities, supervisors ensure that resources are managed efficiently while also promoting talent retention through effective motivation and engagement strategies.

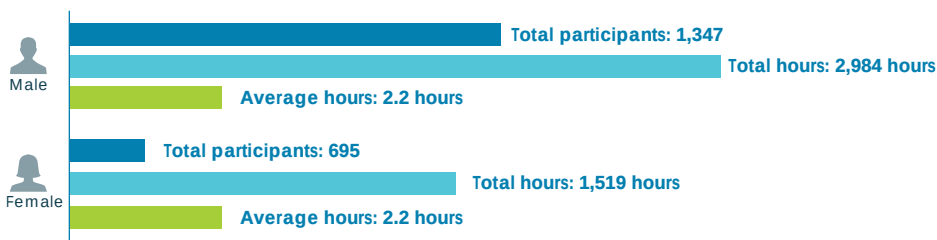
## Education and Training Outcomes in 2023

In consideration of the legal and regulatory requirements, corporate strategic development, and employee needs, apart from progressively improving the quality of talents through the five training systems, we also implement a range of learning culture promotion activities, including the study group, business exchange, e-newsletters, talents development point collection bonus, charging talks, new e-learning system, and library publicity activities.

### 2023 Education and Training



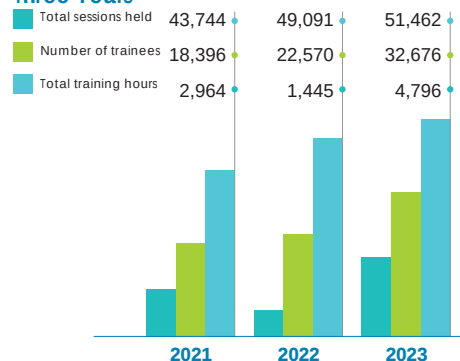
### Education and Training Outcomes in 2023



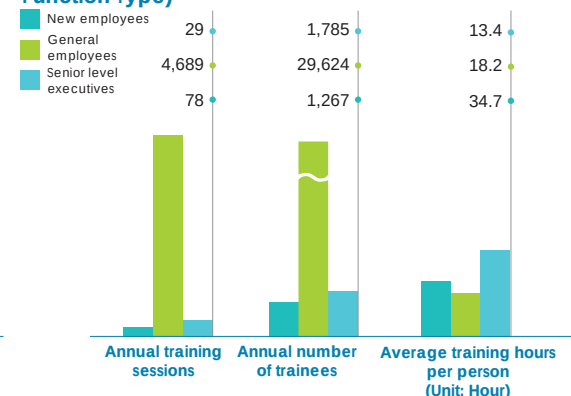
### Various learning platforms enable employees' skills to perfectly meet corporate needs

In order to strengthen employees' professional knowledge and skills and unlock synergy between knowledge dissemination and innovation, we have continuously strengthened our on-the-job training programs. Initiatives such as the Knowledge Management System, "Book & Tea Time" Reading Club, Business Weekly Collaborative Learning Club, and Corporate Exchange Programs have been introduced to bolster employees' capabilities. Furthermore, in an effort to allow the employees to have more fun when learning, CMC has designed the "talent development point accumulation" program. Through the entertaining point accumulation mechanism, the employees are able to get a kick out of learning and thereby enhance their professional skills and innovation capabilities.

### Total Training Outcomes Over the Last Three Years



### Education and Training Outcomes in 2023 (by Function Type)



### 2023 CMC Employee Learning Focus

#### Promoting Continuous and Diverse Learning

CMC fosters a learning culture by offering diverse methods and platforms to stimulate creative thinking. Incentive programs encourage participation, while activities are designed to be both educational and enjoyable, making learning a fulfilling experience for all employees.



#### Enhancing Professional Competencies and Expanding Learning Horizons

CMC's HR policies are based on our education and training philosophy which focuses on meeting the needs for "company development" and "employee satisfaction". The establishment and implementation of education and training policies contribute to the Company's training of professional talents as well as the learning and growth of the employees and thereby improve the overall workforce quality of the Company.





## Promoting Employee Core Competency Enhancement

### Core Competency Promotion Activities

#### Competency Growth Tree

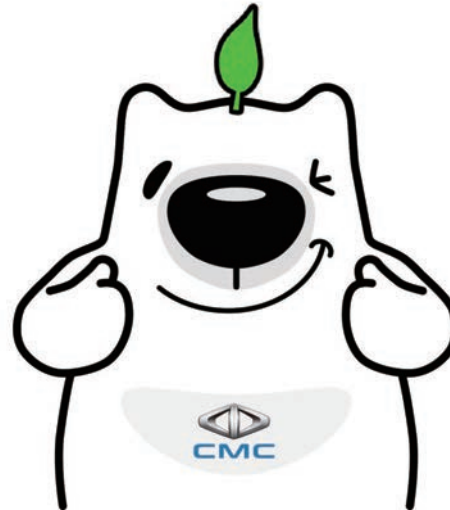
Encouraging employees to read competency-related books and share their insights on the Growth Tree.

#### Blind Date with a Book

Allowing employees to borrow mystery books from blind book bags and share their thoughts on the books of interest.

#### Competency Figurine Treasure Hunt

Producing physical mascots based on the employee-voted winning designs, hiding them throughout the company, and allowing employees to find and collect stamps, thereby reinforcing the purpose and significance of the core competency activation activities.



#### Core Competency Video Contest

Motivating employees to showcase their daily demonstration of competencies by creating and submitting videos.

#### Core Competency Mascot Design Contest

Encouraging employees to design mascots that integrate the five core competencies, helping them better understand the meaning of core competencies.



#### Competency Figurine Treasure Hunt

To reinforce the Company's core competencies, employees voted on a "competency mascot" character, which was transformed into figurines hidden around the company. Employees were tasked with finding these figurines, each of which had competency boards placed nearby. This fun and engaging activity helped deepen the understanding of core competencies.



#### CMC President Livestream

The President discussed the Company's development strategy and its connection to core competencies. This initiative strengthened employee support for competency-driven activities and increased engagement in related initiatives.



#### Diversity and Gender Equality Workshop – "Tabletop Role-Playing Game"

Through role-playing in board games, employees explored diverse perspectives related to body image, gender expression, and family structures. The storytelling format allowed participants to expand their imaginations and horizons.



#### Leap Forward in Life Series Seminars

These seminars offered employees support on life topics, reducing work pressure and increasing work efficiency.

##### Key Topics

1. Sustainability and ESG: "Turning Good Deeds into Good Stories"
2. Health Tips: "Co-Pilot Life with Medical Knowledge"
3. Career Advancement: "Make the Most of Your After-Work Hours"
4. Family Travel Tips: "Spontaneous Family Adventures"
5. Digital Transformation: "Laying the Groundwork for Comprehensive Digital Deployment"
6. Parenting Tips: "Breaking Free from Digital Dependency with Kids"
7. Personal Growth: "Becoming Your True Self"
8. Retirement Planning: "Navigating the Path to Retirement"



### 5.3.2 Performance Development

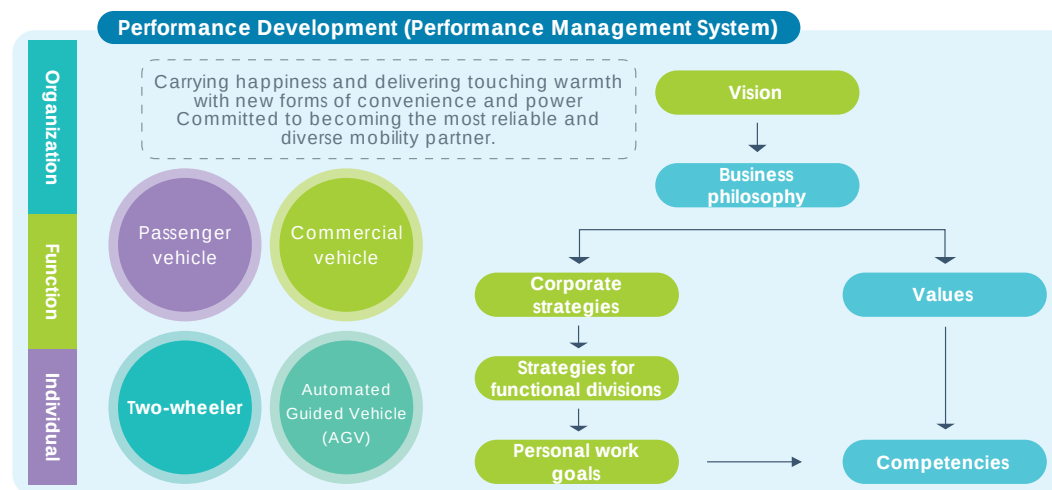
#### Performance Evaluation Mechanism

To act in line with the Company's business philosophy, "harmony, innovation, top, and sustainability", we added a 3 to 5-year divisional development plan to the annual strategy for each division in. Through the setting of unit goals and regular reviews, we ensure that the business philosophy and sustainability spirit are implemented in daily work. CMC's performance evaluation mechanism is established based on job category. Employees in indirect units, job grade six and below, begin by inheriting the division or department's strategy and work plans at the start of the year. They then set individual work goals, which are tracked and reviewed periodically to ensure alignment between employee tasks and Company performance.



#### 100% of employees were evaluated in 2023

Note: Except fixed term contract personnel and personnel for which it has been less than three months since they came on board or were reinstated, all existing employees on December 31 are included in the annual performance evaluation



### 2023 Performance Evaluation Mechanism Updates

#### Optimization of digital transformation in performance management

##### Phase I (August to October 2022)

Review CMC's performance management system, including feedback communication, interviews with senior executives, collection of difficulties and suggestions from middle management, aligning performance policies with supporting measures.

##### Phase II (November to December 2022)

Engage in discussions on the planning of digital forms and corresponding training programs. This involved the promotion of educational training and the optimization of system form integration.

##### Project Planning (2023)

Continue current project outcomes with workshops on high-performance goal setting for department supervisors and performance review training for section managers. Top-down promotion of performance management optimization.

##### Project Planning (2023)

Continue with form-target connection, optimize the performance management system, and education and training for the performance management system.

By linking to digital transformation, we reorganize the performance management system to culminate the success factors of digital transformation in employee experience, system, and culture.

#### Nomination and evaluation process for outstanding employees

To encourage outstanding employees and set an example, since 1988, CMC has held an annual selection and recognition event for model employees. One employee is selected for every 70 union members. Candidates are nominated by departments and evaluated by a selection committee composed of corporate union directors and supervisors. Finalists are chosen based on performance scores, with 31 exemplary employees recognized in 2023.



#### Optimize performance and remuneration systems

##### Internal

Establish clear career fields and levels, offering diverse development opportunities, ensuring that efforts and outcomes are clearly defined, and providing employees with a transparent trajectory for career growth.

##### External

Engage in discussions on the planning of digital forms and corresponding training programs. This involved the promotion of educational training and the optimization of system form integration.

##### Project Planning (2023)

Organize executive and employee conferences for employees to understand the transition from the old system to the new system within the organization.

##### Project Planning

An annual review of system goals is conducted, linking the compensation system with the market, job responsibilities, performance, and capabilities. This approach strengthens incentives, aids supervisors in talent retention and motivation, and helps develop a calibration mechanism aligned with the organizational structure.

Develop a flexible and diverse compensation system aligned with market expectations and tailored to the needs of various job roles to improve retention and recruitment competitiveness, thus attracting and retaining talent necessary for the Company's sustainable growth.

#### Nomination and evaluation process for outstanding employees

##### Selection Criteria

Employees with over one year of service, and whose performance reviews for the past two years are at or above the 'A-' grade, demonstrating strong competencies in core company values such as "Innovative Thinking, Proactiveness, Customer Orientation, and Execution Ability."

##### Number of Selections

Based on the number of union members in January of the year (e.g., 2,044 members in 2023), one model employee is selected for every 70 members.

##### Nomination of Candidates

Each department nominates candidates using the "Model Employee Nomination Form."

##### Evaluation Mechanism

A selection committee formed by corporate union directors and supervisors evaluates candidates based on their performance scores to determine the model employee of the year.

##### Public Recognition

Selected model employees will be publicly recognized at an appropriate time.

## 5.4 Reassuring Workplace: Ensuring Employee Satisfaction and Enjoyment

### CMC Core Values for Safety and Health



CMC safeguards the safety and health of employees while improving the safety and health performance of partners. We comply with national regulations under the Occupational Safety and Health Management Act, implementing the ISO 45001:2018 / CNS 45001:2018 management systems at our Yangmei and Hsinchu Plants, which are verified annually by BSI. In 2023, the Hsinchu plant received performance approval from the Occupational Safety and Health Administration of the Ministry of Labor, valid for three years (2023/10/25–2026/10/24), and was honored with the Occupational Safety and Health Five-Star Award. By applying a scientific, systematic, and documented management system and utilizing the PDCA management principles, we execute various safety and health management tasks. These include implementing preventive measures, internal and external audits, and managing risks to continuously reduce safety and health risks while enhancing performance. We convert the prevention of occupational hazards and diseases into financial value, linking it to sustainable development, while committing to ongoing improvements in the following areas.

|  |                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--|-----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <b>Care for employees' safety and health</b>                                                              | CMC offers safe and healthy work conditions as well as necessary resources and takes full responsibility for reducing occupational hazardous factors and facilitating employees' physical and mental health                                                                                                                                                                                                            |
|  | <b>Build an "universal occupational safety" culture</b>                                                   | Regular occupational safety and health education and training are provided to encourage all employees to engage in and thoroughly implement safety and health practices. Communication, inquiry and feedback channels are also offered                                                                                                                                                                                 |
|  | <b>Continuous improvements are made in the safety and health management systems and software/hardware</b> | Our safety and health performance is enhanced to achieve the goal of zero hazards                                                                                                                                                                                                                                                                                                                                      |
|  | <b>Strictly observe national occupational safety and health regulations and related requirements</b>      | The Company aims to eliminate hazards and minimize high-risk activities related to occupational safety and health to an extent that surpasses statutory standards                                                                                                                                                                                                                                                      |
|  | <b>Coexistent and Prosperous Automotive Industry Supply Chain</b>                                         | <ul style="list-style-type: none"> <li>Encourage contractors/suppliers to obtain ISO 45001 certification for occupational safety and health management.</li> <li>We have established a review and selection mechanism for contractors and provide guidance and regular audits of their safety and health performance to promote shared social responsibility and advance corporate sustainability together.</li> </ul> |



**In 2023, we invested NT\$23.94 million to ensure the safety and health of all employees and stakeholders.**



Occupational Safety and Health 5-Star Award - Hsinchu Plant

### 5.4.1 Occupational Safety and Health Management

#### Occupational Safety and Health Improvement Mechanisms and Management Approaches

In order to facilitate and improve safety and health management for equipment, contractors, firefighting, emergency responses, and working environments/premises, CMC has formed a professional safety and health organization and created a safety and health inspection system.



#### Dedicated Safety and Health Organization

- To ensure the smooth promotion and implementation of safety and health work, we have established the "Environmental Management, Occupational Safety & Health Division" and had a "Health & Safety Department" in place at each plant with the aim of achieving zero hazards.
- We have established an "Occupational Safety and Health Committee" that holds regular meetings (at company, departmental, and division levels). For example, at the company level, policies signed by the Chairperson are reviewed, including the outcomes of safety and health measures, employee suggestions for improvements, and the alignment of policies with quantitative goals. These efforts focus on promoting workplace safety, preventing accidents, improving the work environment, and maintaining employee health, with 34% of committee seats occupied by labor representatives nominated by the labor union (see right table).
- Our occupational safety management system is applicable to the premises of the Company (Yangmei Plant and Hsinchu Plant) for business activities and covers all employees (93%) and non-employee parties (7%, subcontractors and contractors)

| Level            |                   | Meeting Frequency   | Chair                      |
|------------------|-------------------|---------------------|----------------------------|
| Company-level    |                   | Once every 3 months | Management representatives |
| Department Level | Indirect Division | Once every 3 months | Department Manager         |
|                  | Direct Division   | Once per month      | Department Manager         |
| Section Level    |                   | Once per month      | Section Level Manager      |



#### Safety and Health Inspection System

In an effort to implement occupational safety and health control, the Company take a proactive approach to carrying out a wide range of safety and health inspections in contexts that different types of employees may encounter in the workplace, e.g. management by having top management walking around, graded safety and health inspections by managers at all levels, professional audits by the safety and health unit, patrol inspections by all units, etc.. Any deficiencies are tracked until relevant improvements are made to prevent the occurrence of incidents



#### Introduction and Improvement of the Inherently Safe Design of Equipment

- CMC places significant emphasis on equipment safety, implementing the "Occupational Safety and Health Procurement Management Guidelines" and the "Occupational Safety and Health Change Management Guidelines." These policies ensure that during equipment procurement planning, safety is integrated into the design to eliminate potential hazards. The mechanical equipment is designed with inherent safety features to prevent accidents, even in the case of operational errors or equipment failure.
- Potential hazards in existing equipment are identified through the mechanisms of reporting and patrol inspections by on-site employees. Safety mats, safety bolts, photoelectric safety devices or other interlocking devices are used, when necessary, to avoid potential hazards resulting from man-made factors



#### Fire Safety Equipment Management

- We have developed the "Fire Safety Equipment Management Rules" that require that a fire protection engineer shall be commissioned regularly on an annual basis to inspect firefighting equipment and report the result. Also, all units are required to perform regular checks on all fire safety equipment and immediately notify the maintenance unit of any found equipment defects for inspection and repair, allowing the equipment to be able to function well in case of fire
- To prevent fire in advance and ensure the safety of operators, all switches and lights at premises where highly flammable substances are stored and used are explosion-proof and there are also automatic CO2 fire extinguishing systems installed

The Company's occupational safety and health target achievement rates in 2023 and targets for the following year are shown below:

#### Achievement in 2023

#### 100% achievement rate

Improvement rate for deficiencies found in safety and health inspections

#### 100% achievement rate

Achievement rate for annual safety and health targets and management programs

#### 100% achievement rate

Implementation rate for health follow-ups with cases at high risk of abnormal workload-triggered disorders

#### Targets in 2024

#### 100% achievement rate

Improvement rate for deficiencies found in safety and health inspections

#### 100% achievement rate

Achievement rate for annual safety and health targets and management programs

#### 100% achievement rate

Implementation rate for health follow-ups with cases at high risk of abnormal workload-triggered disorders



## Hazard Identification, Risk Assessment and Classification Management

CMC places a high priority on the occupational safety and health of its employees. To address potential hazards and risks in the workplace, the "Environmental and Occupational Safety and Health Management Regulations" have been implemented. This framework includes the identification, risk assessment, and tiered management of 22 categories of occupational safety and health hazards, such as falls, electrocution, fire, and chemical exposure. High-risk hazards are prioritized for improvement and risk control. In addition to these general guidelines, CMC has developed specific measures to address areas such as maternal health protection, chemical, physical, biological, musculoskeletal, and psychosocial hazards. These measures include the "Maternal Health Protection Plan", the "Hazard Communication Program", the "Hazardous Chemicals Assessment and Classification Management Guidelines", the "Hearing Protection Program", the "Prevention Plan for Unlawful Acts While Performing Duties", the "Prevention of Diseases Triggered by Abnormal Workloads", and the "Prevention of Ergonomic Hazards". These initiatives ensure a thorough identification and control of workplace risks, providing employees with a safe and secure working

## Contractor Safety and Health Management

As we pay much attention on the safety and health of contractor personnel at work, the "Contractor Management Plan", "Implementation Guidelines for Safe Work Permits" and other regulations have been developed. The Company also creates a contractor construction application system and includes information on the number of visiting contractor personnel, machines and equipment they bring, working environment factors and hazardous factors notified, coordinative organization records, education and training records, and construction insurance taken out by the contractor in the system for management. For construction projects involving relatively major hazards (e.g. falling, fire, electric shocks, cutting, etc.), we conduct unscheduled inspections at each construction site to prevent any violation of safety and health regulations and avoid occupational disasters and urge the contractor to ensure construction safety and remain vigilant, so as to further guard against occupational safety incidents and reduce the Company's operational and production risks.

In 2023 no occupational accident occurred to contractors. However, we found 7 offenses of the Company's OSH regulations in the irregular onsite contractor construction safety inspections. We issued the relevant tickets in accordance with the "Contractor Management Plan" to fine offending contractors with a total of NT\$34,000. We also requested the site directors of contractors to explain the causes of offenses and propose

corrective and preventive action for the audited defects. To maintain a safe working environment, CMC follows the Occupational Safety and Health Act by implementing a General Hazard Communication Program for hazardous chemicals. This program ensures proper hazard labeling, the establishment of chemical inventories, and the disclosure of safety data sheets. Furthermore, priority chemicals are reported and controlled according to legal requirements. Each plant collaborates with the "Industrial Safety and Health Association of the R.O.C." to conduct biannual workplace environmental monitoring, focusing on operations involving organic solvents, dust, noise, and high-temperature work. The results are published and used as a basis for developing related protective measures and setting occupational safety and health operation standards. In response to the continuous rise in atmospheric temperatures in recent years, a review of four outdoor work sites was conducted. Measures were implemented to mitigate heat hazards, including employee training on heat adaptation, providing beverages and personal protective equipment, and installing sunshade nets. After these improvements, temperatures under the shade were reduced by 5.9°C to 7°C compared to conditions before the upgrades. Employee feedback has been overwhelmingly positive regarding these changes.

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| Heat-related Hazards                     |                                                                                     |                                                                                                        | Assessment of organic solvents, dust, noise, and high-temperature work environments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Location                                 | Before improvement                                                                  | After improvement                                                                                      | Monitoring Standard                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Measurement Results                                                                                                                                                                                                           | Protection Target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Vehicle Pre-Delivery Preparation Station |  |                     | <b>Dust:</b><br>1. Respirable dust: 5mg/m <sup>3</sup><br>2. Total dust 10mg/m <sup>3</sup><br><b>Noise:</b> Based on Occupational Safety and Health Facilities Regulations, §300.<br><b>Organic solvents and Specific Chemicals:</b><br>Subject to the statutory standards for the permissible concentrations of organic solvents/specific chemicals<br><b>High-Temperature Work:</b><br>1. This refers to the boiler room, in accordance with Article 8 of the "Labor Working Environment Monitoring Implementation Regulations." If the time-weighted average comprehensive temperature heat index during workers' shifts is below the value set by the central competent authority, there is no need for monitoring every three months. However, comprehensive temperature heat index monitoring is still required semi-annually.<br>2. According to the working-rest time standards for high-temperature operations, boiler room work is classified as light work. When the time-weighted average comprehensive temperature heat index is below 30.6°C, continuous work is allowed. | <b>Respirable dust/total dust:</b><br>All measurements passed.<br><b>Noise:</b> Fully compliant<br><b>Organic solvents and Specific Chemicals:</b><br>Fully compliant<br><b>Comprehensive heat index :</b><br>Fully compliant | General management measures:<br>1. Regular annual working environment monitoring and operations management<br>2. Annual medical examinations for special tasks<br><b>Dust:</b><br>1. Using local exhaust ventilation systems<br>2. Wearing respirators correctly<br>3. General ventilation system<br><b>Noise:</b><br>1. Establish hearing protection plan<br>2. Wearing ear protectors correctly<br><b>Organic solvents and Specific Chemicals:</b><br>1. Automation of equipment, isolation, and remote control operations<br>2. Installation of exhaust devices to prevent the spread of harmful contaminants<br>3. Conduct respiratory protection training for personnel using half-face respirators, along with annual qualitative fit testing.<br><b>Comprehensive heat index :</b><br>1. Install ventilation devices and fans indoors<br>2. Provide sufficient drinking water |
| Environmental temperature                | Outdoor ambient temperature 37.5~39.5°C                                             | Shaded environment temperature 31.6~32.5°C<br>(Temperature difference after improvement: 5.9~7°C)      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Road surface temperature                 | Road surface temperature 55~57.1°C                                                  | Shaded road surface temperature 33.5~36.5°C<br>(Temperature difference after improvement: 20.6~21.5°C) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

## 5.4.2 Statistics on Occupational Disasters

To effectively manage emergency response and post-incident investigation and documentation when an accident occurs, CMC has established the "Accident Response and Investigation Procedure." In case of an accident (including near-miss reports), the responsible department must immediately notify the Health & Safety Department and the President. For major incidents, the Health & Safety Department will report to relevant authorities within 8 hours and immediately implement corrective actions. Additionally, the task's hazard identification and risk assessment will be reassessed to ensure appropriate risk grading and further refine preventive measures to minimize risks. When employees identify work conditions that may lead to them suffering injuries or diseases, they may leave the premise and make a report to the supervisor for subsequent improvement without being subjected to any adverse actions. In 2023, under comprehensive control mechanisms, 20 recordable occupational injuries occurred (excluding 15 commuting-related traffic accidents). The main causes for the traffic accidents (falls) included not keeping an eye on road conditions, not maintaining a safe distance, and human error. To further remind employees to keep themselves safe, further information dissemination and education about keys to safe driving are conducted at Occupational Safety and Health Committee meetings, morning meetings, and education and training. In addition, in 2023, none of our employees incurred occupational diseases and no occupational disasters, occupational fatalities or diseases happened to the non-employee workers and contractors directed or supervised at the workplace.

|                                                        |                                                   |
|--------------------------------------------------------|---------------------------------------------------|
| <b>4001312</b>                                         | <b>276816</b>                                     |
| Total working hours for CMC employees in 2023 (Note 1) | Total working hours for non-CMC employees in 2023 |

Note 1: Total employee working hours = 238 days (2023 direct unit calendar) × 2,066 employees (total employee count) × 8 hours = 3,933,664 hours

| Occupational Injury Statistics  |       | CMC   |        | Contractors |        |
|---------------------------------|-------|-------|--------|-------------|--------|
|                                 |       | Male  | Female | Male        | Female |
| Injury Rate (IR)                | Ratio | 0.17  | 0      | 0           | 0      |
|                                 | Total | 0.149 |        | 0           |        |
| Occupational Disease Rate (ODR) | Ratio | 0     | 0      | 0           | 0      |
|                                 | Total | 0     |        | 0           |        |
| Lost Day Rate (LDR)             | Ratio | 4.26  | 0      | 0           | 0      |
|                                 | Total | 3.748 |        | 0           |        |
| Work-Related Fatalities         | Cases | 0     | 0      | 0           | 0      |
|                                 | Total | 0     |        | 0           |        |

### Occupational Disaster Investigation Procedure



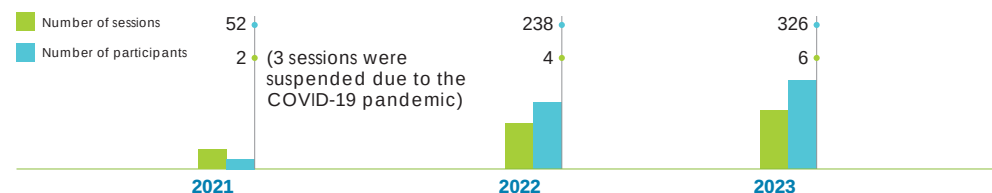
## 5.4.3 Workplace Safety Culture and Work Environment Improvements

### Emergency Response and Management

In an attempt to respond to all types of emergencies in an appropriate manner and strengthen our employees' first aid and emergency response capabilities, we have established the "Emergency Response Plan Management Guidelines" and "Operating Standards for Emergency Responses". All units set up their emergency handling team and draw up relevant countermeasures based on operations and environmental conditions and perform regular drills to be familiar with the emergency response steps in hopes of reducing damages and limiting personnel and equipment losses in case of an incident. Additionally, considering the increasing number of sudden death cases due to cold temperatures in society and the fact that the employee demographic is gradually entering middle and older age, the response time during the critical golden rescue window is essential. To ensure timely access to AEDs (Automated External Defibrillators) within walking distance, 18 AED units have been installed across two plant locations. In our Hsin Chu Plant, three AED units are located in the medical office, while the remaining 15 are placed in the Yangmei Plant. In 2023, six CPR (Cardiopulmonary Resuscitation) and AED training sessions were conducted by experts, specifically for personnel working near AED locations, safety officers, first responders, and on-site supervisors. A total of 338 people participated, each receiving hands-on training and practice.



### CPR and AED Education and Training Results Over the Last Three Years



### Occupational Health and Safety Education and Training

CMC formulates an annual safety and health education training plan, which is based on a yearly survey conducted by the Human Resources Department to gather and consolidate employee training needs. In addition, a dedicated safety and health unit is responsible for identifying and managing the acquisition of certifications and in-service occupational safety and health training. This includes both mandatory and non-legally required safety, health, and wellness training programs. The goal is to enhance employees' professional knowledge in safety and health. The effectiveness of the training is verified through post-training assessments. At each plant, occupational health management and protection programs are implemented, including health seminars and evaluations to prevent diseases triggered by excessive workloads. Additionally, CMC's Hsinchu plant provides comprehensive occupational health and safety training, including general safety training, specialized hazard operations training. These sessions covered personnel responsible for crane operations (for hoisting loads over 0.5 tons and under 3 tons for fixed cranes) and forklift operations (for loads over 1 ton), and emergency response training for fires, earthquakes, and chemical spills. A total of 22 training sessions were held, with 2,066 participants. The Hsinchu Plant also received the "Occupational Safety and Health Excellent Unit Award," being the only factory in Hsinchu County to do so.

## 2023 Occupational Health and Safety Education and Training Items

| Name of course                                                                                                                         | Number | Hours |
|----------------------------------------------------------------------------------------------------------------------------------------|--------|-------|
| New OSH Officers Training                                                                                                              | 16     | 3     |
| ISO 14001 Environmental Management Basics                                                                                              | 10     | 3     |
| Acetylene Welding Workers On-the-job Training (refresher)                                                                              | 52     | 3     |
| On-the-job training for operators of fixed cranes with a lifting capacity between 0.5 tons and less than 3 tons (refresher)            | 62     | 3     |
| On-the-job training for forklift operators handling loads over 1 ton (refresher)                                                       | 104    | 3     |
| Contractor Safety and Health Education                                                                                                 | 41     | 3     |
| Training for fixed crane operators handling loads between 0.5 tons and under 3 tons (out-of-plan certification for foreign employees). | 35     | 18    |
| Training for crane rigging personnel (new certification for foreign employees)                                                         | 35     | 18    |
| CPR + AED training                                                                                                                     | 338    | 3     |
| On-the-job training for supervisors on organic solvents, oxygen deficiency, dust, and specific chemicals (refresher)                   | 25     | 6     |
| On-the-job training for crane rigging personnel (refresher)                                                                            | 58     | 3     |
| On-the-job training for occupational safety and health supervisors                                                                     | 325    | 3     |
| Training for crane rigging personnel (new training)                                                                                    | 58     | 18    |
| On-the-job safety and health education training for general staff (indirect units, online course)                                      | 858    | 2     |
| Training for crane operation personnel (new training)                                                                                  | 49     | 18    |

## Occupational Health and Safety Management

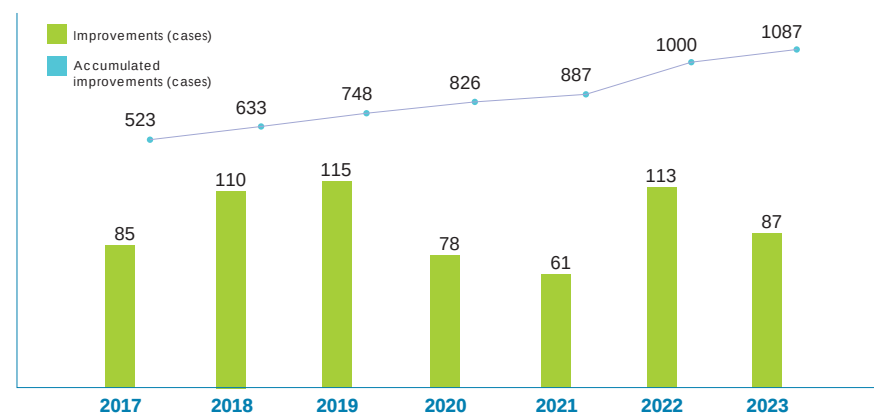
To ensure the proper care of employee health, CMC has established the "Employee Health Management Guidelines." In addition to providing health examinations that exceed regulatory requirements (conducted annually), the Company also implements a self-assessment and classification management system based on the results of these health examinations. The data is systematically analyzed to track long-term trends and create a high-risk monitoring list. Dedicated nursing personnel are assigned to follow up on individual cases and track health improvements. Occupational medicine specialists evaluate whether reassignment is necessary, and the Health & Safety Department assists in adjusting work assignments based on these evaluations. With the aim of reducing potential health hazards in the workplace, contracted occupational medicine physicians are engaged to provide on-site medical services and inspect the working environments at our plants together with our safety and health personnel and nurses to identify and eliminate occupational health hazards.

Additionally, to care for contractors and on-site personnel stationed at the factory, CMC offers health checkup services for these individuals at the factory's cafeteria (conducted together with internal employees' health checkups). The Company has also established an in-house health clinic, which provides free consultations, follow-up medical services after checkups, and treatment for both internal staff and external contractors. This includes free consultations, health checkups, and first aid services such as wound dressing.

Due to the long-term promotion of occupational health and safety activities, these initiatives have gradually become ingrained in the company culture. Employees have expressed a strong recognition of the occupational safety and health programs, as well as the environmental improvements implemented by the Company. In annual satisfaction surveys, categories related to health and safety consistently receive high ratings from employees.

| Management Items                       | Procedure Management Regulations                                   | Assessment Targets                                                                                                                                                                                                                                                                              | Assessment Frequency                             | Improvement Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Ergonomic hazards</b>               | Ergonomic Hazards Prevention Plan                                  | Frontline units, following a three-year cycle, conducting musculoskeletal symptom self-assessments annually.                                                                                                                                                                                    | Once a year                                      | Prioritize engineering improvements, followed by administrative controls, and finally health management.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Abnormal Workload</b>               | Abnormal Workload Disease Prevention Plan                          | <ul style="list-style-type: none"> <li>Based on health check results, employees with three or more abnormal metabolic syndrome factors undergo Framingham risk assessment.</li> <li>Evaluate abnormal workload for shift workers, night workers, and those with extended work hours.</li> </ul> | Once a year                                      | Manage list of employees, implement health promotion and tracking. Adjust work location, tasks, or reduce work hours based on occupational physician's evaluation. Work Hours Management                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Maternity Protection</b>            | Maternity Health Protection Plan                                   | Covers from the day of pregnancy notification until one year post-delivery, and continues for breastfeeding employees after one year.                                                                                                                                                           | Applicable to pregnant/post-childbirth employees | Occupational physician suitability assessments suggest adjustments to work conditions (e.g., workload reduction, flexible hours, reassignment).                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Unlawful workplace infringement</b> | Unlawful Infringement in the Performance of Duties Prevention Plan | When employees report workplace violence while performing their duties                                                                                                                                                                                                                          | Handled on a case-by-case basis                  | <ul style="list-style-type: none"> <li>Appropriate actions are taken based on the results of the investigation, with adjustments made to prevent recurrence. If the personal safety of the individual is involved, the incident will be reported to law enforcement authorities.</li> <li>In accordance with Company regulations, disciplinary actions will be executed in compliance with the company's work rules. When necessary, arrangements will be made for legal consultation, psychological counseling, occupational health guidance, medical assistance, and communication with the employee's family.</li> </ul> |

## Accumulated Ergonomic Improvements Made





# 6 Giving Back to Society in Every Way Possible



- 6.1 Social Inclusion: Roadmap Towards Sustainability, Together
- 6.2 Urban and Rural Sustainability: Safeguarding Society With Cars
- 6.3 Driving Arts and Cultural Development – Creative Engine for Resonating Melodies
- 6.4 Indigenous Community Development – Illuminating Tribal Resilience
- 6.5 Knowledge and Education – Anchor Talent Development





## Material topic

This section does not correspond to any material topics for this year. However, CMC has consistently invested in social responsibility efforts over the years. We will continue to leverage our core competencies in the automotive industry to create a better future together with society.



## Core Vision and Commitment

Starting out as a commercial vehicle manufacturer, we have been considering how to solve social problems with our automotive competence and so to realize the SDGs. We are committed to utilizing corporate resources to actively establish communication channels with external stakeholders. With innovative thinking rooted in our core automotive business and the integration of ESG sustainability principles, we are reshaping the model for corporate social responsibility. Starting in 2023, we have included "Cultural Investments" as part of our company's sustainability goals. By channeling corporate resources into the cultural and arts fields, CMC aims to blend automotive innovation with artistic expression, guiding our employees toward a shared vision of societal well-being and the sustainable preservation of culture. We aspire to collaborate with diverse stakeholders to create a future filled with social inclusiveness and shared values.



## Outcomes and Achievements in 2023



PuPu Ride Sharing Service served a total of **58,795 people**, with total shuttle mileage reaching **193,878km**



Accumulated donation of **15** Happiness Guard buses to rural communities throughout Taiwan, totaling **432,188 km**



Volunteering work done by **2,209 people**, with service hours reaching **6,159 hours**



Internal volunteers and partner suppliers participated in a total of **26** beach and river cleanup events



Vehicle Maintenance Tour Service serviced **790 vehicles**



In line with our sustainability development goals, we have integrated "Cultural Investment" into our long-term objectives. In 2023, we hosted **9 art and cultural events**, supported the production of **2 television programs**, and allocated over **NT\$5.86 million** toward these cultural initiatives.



## Strategic Goal

### Short-term

Continuously implement social inclusion projects to distribute corporate resources to every corner of society

### Medium-term

Develop automotive talents and build a reciprocal positive cycle through social inclusion projects

### Long-term

Foster a social corporate culture to ingrain social engagement in CMC's DNA.

## 6.1 Social Inclusion: Roadmap Towards Sustainability, Together

### 6.1.1 CMC's Achievements in Social Inclusion

CMC upholds the brand spirit of "Starting for Happiness" and aligns with the United Nations' Sustainable Development Goals (SDGs), implementing ESG actions to support the development of remote communities and bridge the urban-rural divide. In 2023, CMC incorporated "Cultural Investment" into its sustainability goals, channeling corporate resources into the cultural and artistic sectors through various formats. The Company participated in the 2023 Taiwan Design Expo, where emerging artists creatively modified CMC's commercial vehicles. Additionally, we hosted the CMC Golden Autumn Creative Exhibition and launched the Art Residency Program, inviting Indigenous artist Miru Hayung to paint our factory premises, transforming the site into an open-access art gallery. CMC is committed to continuing its support for cultural activities and the creative industries to strengthen Taiwan's cultural momentum.

#### Cultural Investments

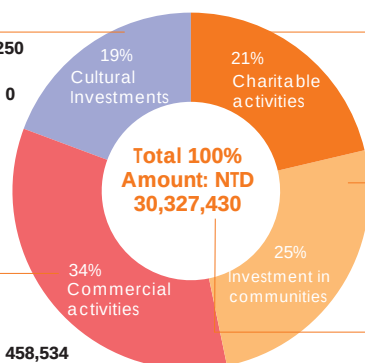
Money invested: NTD **5,860,250**  
Volunteers involved: **0**  
Expenses for volunteers: NTD **0**

#### Charitable activities

Money invested: NTD **6,467,705**  
Volunteers involved: **8**  
Expenses for volunteers: NTD **12,800**

#### Commercial activities

Money invested: NTD **10,287,539**  
Volunteers involved: **309**  
Expenses for volunteers: NTD **458,534**



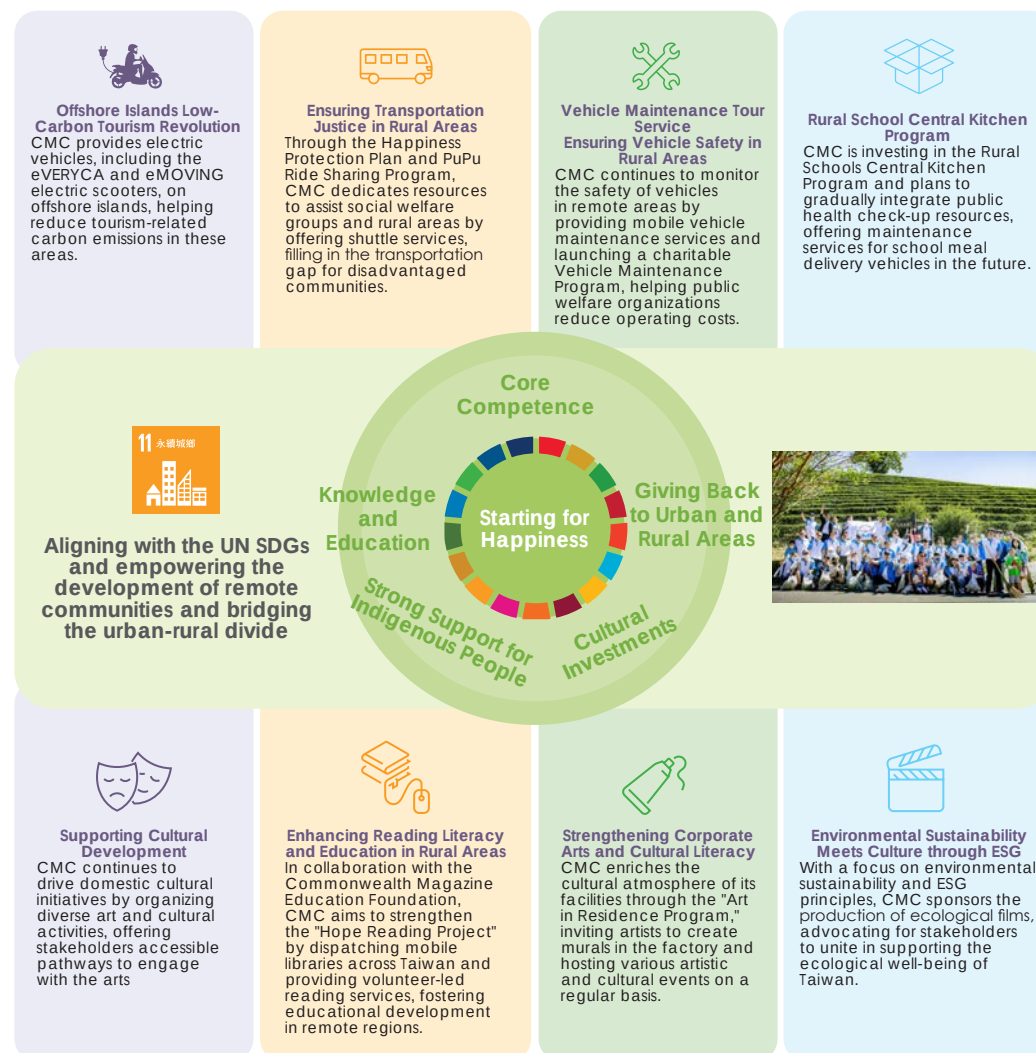
#### Investment in communities

Money invested: NTD **7,711,936**  
Volunteers involved: **616**  
Expenses for volunteers: NTD **697,500**

Money invested: NTD **30,327,430**  
Volunteers involved **930**  
Expenses for volunteers: NTD **1,168,834**

Note 1: For the number of volunteers, a volunteer is counted once every 8 hours  
Note 2: Commercial activities: generally refer to investments in sales, car owners, and the improvement of the corporate image  
Note 3: Expenses for volunteers are equal to the number of volunteers involved in each session times the average daily wage of NTD 1,600

"Sustainable Urban-Rural Development" is CMC's strategic focus, where corporate resources drive justice in rural areas, reducing the urban-rural gap and enhancing vehicle coverage in remote communities. From 2023 onward, cultural investment has become part of our sustainability goals, injecting corporate resources into cultural and artistic fields through various formats.



## CMC's Social Inclusion Roadmap



## Happiness Guardian Program

**Accumulated outcomes:**

A total of 15 Happiness Guardian buses were donated during 2016-2022, with an accumulated service mileage of 432,188 kilometers (equivalent to traveling around Taiwan 402 times)

**Goal in 2025:**

The Vehicle Maintenance Service Tour will be combined with the Happiness Guardian Program to offer vehicle maintenance services to the vehicles under the program. Additionally, the annual "CMC Cup Baseball Tournament" supports four elementary schools under the program's care.

## Vehicle Maintenance Service Tour

**Accumulated outcomes:**

Students from Taipei City University of Science and Technology, Xiehe Youde Senior High School, Chi-Ying Senior High School, and National Taitung Junior College were invited to take part in the Vehicle Maintenance Service Tour through industry-academia collaboration. There were 8 sponsors in support of the service. 24 sessions were held throughout the year to maintain a total of 790 vehicles

**Goal in 2025:**

Amplify the impact of industry-academia collaborations, inviting more vocational schools to participate, targeting over 200 sessions and servicing more than 7,000 vehicles.

## Corporate Volunteers

**Accumulated outcomes:**

The number of volunteers involved reached 2,209. The time invested by the volunteers totaled 6,159 hours.

**Goal in 2025:**

We are expanding our "Indigenous Care" volunteer activities by increasing services such as in-school reading support under the "Read for Hope Project" and organizing the "CMC Cup Baseball Tournament" to bring volunteers closer to rural areas.



## Dream Project

**Accumulated outcomes:**

In support of grassroots baseball, CMC used funds raised through employee clubs to provide new uniforms for the Wufeng Elementary School baseball team, further nurturing young athletes in rural areas. So far, the Dream Project has had a total of 15,000 beneficiaries since it's first launched

**Goal in 2025:**

We will be dedicated to charitable activities in rural areas on a continuous basis to create common good for the areas with corporate resources

## Remote Agricultural Community Partner Development Program

**Accumulated outcomes:**

2015-2023 Procured a total of 48,342 kg of organic vegetables and fruits from indigenous people as of 2023

**Goal in 2025:**

Collaborate with commercial vehicle operators to promote organic and eco-friendly farming products, utilizing Mitsubishi's official LINE account to assist in sales.

## Food Truck Program of South Link Association

**Accumulated outcomes:**

- South Link TAKEPIZZA Food Trucks
- Dispatched for service 611 times
- Earned revenue > NTD 3.79 million

**Goal in 2025:**

We will take advantage of our modified Mitsubishi commercial vehicles to promote local revitalization and public welfare vehicle programs



## Anchor Program

**Accumulated outcomes:**

67 activities were held under the Anchor Program during 2015-2023 with a total of 3,233 visiting students

**Goal in 2025:**

Anchor Talent Development Program is integrated with integrating recruitment needs, attracting outstanding talent to join CMC through industry-academia partnerships

## Traffic Safety Camp

**Accumulated outcomes:**

CMC has received funding through the "MOHW Senior and Corporate Volunteer Promotion Subsidy Project." The project provides services to five small rural schools: Sanguang Elementary, Bengang Elementary, Luofu Elementary, Guanghua Elementary, and Fuxing Elementary, creating a safe and secure transportation network for children.

**Goal in 2025:**

Extend the Traffic Safety Experience Camp to indigenous communities in Hsinchu and coastal schools in Taoyuan, directing corporate resources to areas in need.

## Read for Hope Project

**Accumulated outcomes:**

Reached Fuxing and Fulong Elementary Schools, providing in-school reading support services. The total mileage of the Read for Hope bus has reached over 248,268 kilometers (equivalent to circling around Taiwan 231 times)

**Goal in 2025:**

The Read for Hope vehicle mileage to exceed 300,000 kilometers.



## PuPu Ride Sharing

**Accumulated outcomes:**

To assist the MOTC in promoting the PuPu Ride Sharing program, we provided Fuli Township, Zhuoxi Township, Wanrong Township in Hualien and Yanping Township, Taitung with 4 Delicas for shuttling. 58,795 people have been shuttled, with a total mileage of 139,878 kilometers (equivalent to circling around Taiwan 130 times)

**Goal in 2025:**

Expand service coverage of PuPu Ride Sharing service to more areas and facilitate integrated passenger and freight transportation in rural areas

## Cultural Investments

**Accumulated outcomes:**

In line with our sustainability development goals, we have integrated "Cultural Investment" into our long-term objectives. In 2023, we hosted nine cultural and art events and supported the production of two television programs, with a total investment exceeding NT\$5 million.

**Goal in 2025:**

Expand the "Cultural Investment" initiative by allocating corporate resources to enhance arts and reading promotion efforts.

## Environmental Ecology

**Accumulated outcomes:**

Launched the "Taoyuan River Cleanup Action." Cumulative achievements include hosting six river cleanup events, 19 beach cleanup sessions, and one ecological pond volunteer training event throughout the year.

**Goal in 2025:**

Integrate "Biodiversity" sustainability goals by increasing invasive species removal volunteer services and opening guided tours of the ecological pond through a community revitalization model.

## 6.1.2 Establishing Corporate Volunteer Culture and Achievements

### CMC's dedication to promoting a volunteer culture: Rooted in Taiwan and giving back to society

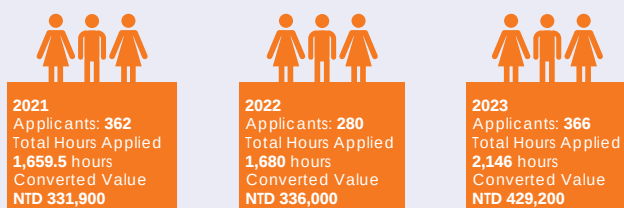
To enhance the overall volunteer service atmosphere and sense of honor, CMC offers its employees superior benefits compared to the industry standard. Employees who participate in volunteer activities are granted 3 days of volunteer leave per year, along with access to company vehicles and other resources dedicated to supporting charitable activities. Furthermore, the Company has long implemented its "Volunteer Reward Program" to encourage participation. Volunteer activities are incorporated into departmental objectives, driving higher achievement rates across the organization.



#### Volunteer Outcomes Over the Last Three Years



#### Volunteer Leave Application Over the Last Three Years



Note: The figure above represents the number of employees taking volunteer leave on weekdays. The converted value of the volunteer leave equals to the number of employees applying for the volunteer leave times the average daily wage of NTD 1,600.

### Participation in volunteer activities with suppliers to give back to society

In 2023, driven by the Volunteer Reward Program, CMC organized a total of 26 environmental sustainability events, including beach and river cleanups. To amplify the impact of its ESG initiatives, CMC not only encouraged its employees to participate in environmental sustainability activities but also engaged its supplier network. Through the CMC Supplier Association, the company coordinated beach cleanups and invasive species removal activities across northern, central, and southern Taiwan. Environmental advocacy group "Eco-friendly Seeds" provided guidance and education to help suppliers understand the processes of beach cleanups, the origins of marine waste, and the principles of sustainable development. These three events in 2023 saw the enthusiastic participation of 51 suppliers and 160 partners, resulting in the collection of 578 kilograms of marine waste and the removal of 179 kilograms of invasive plants.



### "I Love Mitsubishi Day," Laojie River Cleanup Event on May 30

In 2023, CMC expanded its environmental protection volunteer activities, adding the "Taoyuan River Cleanup Action" to the existing department-organized beach cleanup events and volunteer training at the CMC Ecological Pond. On May 30, for the "I Love Mitsubishi Day," CMC held a demonstration cleanup at Laojie River in Zhongli, supported by the Society of Wilderness Taiwan. Throughout the year, a total of six river cleanup events were held to contribute to the restoration of Taoyuan's waterways. Additionally, in line with CMC's increased focus on indigenous care activities, the company launched initiatives such as the "Hope Reading Program" for school reading services and the "HOME RUN Little League CMC Cup Baseball Tournament." To ensure volunteers are well-prepared for school service, CMC organized the "Get Started as a Volunteer" training session. The training, held at the Yangmei plant, featured Mr. Lin Er-Hsiang, CEO of the CommonWealth Education Foundation, and children's literature expert Ms. Chang Shu-Chiung, aimed at enhancing the service skills of the volunteers.



#### Promoting Volunteering Culture

In 2023, CMC's volunteer activities continued to focus on four main pillars: "Care for Indigenous People", "Environmental Protection", "Automotive-Related Initiatives", and "Education Promotion". As enterprises in Taiwan have faced a labor shortage in recent years, the Company's departments have placed more focuses on volunteer activities under the category of "education and promotion". CMC has engaged in industry-academia collaboration through the "Vehicle Maintenance Service Tour", "Anchor" program and other projects to incorporate our vehicle resources and professional skills into school to boost students' practical skills, thereby enhancing their brand preference for CMC Mitsubishi.

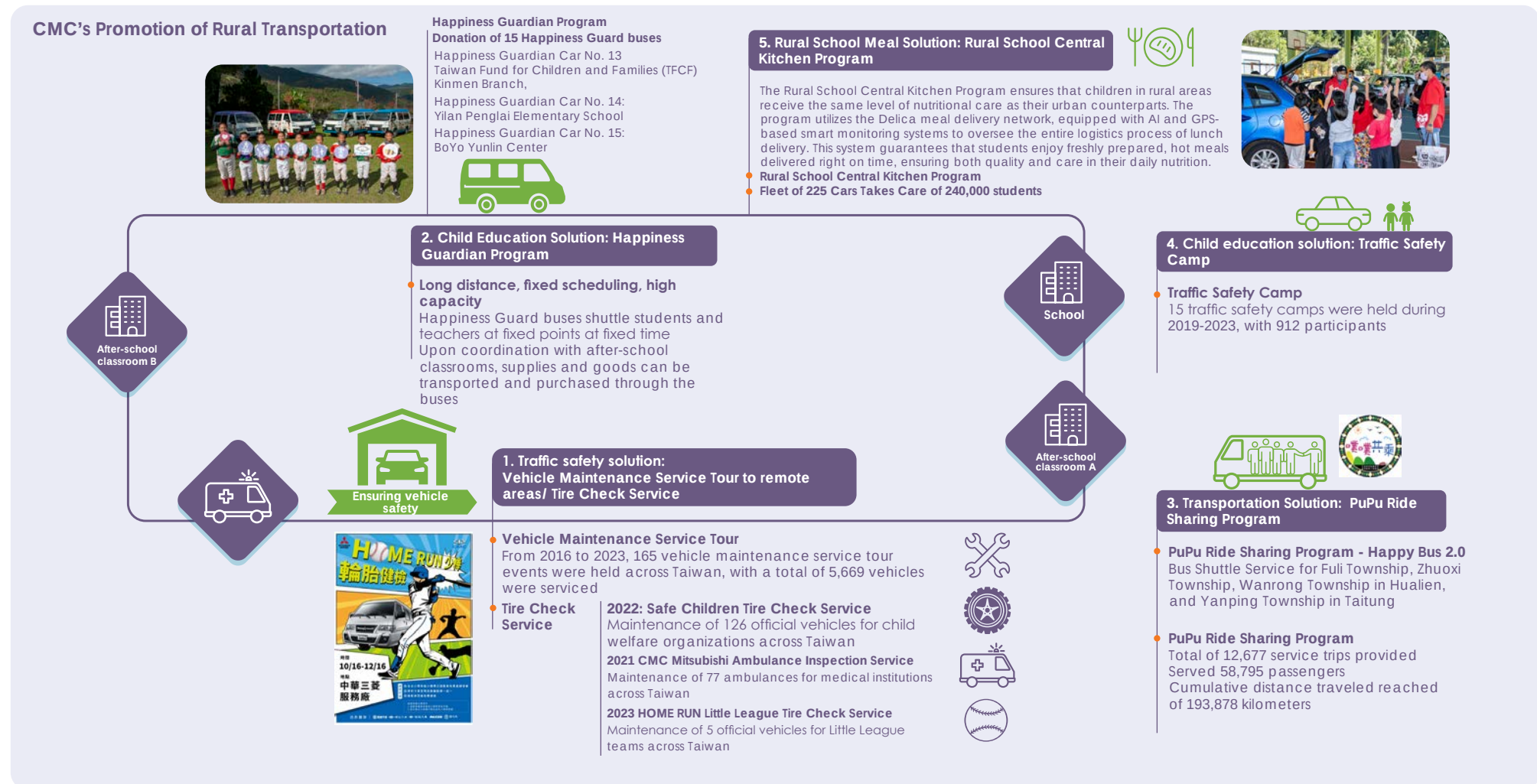




## 6.2 Urban and Rural Sustainability: Safeguarding Society With Cars

CMC, having its roots in commercial vehicles, constantly reflects on how to leverage its core automotive expertise to address social and transportation issues, advancing towards the SDGs. Through innovative thinking and the strategic linking of resources, CMC has reshaped its operational model to drive societal uplift, foster social inclusion, and create shared value. We fully leverage our advantages in terms of maintenance services and technologies as well as the high density of service stations to implement the "Vehicle Maintenance Service Tour". With the mobile maintenance station, we are able to spread our maintenance services throughout the rural areas in Taiwan and allow car owners living in the areas to enjoy the services. As the only brand of child-friendly cars in Taiwan, to ensure the safety of students, we

have launched a shuttle service called "Happiness Guardian Program" for disadvantaged children, without forgetting to combine it with our product advantages as an automotive manufacturer. For years, CMC has been committed to improving transportation in rural areas. Since 2021, the company has supported the Ministry of Transportation's PuPu Ride Sharing Program and responded to the Executive Yuan's Rural School Central Kitchen Program in 2022, providing transportation services to rural communities and embodying corporate social justice for these areas. 2023 CMC has received funding through the "MOHW Senior and Corporate Volunteer Promotion Subsidy Project," enabling a tour of five small schools in Taoyuan and Hsinchu, establishing a secure and reliable transportation network for children.



### 6.2.1 Happiness Guardian Program

According to the statistics of the MOTC, nearly 10,000 children under 12 years of age were involved in road traffic accidents per year in recent years. In an attempt to take full care of disadvantaged children in rural areas, CMC initiated the "Happiness Guardian Program" in 2016 to invest our vehicle resources in rural and indigenous communities, so as to boost road safety for the disadvantaged children. Over the years, CMC has donated 15 Happiness Guardian vehicles, supporting grassroots youth baseball development and after-school programs in rural regions. In 2023, focusing on the SDGs' 10th goal, "Reduced Inequalities," CMC extended vehicle resources to remote, less accessible areas under the "Not Mountain, Not City" initiative. Car No. 13 given to the Taiwan Fund for Children and Families (TFCF) Kinmen Branch, Car No. 14 to the Yilan Penglai Youth Baseball Team, and No. 15 to BoYo Yunlin, with the vehicles marked in pink to symbolize the mission of reducing inequalities. The distinctive color scheme highlights CMC's commitment to brightening the path of transportation for rural children and aims to inspire greater social involvement. As of the end of 2023, a total of 15 Happiness Guardian buses were donated to rural areas around Taiwan to provide shuttle services for disadvantaged children. Up to now, these buses have run a total mileage of 432,188 kilometers, equating to circling around Taiwan 402 times.

Of these vehicles, four were assigned to rural elementary schools to aid youth baseball development, while 11 were deployed to the frontlines of education, helping children's welfare organizations provide after-school care for underprivileged children. Recipients of these vehicles include Happy Learning Association (Vehicle No. 1), Ark Sunshine Classroom (Vehicle No. 6), Taitung Fudafudak Book Huse (Vehicle No. 7), Taoyuan Little Grass Book House (Vehicle No. 10), TFCF Kinmen Branch (Vehicle No. 13), and Boyo Yunlin Center (Vehicle No. 15). CMC looks forward to collaborating with more child welfare organizations to create a brighter future for rural children through education.

#### Services Covered by the Happiness Guardian Program

##### Children's Shuttle Safety Solution

The application of shuttle buses has been open to social welfare organizations for children and remote elementary schools. 3 shuttle buses are donated every year



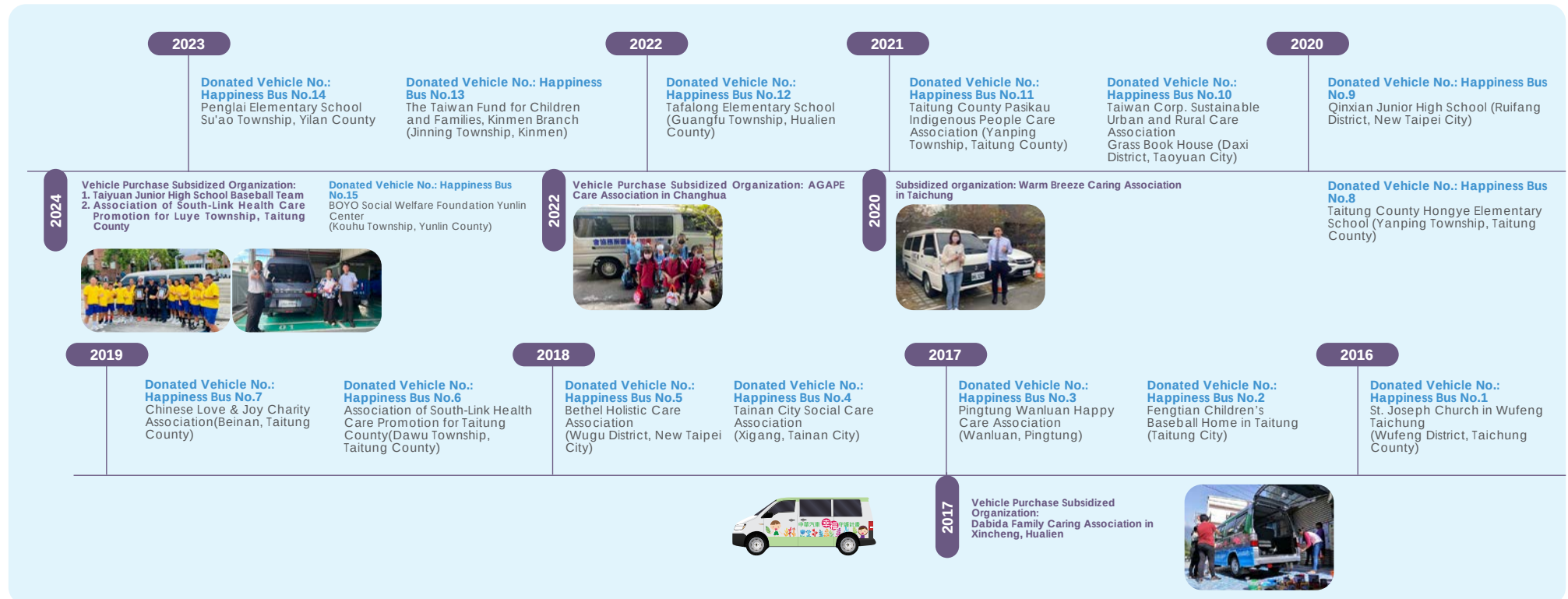
##### Children's Vehicle Safety Solution

For children's welfare organizations, rural elementary schools, and preschools attached to rural elementary schools across Taiwan, we offer a vehicle replacement subsidy. This subsidy applies to replacing child transport vehicles that are over 10 years old, or purchasing new 8-passenger (or more) vans and passenger/cargo vehicles. An additional NTD 30,000 subsidy is available for each purchase, with a yearly limit of 50 vehicles eligible for this program.



For further details please see

**Happiness Guardian Program: Over the years, we have donated vehicles/provided NTD 30,000 Vehicle Purchase Subsidy**



Happiness  
Bus No.13

First e-VERYCA Arrives in Kinmen  
"Happiness Bus No. 13" Provides Low-Carbon  
Transportation for Underprivileged Children



Happiness  
Bus No.14

Penglai Little League Team Unites Young Baseball  
Enthusiasts from Su'ao and Nanao  
"Happiness Bus No. 14" Lights Up the Suhua Highway



Happiness  
Bus No.15

"Happiness Bus No. 15" Heads to Boyo Yunlin  
Center, Creating Educational Opportunities for Rural  
Children



Sustainability  
Commitment  
from the  
Chairperson

ESG  
Highlights

About CMC

Vision  
Blueprint for  
Corporate  
Sustainability

Innovative  
Technologies  
and Forward-  
Looking  
Value

Excellent  
Governance  
and  
Proactive  
Action

Circular  
Reduction  
and  
Safeguarding  
Environment

Safe  
Workplace  
and  
Outstanding  
Development

Giving Back  
to Society  
in Every Way  
Possible

Appendix



### 6.2.2 Promoting Rural Transportation: PuPu Ride-Sharing

To promote transportation equality in rural areas, the MOTC initiated the trial of a multi-vehicle sharing service, "PuPu Ride Sharing," in the Hualien and Taitung regions in 2018. Through collaboration with local non-profit organizations, the program utilizes idle vehicles and local drivers, establishing a ride-matching service center to offer shared transportation services. Since 2021, CMC has been part of the PuPu Ride Sharing program, introducing three Delica shuttle buses to provide transportation services in Hualien's Fuli Township, Zhuoxi Township, and Taitung's Yanping Township under the "Happiness Bus 2.0" initiative. In 2023, another Delica was added to serve Hualien's Wanrong Township, employing a flexible transportation model to ensure accessibility to even the most remote rural areas.





### 6.2.3 Vehicle Maintenance Service Tour

China Motor Corporation has a dense distribution and service network to ensure the safety of large-scale car owners. In order to further guarantee driving safety for car owners in remote areas, we integrate the service system of Fortune Motors with that of Shung Ye Motor to launch the "Vehicle Maintenance Service Tour" for regions with lower service density, such as rural, coastal and mountainous areas. Under the call of the CMC Partnership, a total of eight cooperating companies, including CPC, GENERAL ENTERPRISES, Bridgestone Taiwan, Yuasa, SINQUAL, NGK, Orange Electronic, and San Chien Electric, participated in this initiative. In 2023, 24 tour sessions were held, providing maintenance services for 790 vehicles.

In response to the pandemic, CMC expanded the scope of the "Vehicle Maintenance Service Tour" to include factory-based

public welfare inspections. In 2021, CMC launched the "CMC Mitsubishi Ambulance Maintenance Service," followed in 2022 by the "Safe Children Tire Check Service," which provided free motor oil changes courtesy of CPC Taiwan and a buy-one-get-one-free tire promotion by Maxxis for public vehicles of children's welfare organizations across Taiwan. A total of 126 social welfare vehicles underwent factory maintenance, demonstrating the company's commitment to extending its reach in road safety. In 2023, capitalizing on Taiwan's silver medal achievements in the U12, U18, and Hangzhou Asian Games baseball tournaments, CMC Mitsubishi introduced the "HOME RUN Youth Baseball Tire Check" initiative. This program provided free oil changes by CPC Taiwan and buy-one-get-one-free tire services from Maxxis for transport vehicles used by youth baseball teams across Taiwan.



#### Vehicle Maintenance Service Tour Sessions

2023 2022 2021 2019



For more details on the Vehicle Maintenance Service Tour, please visit the CMC Social Engagement Website.



#### 2023 - One-Stop Solution for Vehicle Maintenance Service Tour and Licensing in Rural Areas

CMC continued its long-term commitment to providing "mobile services" to rural communities across Taiwan, improving the transportation challenges faced by remote areas. In 2023, CMC, in collaboration with the Hsinchu Motor Vehicles Office, held an outreach event at the outdoor plaza of the Jianshi Township Office, Hsinchu. The event provided residents of the Jianshi indigenous villages, including Jiale and Yufeng, with on-site motorcycle licensing services, along with the "Migrant Vehicle Maintenance Service Tour" offering free vehicle maintenance and repair for CMC Mitsubishi vehicles. This initiative aimed to ensure the driving safety of the residents across seven villages.



## Service Scope

## Vehicle Maintenance Service Tour



Service Content


Repair Session/  
Location

- Free oil changes courtesy of CPC Taiwan
- Buy one get one free tire of Bridgestone Taiwan at service stations
- Free replacement with Sinqual rain wipers
- Free Orange Electronic TPMSs at service stations
- Free replacement with GENERAL ENTERPRISES oil filters
- 50% off for Yuasa batteries at service stations
- Free replacement with NGK spark plugs after 50,000 km mileage at service stations
- Free tire valve cap replacements by San Chien Electric

In total, the tour provided general vehicle maintenance services covering multiple locations including Jianshi in Hsinchu, Nanshan in Yilan, Taiwu in Pingtung, Jinlun in Taitung, totaling 20 sessions. Vehicle Maintenance Tour Service serviced 790 vehicles in total.

## Service Scope

## Tire Check Service



Service Content


Repair Session/  
Location

**2021 CMC Mitsubishi Ambulance Inspection Service**

- Free oil changes courtesy of CPC Taiwan
- Free replacement with GENERAL ENTERPRISES oil filters

**2022: Safe Children Tire Check Service**

- Free oil changes courtesy of CPC Taiwan
- Buy-one-get-one-free tire promotion by Maxxis Tires

**2023 HOME RUN Little League Tire Check Service**

- Free oil changes courtesy of CPC Taiwan
- Buy-one-get-one-free tire promotion by Maxxis Tires

CMC Mitsubishi service stations across Taiwan

CMC Mitsubishi service stations across Taiwan

CMC Mitsubishi service stations across Taiwan



CMC Mitsubishi Ambulance Check Service  
Number of cars serviced **126**



Safe Children Tire Check Service  
Number of ambulances maintained **77**



"HOME RUN Little League Tire Inspection"  
Number of cars serviced **5**



## 6.2.4 Rural School Central Kitchen Program

To ensure rural students receive the same nutritional care as urban students, the Executive Yuan launched the "Rural School Central Kitchen Program" in 2021. CMC joined this effort between 2022 and 2023, using 225 Delica vans to create a transportation network that delivers nutritious meals to 240,000 students across rural Taiwan. In response to the varying delivery needs and distances (within a 30-minute drive or 10 kilometers from the school), two types of Delica vehicles were deployed. The van can deliver meals to about 20 classes, while the pickup truck version can serve about seven classes. To ensure the timely and safe delivery of hot lunches, GPS tracking and AI-based management systems monitor the routes, time, and temperatures of the meals throughout the delivery process, providing transparent food safety for rural schools.



Delivery of nutritious lunch to schoolchildren  
**225 Delica vehicles**



Beneficiary children  
**240,000 children**

## Outcomes of the Food Truck Program of South Link Association



Number of times the food trucks have been taken out for service

|      |     |
|------|-----|
| 2020 | 168 |
| 2021 | 250 |
| 2022 | 138 |
| 2023 | 55  |

Total **611**



Food truck revenue

|      |                  |
|------|------------------|
| 2020 | NTD 600 thousand |
| 2021 | NTD 1.23 million |
| 2022 | NTD 1.71 million |
| 2023 | NTD 250 thousand |

NTD **3.79 million**





### 6.3 Driving Arts and Cultural Development – Creative Engine for Resonating Melodies

CMC has incorporated "cultural investment" into its sustainable development goals, actively supporting local arts and culture. In 2023, the company invested approximately NTD 5.86 million in promoting cultural development in Taiwan. Events included exhibitions like the "CMC Golden Autumn Creativity Exhibition" and participation in the "2023 Taiwan Design Expo." CMC also co-produced local TV programs, such as *Island Odyssey Taiwan* and *Mysterious Hardware Store*. We also promote the Mitsubishi Green Life initiative, encouraging employees and their families to enjoy ecological films, using art to inspire greater awareness and concern for Taiwan's ecological preservation.

#### 6.3.1 Supporting Film and Music to Convey Sustainable Living Ideals

##### Taitung Amis Tribe Music Concert



CMC has long supported Taitung's Fudafudak Book House. To show gratitude for external support, a special concert was held featuring indigenous music, using songs to convey the rich and unique culture of the tribe. This concert invited multiple indigenous musicians and performers, delivering beautiful and touching melodies that showcased the vibrant culture of the tribe to an audience of nearly 500 people. The event was a harmonious and joyous gathering for all to appreciate the beauty of tribal music. The concert not only provided a platform for local indigenous people to demonstrate their talents but also brought happiness and warmth to the community. At the same time, CMC conveyed its respect and support for indigenous culture and hoped to further promote cultural diversity and contribute to the harmonious development of Taiwanese society.

Invested **NTD 50,000**

##### CMC Employees Respond to Ecological Conservation Films



The ecological film *The Taiwan Salamander is Here* tells the story of Taiwan's endemic salamanders, their unique traits, and the challenges they face from climate change and habitat destruction. CMC invited employees and their families to support *The Salamander* through a private screening, using ecological films to spread knowledge of corporate volunteer efforts in environmental sustainability. The company supports Taiwan's endemic species conservation and local film industry development.

Invested **NTD 36,000**



*Caring for Black-Faced Spoonbill* recounts the efforts in maintaining the space for survival for the black-faced spoonbill over the years of the dedicated. We chartered the film for employees and their family to support the film and for the audience to rethink the issues relating to conservation, wetlands, and international promotion and to consider how to contribute to the precious migratory birds on their transit over Taiwan through volunteering.

Invested **NTD 52,500**

##### Production and Broadcasting of *Mysterious Hardware Store*



CMC also assisted in the production of the TV show *Mysterious Hardware Store*, which centers on helping local communities through practical actions and heartfelt services, bringing warmth and healing to those in need. Through this collaboration, CMC hopes to inspire more people to join in charitable endeavors for societal progress and development. The show reached a total viewership of 3.64 million on Taiwan Television (TTV) and 4.71 million on the STAR Chinese channel.

Invested **NTD 2 million**

##### CMC Family Day Cultural Performances



In promoting the arts, CMC launched its first-ever cultural marathon "Together, Chill" at the 2023 CMC Family Day event, investing NTD 120,000. The event featured performances by groups like the Carrot Girls Band and Jurassic Exploration Theatre, creating a spectacular feast for the eyes and ears. Approximately 8,000 employees and their families participated, experiencing various forms of artistic creations that stimulated creativity and imagination. This event demonstrated CMC's commitment to supporting cultural development and inspiring more people to focus on and engage with the arts.

Invested **NTD 113,000**

##### Production and Broadcasting of *Island Odyssey Taiwan*



CMC also supported SETTV in producing *Island Odyssey Taiwan*, which showcased Taiwan's magnificent mountain ranges and breathtaking underwater landscapes, bringing the country's unique natural beauty to audiences. The show reached a total viewership of 560,000, with an additional 80,000 views on YouTube. This success reflects CMC's dedication to promoting Taiwan's culture and tourism, contributing positively to the development of Taiwan's tourism industry.

Invested **NTD 2.1367 million**

### 6.3.2 Integrating Art into Life: Promoting Diversity and Uniqueness

#### Taiwan Design Expo



The "2023 Taiwan Design Expo" was grandly held in New Taipei, showcasing the local imagery of "O Together" with the power of over a hundred designers. To highlight public art and focus on the youthful perspective of "Living in New Taipei," 10 CMC commercial vehicles were transformed by local artists, carrying the dreams of business owners on the move. These uniquely transformed commercial vehicles, created by New Taipei's industry innovators, presented a brand-new look for utility vehicles. The 17-day event attracted 6.58 million visitors.

Invested **NTD 832,000**

#### CMC Golden Autumn Creativity Exhibition



CMC collaborated with Taiwanese contemporary artists to host the grand "CMC Golden Autumn Creative Exhibition," featuring a selection of outstanding works by prominent contemporary Taiwanese artists, including Ku Ya-Jen, Yu Lien-Chun, Li Shan-Tan, Chen Yi-Hsin, Hsu Tung-Jung, Tung Sheng-Ho, Liao Mei-Lan, Ma Hsin-Ling, Liu Wei-Tsen, Liu Han-Wen, and Lai Ya-Chi. These remarkable works showcased the diversity and uniqueness of Taiwanese art, attracting nearly 500 visitors who enjoyed the exhibition for free. Through its active engagement in cultural activities, CMC demonstrates its strong support for Taiwan's arts and cultural industries. By offering this cultural feast, CMC not only brought employees closer to the world of art but also hopes to inspire other enterprises to invest in the sustainable development of culture.

Invested **NTD 500,000**

#### Chen Chun-Lang Tribal Memory Art Exhibition



Retired former CMC employee Chen Chun-Lang, with the support of the New Taipei City Cultural Affairs Department, held his Tribal Memory art exhibition at Banqiao's 435 Art Zone. This exhibition featured a collection of images and paintings of rural children that Chen has documented over the years, capturing the beauty and culture of these rural areas through art. CMC proudly supports employees' post-retirement artistic endeavors, with more than 500 visitors attending the exhibition. CMC aims to further promote art and culture while providing a platform for both current and retired employees to showcase their talents and exchange ideas, acknowledging their long-standing contributions to the Company.

Invested **NTD 5,000**

#### 2023 Art Revolution Taipei



To support the development of the arts, CMC sponsored the 13th Art Revolution Taipei, which gathered 339 artists from 52 countries to showcase outstanding works throughout the exhibition. A total of nearly 3,000 world-class artworks were displayed, including paintings, sculptures, and photography, providing a visual feast for visitors. The event attracted art aficionados and spectators from various regions, with a total attendance reaching 20,019 people. CMC's sponsorship not only provided invaluable support for this grand artistic event but also offered the public a rich experience, allowing them to immerse in the emotional and intellectual worlds conveyed through the artworks.

Invested **NTD 100,000**

#### Factory Mural Art



In an effort to promote work-life balance and bring employees closer to art and culture, CMC launched the "Art Residency Program" this year. As part of this initiative, a "Open-Access Art Gallery" was established within the Yangmei Plant. Indigenous artist Miru Hayung and his assistant, Tjaiping, were invited to create art on-site, using vibrant colors and soft lines to portray CMC's vision of delivering happiness and spreading inspiration.

Invested **NTD 377,000**  
(Recognized as part of 2024 cultural Cultural Investments)


Sustainability  
Commitment  
from the  
Chairperson

ESG  
Highlights

About CMC

Vision  
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Corporate  
Sustainability

Innovative  
Technologies  
and Forward-  
Looking  
Value

Excellent  
Governance  
and  
Proactive  
Action

Circular  
Reduction  
and  
Safeguarding  
Environment

Safe  
Workplace  
and  
Outstanding  
Development

Giving Back  
to Society  
in Every Way  
Possible

Appendix

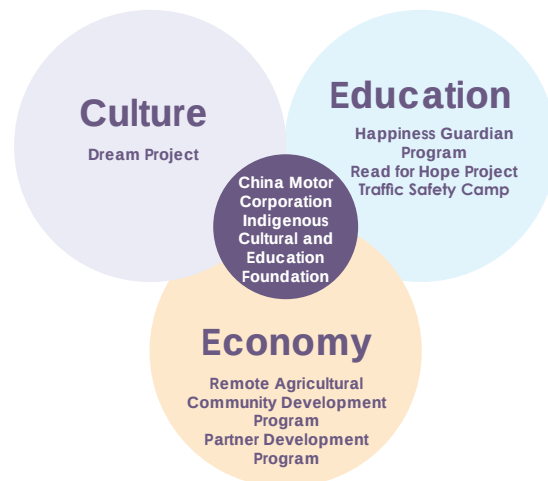


## 6.4 Indigenous Community Development – Illuminating Tribal Resilience

### 6.4.1 "Dream Project" Spreading Warmth and Preserving Indigenous Culture

#### Dream Project: Strengthening Grassroots Baseball

The CMC Indigenous Culture and Education Foundation, now entering its 24th year, is dedicated to addressing issues in indigenous education, culture, and employment. Over the years, the foundation has promoted the "Dream Project" and the "Traffic Safety Camp." By leveraging our corporate power, we continue to provide learning resources for children in rural and underprivileged areas, preserving indigenous culture. Additionally, the "Rural Community Partnership Development Program" is driven by "Agricultural-Enterprise Cooperation," with the goal of channeling corporate resources into societal needs, creating mutual prosperity for rural areas.



For more details on related projects, please visit the CMC Social Engagement Website.

#### Emergency Aid for Indigenous Rural Areas

##### Delivering Aid to Nantou: CMC Veryca Assists Post-Typhoon Rebuilding Efforts in Ren'ai Township

In 2023, Typhoon Khanun brought heavy rainfall and severe damage to Ren'ai Township in Nantou County, causing road disruptions and leaving multiple communities isolated. To assist in post-disaster recovery work, CMC partnered with the Sunlit Cultural and Educational Charity Foundation to donate three CMC Veryca trucks to the AGAPE Care Association of Nantou County. These vehicles were used to transport supplies and aid in the rebuilding efforts for residents of the Pingawan, Pulan, and Truwan tribes.



#### Dream Project Brings Love to Rural Areas

Since launching the "Dream Project" in 2014, CMC volunteers have spread warmth across remote tribes in Taiwan. In addition to donating supplies, five "Rural Elementary Sports Days" have been held over the years, creating cherished memories for children through inter-school sports events. In 2023, the focus shifted to baseball with the launch of the "HOME RUN Little League CMC Cup Baseball Tournament." This event brought together three junior baseball teams under CMC's long-term care, nurturing grassroots baseball through friendly competition.

The first "HOME RUN Little League CMC Cup Baseball Tournament" was held at Hualien Tafalong Elementary School, inviting the Hongye, Fengtian, and Tafalong junior baseball teams to compete against CMC employees and automotive media partners. The event featured YouTube star Teacher Chiang (@teacherchiang) as the opening guest, and a "Mountain Music Concert" was held by Taiwanese vocalist Grace Lin, allowing the children to enjoy professional-grade musical feast alongside their competition.

Moreover, CMC extended its care to Hsinchu Wufeng Elementary School's junior baseball team by donating new uniforms and organizing a volunteer day, where employees played fun interactive games with the children, ensuring they had an enjoyable afternoon. By the end of 2023, the Dream Project had benefited over 15,000 individuals.

Sustainability  
Commitment  
from the  
ChairpersonESG  
Highlights

About CMC

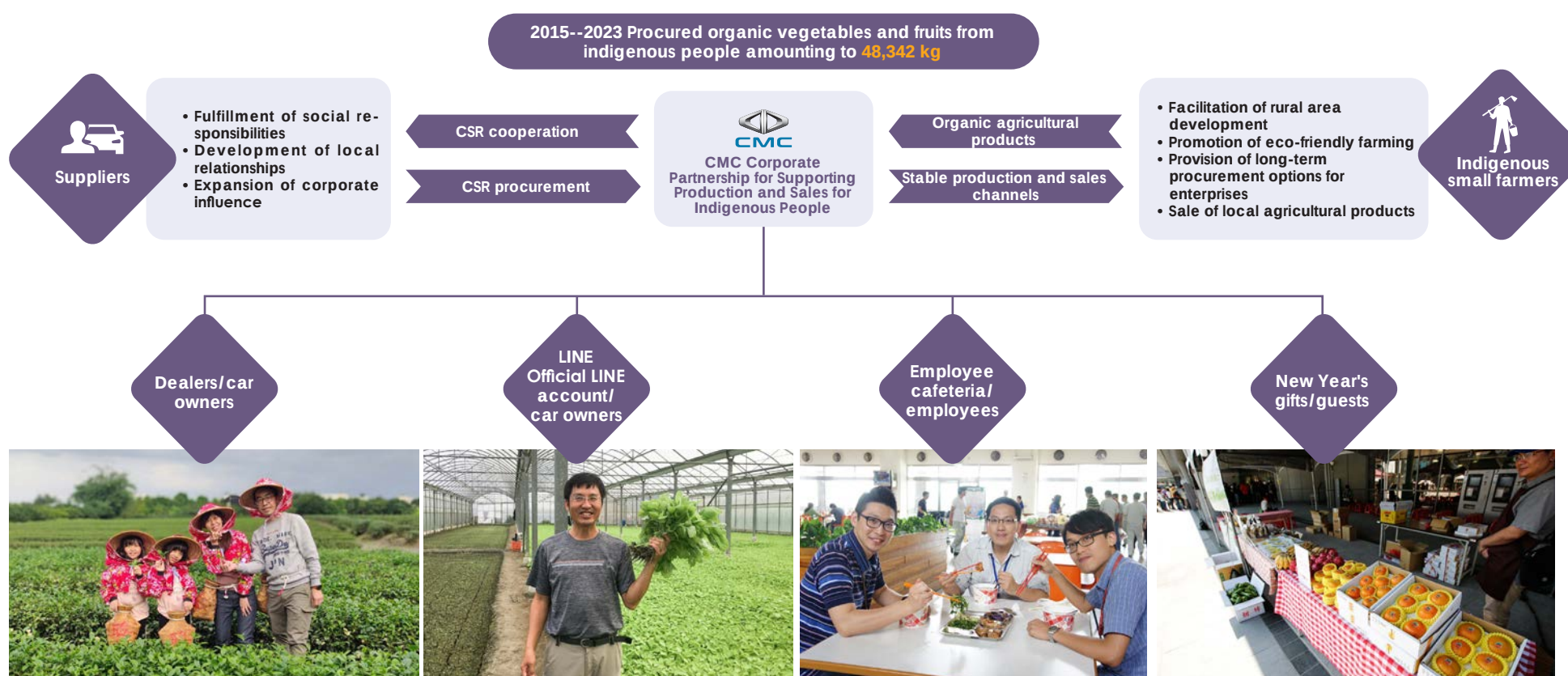
Vision  
Blueprint for  
Corporate  
SustainabilityInnovative  
Technologies  
and Forward-  
Looking  
ValueExcellent  
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Proactive  
ActionCircular  
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DevelopmentGiving Back  
to Society  
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Possible

Appendix

## 6.4.2 Rural Community Partnership Development and Local Revitalization

Through "agricultural-enterprise cooperation," CMC promotes the "Rural Community Partnership Development Program." In addition to organizing three annual employee group buying events, CMC integrates organic vegetables grown by indigenous farmers into employee cafeterias, gradually increasing its procurement of these products. From 2015 to 2023, CMC's total procurement of organic vegetables from indigenous farmers reached around 48,342 kg. Over the years, CMC has connected holiday gifts with children's welfare organizations, purchasing gifts from NGOs to support organizations such as the "Children's Book House," "Sundoor Book House," "The Can: Culture Art Nature," and the Down Syndrome Foundation. Between 2019 and 2023, the total procurement amount reached NTD 820,000.

To further amplify our impact, starting in 2023, CMC has incorporated its commercial vehicle business to promote organic and sustainable farming practices. Through the official Mitsubishi LINE account, CMC helps market and sell crops grown by smallholder eco-friendly farmers, harnessing consumer power to create an interconnected influence across the upstream, midstream, and downstream sectors.





## 6.5 Knowledge and Education – Anchor Talent Development

### 6.5.1 Traffic Safety Camp

To keep children safe from traffic dangers, CMC launched the "Traffic Safety Camp" in 2017, touring indigenous elementary schools across Taiwan. The program aims to educate children on traffic signals, vehicle structures, and traffic accident response strategies. By instilling essential traffic safety knowledge in children, CMC hopes to reduce the likelihood of future traffic accidents.

By the end of 2023, we had organized the Traffic Safety Camp in 23 elementary schools on offshore islands (Penghu and Kinmen) and remote townships to benefit over 1,000 indigenous students. In 2019, CMC initiated the "Traffic Safety Camp - Taoyuan Fuxing District Indigenous Elementary Schools Project" to enhance its impact in Taoyuan and support the local community. Initially targeting indigenous elementary schools in the Fuxing District, the project aimed to safeguard the safety of each child through educational sessions. By 2023, it had expanded to include Luofu, Sanguang, and Guanghua Elementary Schools, thereby bolstering the area's traffic safety infrastructure. The initiative also extended to smaller schools within the "Education Priority Area," such as Bengang and Fuxing Elementary Schools, benefiting a total of 185 students. Notably, Luofu Elementary School tailored one-on-one instruction for special needs students, leveraging corporate resources to foster equitable traffic safety education.



For more details on the Traffic Safety Camp, please visit the CMC Social Engagement Website.

#### Schools Benefiting from Traffic Safety Camp

| 2019                                                                           | 2020                                                                            | 2021                                                                              | 2022                                                                                                                                                             | 2023                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Xiayun Elementary School: 47 students<br>Sanmin Elementary School: 71 students | Jieshou Elementary School: 100 students<br>Baiji Elementary School: 91 students | Changxing Elementary School: 64 students<br>Kuihui Elementary School: 56 students | Xinle Elementary School: 103 students<br>Yisheng Elementary School: 55 students<br>Baiji Elementary School: 107 students<br>Gaoyi Elementary School: 33 students | Sanguang Elementary School: 28 students<br>Fuxing Elementary School: 50 students<br>Bengang Elementary School: 37 students<br>Luofu Elementary School: 57 students<br>Guanghua Elementary School: 13 students |

Total: 912 students





### 6.5.2 Read for Hope Project

Since 2004, CMC has partnered with the Commonwealth Education Foundation to promote the "Read for Hope Project." Through five mobile libraries, children are brought closer to books, and over the years, CMC has sponsored 200 remote schools. The goal is to build a bridge to the world through reading for these children. By the end of 2023, the five bookmobiles had covered over 248,268 kilometers, equivalent to circling Taiwan 231 times, continuously supporting children's reading dreams.



Cumulatively adopted over **200 schools in remote or rural regions**



The total touring mileage of the Read for Hope mobile library has reached over **248,268 km**, equivalent to travelling around Taiwan **231 times**

In addition to touring remote townships, the "Read for Hope Project" also organizes the "Little Writer Picture Book Contest" every year to encourage schoolchildren in remote townships to engage in writing picture books. In 2023, the Commonwealth Education Foundation published the first children's picture book, *The Biggest Strawberry Cake* by Yi-Fei Chin, a Bunun girl from Ren'ai Township in Nantou. The story uses the metaphor of a sweet dessert to express familial love and gratitude. CMC will also organize a group purchase of the picture book and host reading events in schools, starting with Fulong Elementary School and Fuxing Elementary School, to promote the new publication.



### 6.5.3 Entering Campuses to Further Promote Automotive Education

For many years, CMC has focused on industry-academia cooperation to cultivate automotive professionals. In 2023, CMC continued its Anchor Program, aligning with recruitment needs by hosting the "2nd CMC Design Camp." This event invited students from automotive design-related departments across Taiwan to participate in courses on automotive exterior design and clay modeling, attracting young design talent to CMC. Additionally, the "Vehicle Maintenance Service Tour" continues to provide corporate internships, encouraging students to connect with the industry. The curriculum includes automotive testing, vehicle donations for hands-on practice, internship opportunities at service centers, and the Vehicle Maintenance Service Tour, aimed at enhancing the practical skills of vocational students.



### Anchor Program

In 2023, the program expanded to Taipei City University of Science and Technology, National Chiayi Industrial Vocational High School, National Minshyong Vocational High School of Agriculture & Industry, National Pai-Ho Senior Commercial and Industrial Vocational School, and National Pingtung University of Science and Technology, benefiting 300 students. The Company not only engages volunteer instructors to deliver lessons, but also donates latest trial vehicles for training. As of 2023, 93 trial vehicles have been donated to vocational high schools across Taiwan, bringing benefits to about 3,000 students majoring in automobiles.



#### Course description



Electric two-wheeler



Four-wheelers

- Helping students understand the future trends in the EV market
- Courses combine theoretical knowledge (theory) with technical operations (practice)
- Enhancing students' skills in electric scooter repair

- Introduction to automotive high/low temperature testing
- Introduction to TPMS and ESC testing
- Overview of reliability testing
- Real vehicle durability and drive testing
- Vibration and noise testing
- Introduction to electric control technologies for braking and handling



For more details on the Traffic Safety Camp, please visit the CMC Social Engagement Website.



Vehicle Testing Course



Donation of trial vehicles



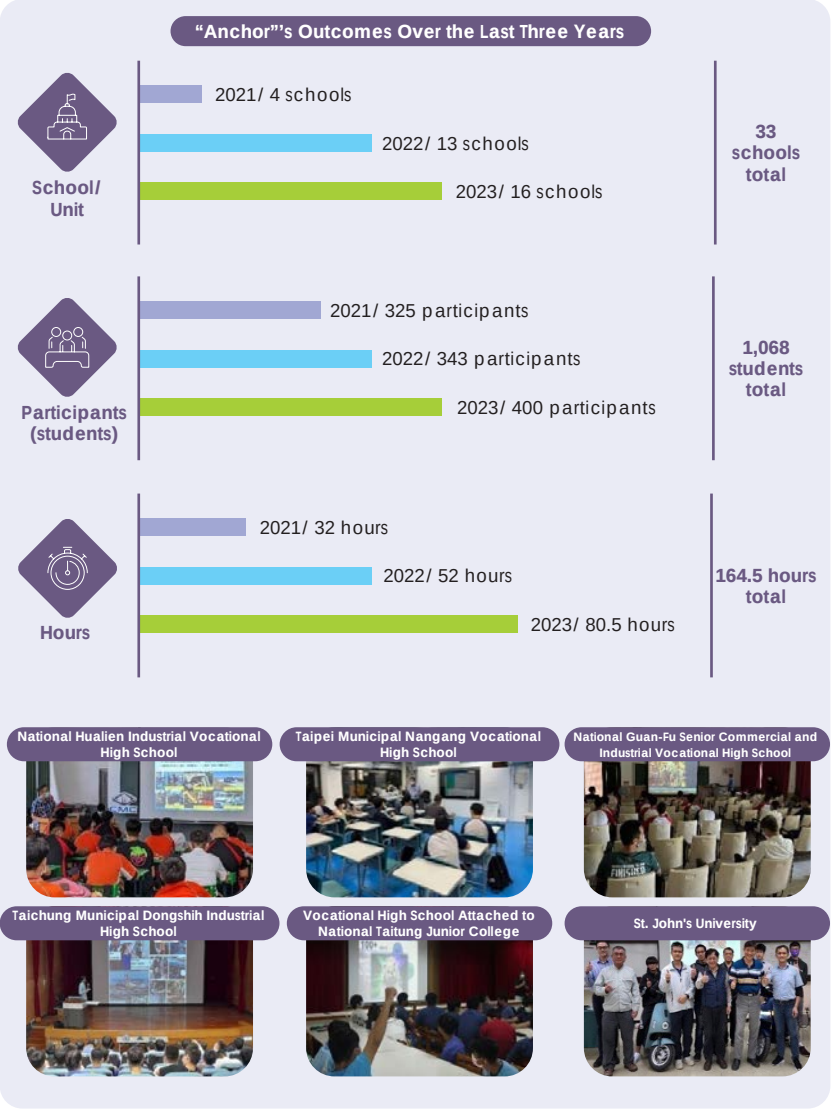
Vehicle Maintenance Internship



Vehicle Maintenance Service Tour



We hope to offer vehicle-related educational courses in vocational high schools with the help of industry-academia collaboration as well as education and information dissemination, so as to provide students a better understanding of our new vehicle technologies and new car development processes, arouse their interest in the automotive industry, and reinforce their brand identification with CMC.



**Appendix I: Participation in Public Associations/Professional Organizations**

|    | Organization Name                                                                                     | Membership         |
|----|-------------------------------------------------------------------------------------------------------|--------------------|
| 1  | China Motor Corporation Indigenous Cultural and Educational Foundation                                | Director           |
| 2  | Yen Tjing Ling Industrial Development Foundation                                                      | Director           |
| 3  | Yen Tjing Ling Medical Foundation                                                                     | Director           |
| 4  | Taiwan Transportation Vehicle Manufacturers Association                                               | Executive Director |
| 5  | Car Safety Association                                                                                | Executive Director |
| 6  | Chinese National Association of Industry and Commerce, Taiwan                                         | Member             |
| 7  | The Third Wednesday Club                                                                              | Member             |
| 8  | SAE Taipei Section                                                                                    | President          |
| 9  | SAE International                                                                                     | Director           |
| 10 | Chinese Society of Sound and Vibration                                                                | Member             |
| 11 | Taiwan Motor Industry Association                                                                     | Member             |
| 12 | Taipei Automobile Distributors Association                                                            | Director           |
| 13 | Task Force for the Promotion and Development of Common Electric Scooter Battery Swapping Technologies | Member             |
| 14 | Organization for the Promotion and Development of Common Electric Scooter Charging Technologies       | Member             |
| 15 | Taiwan V-team                                                                                         | Member             |
| 16 | Automotive Research Testing Center (ARTC)                                                             | Director           |

**Appendix II: Climate-Related Information of TWSE/TPEX Listed Companies****Climate Change Risks, Opportunities to the Company and Corresponding Response Measures**

| Item                                                                                                                                                                                                                                                         | Implementation Status and Reporting Sections                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Page No.                                                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| 1. Describe the Board and Management's oversight and governance regarding climate-related risks and opportunities                                                                                                                                            | Please refer to: 4.1.1 Policy Commitment and Management Highlights                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 78-79                                                                                                          |
| 2. Describe how identified climate risks and opportunities impact the Company's business, strategy, and financials (short, medium, long term)                                                                                                                | Please refer to: 4.1.2 Climate and Nature Governance Framework                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 80-81                                                                                                          |
| 3. Describe the financial impact of extreme climate events and transition actions                                                                                                                                                                            | Please refer to: 4.1.3 Identification of Climate Change Risks and Opportunities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 82-83; 86-88                                                                                                   |
| 4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system                                                                                                                     | Please refer to: 4.1.2 Climate and Nature Governance Framework                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 80-81                                                                                                          |
| 5. If scenario analysis is used to assess resilience against climate change risks, describe the scenarios, parameters, assumptions, analytical factors, and key financial impacts used                                                                       | Please refer to: 4.1.4 Nature and Biodiversity Assessment and Climate Change Risk Scenario Analysis                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 86-88                                                                                                          |
| 6. Describe any transition plans for managing climate-related risks, including the metrics and targets used to identify and manage physical and transition risks                                                                                             | Please refer to: 4.1.5 CMC Nature and Climate Action Guidelines                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 91                                                                                                             |
| 7. If internal carbon pricing is used as a planning tool, describe the pricing basis and application                                                                                                                                                         | <ul style="list-style-type: none"> <li>In future CMC investments, machinery or equipment decisions will consider the implicit cost of government-imposed carbon fees, incorporating carbon reduction benefits into decision-making.</li> <li>NTD 1,039/tCO<sub>2</sub>e</li> <li>Purpose: Investments in carbon reduction technology, renewable energy evaluations, equipment upgrades and replacements, and product lifecycle management.</li> <li>Carbon Reduction Measures:               <ul style="list-style-type: none"> <li>Scope 1: Invest in carbon reduction equipment and low-carbon technology improvements</li> <li>Scope 2: Evaluate the benefits of solar power generation and green energy procurement</li> <li>Scope 3: Low-carbon product design and development, supply chain audits, and carbon reduction targets</li> </ul> </li> </ul> | 17                                                                                                             |
| 8. If climate-related targets are set, describe the covered activities, GHG emission scopes, planning timeline, and annual progress. If carbon offsets or Renewable Energy Certificates (RECs) are used, describe the source and quantity of offsets or RECs | Please refer to: Operational Focus and Strategy, and 4.1.5 CMC Nature and Climate Action Guidelines                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 15-17; 91                                                                                                      |
| 9. GHG Inventory and Assurance Status                                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>Company Profile: Capital amount of NTD 5 billion to less than NTD 10 billion</li> <li>According to the Sustainable Development Action Plans for TWSE- and TPEX-Listed Companies, disclosure of the following is required for this year: Not yet mandated</li> <li>CMC Status: GHG inventory conducted on parent company only, third party assurance obtained</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                | As indicated in the table "Greenhouse Gas Inventory and Assurance Status for the Most Recent Two Years" below. |

Sustainability Commitment from the Chairperson

ESG Highlights

About CMC

Vision Blueprint for Corporate Sustainability

Innovative Technologies and Forward-Looking Value

Excellent Governance and Proactive Action

Circular Reduction and Safeguarding Environment

Safe Workplace and Outstanding Development

Giving Back to Society in Every Way Possible

Appendix

| Greenhouse Gas Inventory and Assurance Status for the Most Recent Two Years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                    |                                            |                                                                                    |                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------|
| Greenhouse Gas Inventory Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 2022 (Inventory scope: Domestic and international sites 1)                         |                                            | 2023 (Inventory scope: Domestic and international sites 1)                         |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Total Emissions (tCO <sub>2</sub> e)                                               | Intensity (tCO <sub>2</sub> e/NTD million) | Total Emissions (tCO <sub>2</sub> e)                                               | Intensity (tCO <sub>2</sub> e/NTD million) |
| Scope 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 7,716                                                                              | 0.2610                                     | 8,553                                                                              | 0.2221                                     |
| Scope 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 12,995                                                                             | 0.4397                                     | 12,191                                                                             | 0.3166                                     |
| Scope 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 2,861,778                                                                          | 96.8322                                    | 2,553,457                                                                          | 66.3122                                    |
| GHG Assurance Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 2022                                                                               |                                            | 2023                                                                               |                                            |
| Assurance Scope                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Yangmei Plant, Hsinchu Plant, Taipei Office 11F, Youshi Plant, Jinglun Building 8F |                                            | Yangmei Plant, Hsinchu Plant, Taipei Office 11F, Youshi Plant, Jinglun Building 8F |                                            |
| Assurance Provider                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | AFNOR Asia Ltd.                                                                    |                                            | AFNOR Asia Ltd.                                                                    |                                            |
| Assurance Standards                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | ISO 14064-1: 2018                                                                  |                                            | ISO 14064-1: 2018                                                                  |                                            |
| Assurance Opinion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | None                                                                               |                                            | None                                                                               |                                            |
| Greenhouse Gas Emission Reduction Targets, Strategies, and Specific Action Plans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                    |                                            |                                                                                    |                                            |
| <p>1. On February 20, 2023, CMC announced the "2050 Net-Zero Pledge," committing to achieve net-zero emissions by 2050. The emission reduction targets cover Scope 1 and Scope 2, aiming for a 30% reduction by 2030 and net-zero emissions by 2050, using 2018 as the baseline year. Related carbon reduction measures include implementing the ISO 50001 Energy Management System for energy-saving evaluations and certifications, along with third-party verification of carbon emissions according to ISO 14064 standards. These measures have resulted in a cumulative carbon reduction of 10.23% since 2018 through continuous energy-saving improvements and the use of renewable energy (self-generated solar power).</p> <p>2. On November 3, 2023, CMC signed a commitment to follow the international SBTi (Science-Based Targets Initiative), setting science-based reduction targets using a baseline year with verified external data. The Company will follow the SBTi methodology to establish near-term reduction plans, systematically analyzing data to set concrete emission reduction targets and pathways for Scope 1, Scope 2, and Scope 3 emissions. The Company plans to submit these targets for SBTi review within two years, demonstrating its commitment to achieving net-zero emissions by 2050 and contributing to limiting global temperature rise to 1.5°C.</p> |                                                                                    |                                            |                                                                                    |                                            |



## Appendix III: GRI Content Index

## GRI Statement

|                                 |                                                                                                                                                          |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| GRI Standards Usage Declaration | CMC published its 2023 Sustainability Report following the GRI Standards. The data and information cover the period from January 1 to December 31, 2023. |
| GRI 1 Version                   | GRI 1: Foundation 2021                                                                                                                                   |
| Applicable GRI Sector Standards | None                                                                                                                                                     |

## GRI 2

## GRI 2: General Disclosures 2021

| Metrics                                             | Disclosure Requirements                                                     | Report Section or Explanation                                                                 | Reason for Omission | Page No.     |
|-----------------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|---------------------|--------------|
| <b>The organization and its reporting practices</b> |                                                                             |                                                                                               |                     |              |
| GRI 2-1                                             | Organizational details                                                      | Basic Information of CMC                                                                      |                     | 13           |
| GRI 2-2                                             | Entities included in the organization's sustainability reporting            | Basic Information of CMC                                                                      |                     | 13           |
| GRI 2-3                                             | Reporting period, frequency and contact point                               | About the Report                                                                              |                     | 4            |
| GRI 2-4                                             | Restatements of information                                                 | No information restatements in 2023                                                           |                     | 2            |
| GRI 2-5                                             | External assurance                                                          | Appendix: Assurance Statement                                                                 |                     | 159-161      |
| <b>Activities and workers</b>                       |                                                                             |                                                                                               |                     |              |
| GRI 2-6                                             | Activities, value chain and other business relationships                    | 1.2.5 Material Topics and the Automotive Value Chain<br>2.3.1 Product Sustainable Value Chain |                     | 29-30; 46-47 |
| GRI 2-7                                             | Employees                                                                   | 5.1.1 Employee Composition                                                                    |                     | 111-112      |
| GRI 2-8                                             | Workers who are not employees                                               | 5.1.1 Employee Composition                                                                    |                     | 111-112      |
| <b>Governance</b>                                   |                                                                             |                                                                                               |                     |              |
| GRI 2-9                                             | Governance structure and composition                                        | 3.1.2 Sustainable Governance Structure and Functional Committee                               |                     | 63           |
| GRI 2-10                                            | Nominating and selection the highest governance body                        | 3.1.1 Organization and Operation of the Board of Directors                                    |                     | 62-63        |
| GRI 2-11                                            | Chair of the highest governance body                                        | 3.1.1 Organization and Operation of the Board of Directors                                    |                     | 62-63        |
| GRI 2-12                                            | Role of the highest governance body in overseeing the management of impacts | 3.1.3 ESG Committee                                                                           |                     | 64           |
| GRI 2-13                                            | Delegation of responsibility for managing impacts                           | 3.1.3 ESG Committee                                                                           |                     | 64           |

|          |                                                            |                                                                                                                               |  |       |
|----------|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|--|-------|
| GRI 2-14 | Highest governance body's role in sustainability reporting | 3.1.3 ESG Committee                                                                                                           |  | 64    |
| GRI 2-15 | Conflicts of interest                                      | 3.2.3 Tax Governance and Transparent Information Disclosure                                                                   |  | 67    |
| GRI 2-16 | Communication of critical concerns                         | 3.3.2 Critical Incident Risk Management                                                                                       |  | 69    |
| GRI 2-17 | Collective knowledge of highest governance body            | 2.1.2 Digital Transformation Blueprint                                                                                        |  | 39-40 |
| GRI 2-18 | Evaluating the highest governance body's performance       | 3.1.1 Organization and Operation of the Board of Directors                                                                    |  | 62-63 |
| GRI 2-19 | Remuneration policies                                      | 5.2.2 Competitive Remuneration and Talent Retention Action Plan                                                               |  | 119   |
| GRI 2-20 | Process for determining remuneration                       | 5.2.2 Competitive Remuneration and Talent Retention Action Plan                                                               |  | 119   |
| GRI 2-21 | Annual total compensation ratio                            | 5.2.2 Competitive Remuneration and Talent Retention Action Plan<br>For details, please refer to CMC 2023 Annual Report, p. 28 |  | 119   |

## Strategy, policies and practices

|          |                                                    |                                                                           |  |         |
|----------|----------------------------------------------------|---------------------------------------------------------------------------|--|---------|
| GRI 2-22 | Statement on sustainable development strategy      | Sustainability Commitment from the Chairperson                            |  | 2-3     |
| GRI 2-23 | Policy commitments                                 | 1.1.2 Sustainability Strategy Blueprint                                   |  | 20      |
| GRI 2-24 | Embedding policy commitments                       | 1.2.6 Management Approach and Forward-Looking Goals                       |  | 31-35   |
| GRI 2-25 | Processes to remediate negative impacts            | 3.3.1 Risk Management Committee                                           |  | 68-69   |
| GRI 2-26 | Mechanisms for seeking advice and raising concerns | 5.1.2 Employee Engagement and Job Satisfaction                            |  | 113-114 |
| GRI 2-27 | Compliance with laws and regulations               | 3.2.4 Legal Compliance                                                    |  | 68      |
| GRI 2-28 | Membership associations                            | Appendix: Participation in Public Associations/Professional Organizations |  | 151     |

## Stakeholder engagement

|          |                                    |                                                  |  |       |
|----------|------------------------------------|--------------------------------------------------|--|-------|
| GRI 2-29 | Approach to stakeholder engagement | 1.2.3 Engagement with Stakeholders               |  | 24-26 |
| GRI 2-30 | Collective bargaining agreements   | 5.2.1 Recruitment of Diverse Professional Talent |  | 118   |

## GRI 3

## GRI 3: Material Topics 2021

| Metrics      | Disclosure Requirements              | Report Section or Explanation                                                                                    | Reason for Omission | Page No. |
|--------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------|---------------------|----------|
| <b>GRI 3</b> |                                      |                                                                                                                  |                     |          |
| GRI 3-1      | Process to determine material topics | 1.2.1 Materiality Analysis Process<br>1.2.2 Identification of Stakeholders<br>1.2.3 Engagement with Stakeholders |                     | 23-26    |

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| GRI 3-2                               | List of material topics                                                              | 1.2.4 Material Topic Identification and Matrix Analysis<br>1.2.5 Material Topics and the Automotive Value Chain                                      |                     |                                        | 27-30                                |
|---------------------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|----------------------------------------|--------------------------------------|
| GRI 3-3                               | Management of material topics                                                        | 1.2.6 Management Approach and Forward-Looking Goals                                                                                                  |                     |                                        | 31-35                                |
| Specific GRI Topics                   |                                                                                      |                                                                                                                                                      |                     |                                        |                                      |
| Specific GRI Topics                   |                                                                                      |                                                                                                                                                      |                     |                                        |                                      |
| Metrics                               | Disclosure Requirements                                                              | Report Section or Explanation                                                                                                                        | Reason for Omission | Corresponding Material topic           | Page No.                             |
| Economy                               |                                                                                      |                                                                                                                                                      |                     |                                        |                                      |
| GRI 201<br>Economic Performance 2016  | 201-1 Direct economic value generated and distributed                                | 3.4.1 Building a Solid Financial Foundation                                                                                                          |                     | Economic performance and profitability | 71                                   |
|                                       | 201-2 Financial implications and other risks and opportunities due to climate change | 4.1.3 Identification of Climate Change Risks and Opportunities<br>4.1.4 Nature and Biodiversity Assessment and Climate Change Risk Scenario Analysis |                     | Climate change                         | 82-90                                |
|                                       | 201-3 Defined benefit plan obligations and other retirement plans                    | 5.2.3 Various Benefits and Care Measures                                                                                                             |                     |                                        | 120-123                              |
|                                       | 201-4 Financial assistance received from government                                  | 3.4.1 Building a Solid Financial Foundation                                                                                                          |                     |                                        | 71                                   |
| GRI 204<br>Procurement Practices 2016 | 204-1 Proportion of spending on local suppliers                                      | 2.4.1 Sustainable Supply Chain                                                                                                                       |                     |                                        | 49-50                                |
| GRI 205<br>Anti-corruption 2016       | 205-1 Operations assessed for risks related to corruption                            | 3.2.1 Ethical Management and Compliance Management Committee<br>3.2.2 Ethical Management Policy and Implementation                                   |                     | Whistleblower system                   | 65                                   |
|                                       | 205-2 Communication and training about anti-corruption policies and procedures       | 3.2.4 Legal Compliance                                                                                                                               |                     |                                        | 68                                   |
|                                       | 205-3 Confirmed incidents of corruption and actions taken                            | 3.2.4 Legal Compliance                                                                                                                               |                     |                                        | 2023 No such incidents have occurred |
| GRI 207<br>Tax 2019                   | 207-1 Approach to tax                                                                | 3.3.1 Risk Management Committee<br>3.4.1 Building a Solid Financial Foundation                                                                       |                     |                                        | 68; 71                               |
|                                       | 207-2 Tax governance, control, and risk management                                   | 3.2.3 Tax Governance and Transparent Information Disclosure                                                                                          |                     |                                        | 67                                   |

|                                |                                                                                       |                                                        |  |  |         |
|--------------------------------|---------------------------------------------------------------------------------------|--------------------------------------------------------|--|--|---------|
| Environment                    |                                                                                       |                                                        |  |  |         |
| GRI 302<br>Energy 2016         | 302-1 Energy consumption within the organization                                      | 4.2.1 Energy Use and Conservation Management           |  |  | 92-93   |
|                                | 302-2 Energy consumption outside of the organization                                  | 4.2.1 Energy Use and Conservation Management           |  |  | 92-93   |
|                                | 302-3 Energy intensity                                                                | 4.2.1 Energy Use and Conservation Management           |  |  | 92-93   |
|                                | 302-4 Reduction of energy consumption                                                 | 4.2.1 Energy Use and Conservation Management           |  |  | 92-93   |
| GRI 303<br>Water and Effluents | 303-1 Interactions with water as a shared resource                                    | 4.3.2 Water Resource Management and Pollution Control  |  |  | 99-100  |
|                                | 303-2 Management of water discharge-related impacts                                   | 4.3.2 Water Resource Management and Pollution Control  |  |  | 99-100  |
|                                | 303-3 Water withdrawal                                                                | 4.3.2 Water Resource Management and Pollution Control  |  |  | 99-100  |
| GRI 305<br>Emissions           | 305-1 Direct (Scope 1) GHG emissions                                                  | 4.2.2 Management of GHG emissions                      |  |  | 94      |
|                                | 305-2 Energy indirect (Scope 2) GHG emissions                                         | 4.2.2 Management of GHG emissions                      |  |  | 94      |
|                                | 305-3 Other indirect (Scope 3) GHG emissions                                          | 4.2.2 Management of GHG emissions                      |  |  | 94      |
|                                | 305-4 GHG emissions intensity                                                         | 4.2.2 Management of GHG emissions                      |  |  | 94      |
|                                | 305-5 Reduction of GHG emissions                                                      | 4.2.2 Management of GHG emissions                      |  |  | 94      |
|                                | 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | 4.3.1 Air Pollution Management and Mitigation Projects |  |  | 97-98   |
| GRI 306<br>Waste               | 306-1 Waste generation and significant waste-related impacts                          | 4.3.3 Waste Management and Circular Economy            |  |  | 101-103 |
|                                | 306-2 Management of significant waste-related impacts                                 | 4.3.3 Waste Management and Circular Economy            |  |  | 101-103 |
|                                | 306-3 Waste generated                                                                 | 4.3.3 Waste Management and Circular Economy            |  |  | 101-103 |

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|                                                          |                                                                                                                      |                                                                                                                                                         |  |                                                                           |                                         |
|----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------|-----------------------------------------|
| GRI 308 Supplier Environmental Assessment                | 308-2 Negative environmental impacts in the supply chain and actions taken                                           | 2.4.1 Sustainable Supply Chain                                                                                                                          |  |                                                                           | 49-50                                   |
| Society                                                  |                                                                                                                      |                                                                                                                                                         |  |                                                                           |                                         |
| GRI 401 Employment                                       | 401-1 New employee hires and employee turnover                                                                       | 5.1.1 Employee Composition                                                                                                                              |  | Recruitment and retention                                                 | 111                                     |
|                                                          | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees             | 5.2.3 Various Benefits and Care Measures                                                                                                                |  |                                                                           | 120-123                                 |
|                                                          | 401-3 Parental leave                                                                                                 | 5.2.3 Various Benefits and Care Measures                                                                                                                |  |                                                                           | 120-123                                 |
| GRI 403 Occupational safety and health                   | 403-1 Occupational health and safety management system                                                               | 5.4.1 Occupational Safety and Health Management                                                                                                         |  | Safe workplace                                                            | 129-130                                 |
|                                                          | 403-2 Hazard identification, risk assessment, and incident investigation                                             | 5.4.1 Occupational Safety and Health Management<br>5.4.2 Statistics on Occupational Disasters                                                           |  |                                                                           | 129-130<br>131                          |
|                                                          | 403-3 Occupational health services                                                                                   | 5.4.1 Occupational Safety and Health Management                                                                                                         |  |                                                                           | 129-130                                 |
|                                                          | 403-4 Worker participation, consultation, and communication on occupational health and safety                        | 5.4.1 Occupational Safety and Health Management                                                                                                         |  |                                                                           | 129-130                                 |
|                                                          | 403-5 Worker training on occupational health and safety                                                              | 5.4.1 Occupational Safety and Health Management<br>5.4.3 Workplace Safety Culture and Work Environment Improvements                                     |  |                                                                           | 129-130<br>131                          |
|                                                          | 403-6 Promotion of worker health                                                                                     | 5.1.3 Aging Workplace and Career<br>5.4.1 Occupational Safety and Health Management<br>5.4.3 Workplace Safety Culture and Work Environment Improvements |  |                                                                           | 114<br>129-130<br>131                   |
|                                                          |                                                                                                                      |                                                                                                                                                         |  |                                                                           |                                         |
|                                                          |                                                                                                                      |                                                                                                                                                         |  |                                                                           |                                         |
| GRI 403 Occupational safety and health                   | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships  | 5.1.3 Aging Workplace and Career<br>5.4.1 Occupational Safety and Health Management<br>5.4.3 Workplace Safety Culture and Work Environment Improvements |  | Safe workplace                                                            | 114<br>129-130<br>131                   |
|                                                          | 403-8 Workers covered by an occupational health and safety management system                                         | 5.4.1 Occupational Safety and Health Management                                                                                                         |  |                                                                           | 129-130                                 |
|                                                          | 403-9 Work-related injuries                                                                                          | 5.4.2 Statistics on Occupational Disasters                                                                                                              |  |                                                                           | 131                                     |
|                                                          | 403-10 Work-related ill health                                                                                       | 5.4.2 Statistics on Occupational Disasters                                                                                                              |  |                                                                           | 131                                     |
| GRI 404 Training and Education                           | 404-1 Average hours of training per year per employee                                                                | 5.3.1 Talent Development                                                                                                                                |  |                                                                           | 124-126                                 |
|                                                          | 404-2 Programs for upgrading employee skills and transition assistance programs                                      | 5.1.3 Aging Workplace and Career<br>5.3.1 Talent Development                                                                                            |  |                                                                           | 114-117<br>124-126                      |
|                                                          | 404-3 Percentage of employees receiving regular performance and career development reviews                           | 5.3.2 Performance Development                                                                                                                           |  |                                                                           | 127                                     |
| GRI 405 Diversity and Equal Opportunity                  | 405-1 Diversity of governance bodies and employees                                                                   | 3.1.1 Organization and Operation of the Board of Directors<br>5.2.1 Recruitment of Diverse Professional Talent                                          |  |                                                                           | 62-63<br>118                            |
|                                                          | 405-2 Ratio of basic salary and remuneration of women to men                                                         | 5.2.2 Competitive Remuneration and Talent Retention Action Plan                                                                                         |  |                                                                           | 119                                     |
| GRI 407 Freedom of Association and Collective Bargaining | 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | 5.2.1 Recruitment of Diverse Professional Talent                                                                                                        |  |                                                                           | 50; 118                                 |
| GRI 416 Customer Health Safety                           | 416-1 Assessment of the health and safety impacts of product and service categories                                  | 2.2.1 Forward-Looking Technology and Process Innovation                                                                                                 |  | Customer relationship management<br>Product safety and quality management | 41-42                                   |
|                                                          | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services                  | 2.2.1 Advanced Technology and Process Innovation                                                                                                        |  |                                                                           | No such incidents have occurred in 2023 |
| GRI 418 Customer Privacy                                 | 418-1 Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data         | 2.6.3 Customer Complaint Management and Enhanced Services                                                                                               |  | Customer privacy Information security                                     | No such incidents have occurred in 2023 |

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| Material Topics - Non-specific GRI Standards  |                                      |                                                                                                                  |                     |          |
|-----------------------------------------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------|---------------------|----------|
| Material Topics - Non-specific GRI Standards  |                                      |                                                                                                                  |                     |          |
| Metrics                                       | Disclosure Requirements              | Report Section or Explanation                                                                                    | Reason for Omission | Page No. |
| <b>Product and service innovation</b>         |                                      |                                                                                                                  |                     |          |
| GRI 3-1                                       | Process to determine material topics | 1.2.1 Materiality Analysis Process<br>1.2.2 Identification of Stakeholders<br>1.2.3 Engagement with Stakeholders |                     | 23-26    |
| GRI 3-2                                       | List of material topics              | 1.2.4 Material Topic Identification and Matrix Analysis<br>1.2.5 Material Topics and the Automotive Value Chain  |                     | 27-30    |
| GRI 3-3                                       | Management of material topics        | 1.2.6 Management Approach and Forward-Looking Goals                                                              |                     | 31-35    |
| No corresponding topic-specific GRI Standards |                                      | 2.1.1 Innovation Management<br>2.1.2 Digital Transformation Blueprint                                            |                     | 38-40    |
| <b>Business continuity management</b>         |                                      |                                                                                                                  |                     |          |
| GRI 3-1                                       | Process to determine material topics | 1.2.1 Materiality Analysis Process<br>1.2.2 Identification of Stakeholders<br>1.2.3 Engagement with Stakeholders |                     | 23-26    |
| GRI 3-2                                       | List of material topics              | 1.2.4 Material Topic Identification and Matrix Analysis<br>1.2.5 Material Topics and the Automotive Value Chain  |                     | 27-30    |
| GRI 3-3                                       | Management of material topics        | 1.2.6 Management Approach and Forward-Looking Goals                                                              |                     | 31-35    |
| No corresponding topic-specific GRI Standards |                                      | 3.3.3 Business Continuity Management (BCP)                                                                       |                     | 70       |

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| Appendix IV: SASB Content Index                                                                        |                                                       |                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                        |  |  |  |       |              |                    |                     |             |                                                       |      |                    |
|--------------------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|--|--|--|-------|--------------|--------------------|---------------------|-------------|-------------------------------------------------------|------|--------------------|
| Disclosure Topic                                                                                       | Metric Code                                           | Disclosure Metric                                                                                                                  | Description                                                                                                                                                                                                                                                                                                                                                                               | Page No.                                                                                               |  |  |  |       |              |                    |                     |             |                                                       |      |                    |
| Product Safety                                                                                         | TR-AU-250a.1                                          | Percentage of vehicle models rated as overall 5-star safety rating by the New Car Assessment Program (NCAP), categorized by region | As of the end of 2023, Taiwan's New Car Assessment Program (TNCAP) has not yet evaluated vehicle models produced and sold by CMC. Therefore, this disclosure is not applicable. Future evaluations will be disclosed with relevant data once available.                                                                                                                                   | Refer to the column on the left                                                                        |  |  |  |       |              |                    |                     |             |                                                       |      |                    |
|                                                                                                        | TR-AU-250a.2                                          | Number of defect-related product safety complaints and investigation ratio                                                         | In 2023, there were a total of 316 customer complaints related to vehicle quality, with a 100% investigation completion rate.                                                                                                                                                                                                                                                             | 59                                                                                                     |  |  |  |       |              |                    |                     |             |                                                       |      |                    |
|                                                                                                        | TR-AU-250a.3                                          | Number of vehicles recalled                                                                                                        | <table><tr><td colspan="4">One recall was announced in 2023. As of the end of the year, the total average completion rate was 91%</td></tr><tr><td>Model</td><td>Recall Cause</td><td>Number of Vehicles</td><td>Subsequent Handling</td></tr><tr><td>FUSO CANTER</td><td>Recall issued due to instrument panel software defect</td><td>1715</td><td>Recall in progress</td></tr></table> | One recall was announced in 2023. As of the end of the year, the total average completion rate was 91% |  |  |  | Model | Recall Cause | Number of Vehicles | Subsequent Handling | FUSO CANTER | Recall issued due to instrument panel software defect | 1715 | Recall in progress |
| One recall was announced in 2023. As of the end of the year, the total average completion rate was 91% |                                                       |                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                        |  |  |  |       |              |                    |                     |             |                                                       |      |                    |
| Model                                                                                                  | Recall Cause                                          | Number of Vehicles                                                                                                                 | Subsequent Handling                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                        |  |  |  |       |              |                    |                     |             |                                                       |      |                    |
| FUSO CANTER                                                                                            | Recall issued due to instrument panel software defect | 1715                                                                                                                               | Recall in progress                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                        |  |  |  |       |              |                    |                     |             |                                                       |      |                    |
| Labor Practices                                                                                        | TR-AU-310a.1                                          | Percentage of active workforce covered under collective bargaining agreements                                                      | In 2023, all full-time employees with non-fixed term contracts were protected under the “Collective Bargaining Agreement”.                                                                                                                                                                                                                                                                | Refer to the column on the left                                                                        |  |  |  |       |              |                    |                     |             |                                                       |      |                    |
|                                                                                                        | TR-AU-310a.2                                          | (1) Number of work stoppages<br>(2) Total days idle                                                                                | There were zero work stoppages and days idle in 2023                                                                                                                                                                                                                                                                                                                                      | Refer to the column on the left                                                                        |  |  |  |       |              |                    |                     |             |                                                       |      |                    |

|                                                                                      |              |                                                                |                                                                                                                                               |                      |           |                         |                                  |                                 |
|--------------------------------------------------------------------------------------|--------------|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-----------|-------------------------|----------------------------------|---------------------------------|
| Fuel Economy & Use-phase Emissions                                                   | TR-AU-410a.1 | Sales-weighted average passenger fleet fuel economy, by region | Commercial vehicle                                                                                                                            |                      |           |                         |                                  | Refer to the column on the left |
|                                                                                      |              |                                                                | Vehicle Type                                                                                                                                  | Sales Volume (Units) | Ratio (%) | Fuel Consumption (km/L) | Weighted Fuel Consumption (km/L) |                                 |
|                                                                                      |              |                                                                | ZINGER                                                                                                                                        | 5,661                | 21%       | 13.4                    | 2.8                              |                                 |
|                                                                                      |              |                                                                | ZINGER PICK UP                                                                                                                                | 488                  | 2%        | 10.2                    | 0.2                              |                                 |
|                                                                                      |              |                                                                | DELICA                                                                                                                                        | 7,512                | 28%       | 8.9                     | 2.5                              |                                 |
|                                                                                      |              |                                                                | VERYCA PICK UP                                                                                                                                | 8,194                | 30%       | 13.4                    | 4.1                              |                                 |
|                                                                                      |              |                                                                | VERYCA VAN                                                                                                                                    | 5,252                | 19%       | 13.7                    | 2.7                              |                                 |
|                                                                                      |              |                                                                | Total                                                                                                                                         | 27,107               | 100%      | NA                      | 12.2                             |                                 |
| Note 1: Excludes EVs and vehicles with a total weight exceeding 2.7 tons.            |              |                                                                |                                                                                                                                               |                      |           |                         |                                  |                                 |
| Note 2: Excludes export sales due to a very low proportion of sales.                 |              |                                                                |                                                                                                                                               |                      |           |                         |                                  |                                 |
| Note 3: The total number of units sold in 2023 is used as the basis for calculation. |              |                                                                |                                                                                                                                               |                      |           |                         |                                  |                                 |
| Fuel Economy & Use-phase Emissions                                                   | TR-AU-410a.1 | Sales-weighted average passenger fleet fuel economy, by region | Passenger vehicle                                                                                                                             |                      |           |                         |                                  | Refer to the column on the left |
|                                                                                      |              |                                                                | Vehicle Type                                                                                                                                  | Sales Volume (Units) | Ratio (%) | Fuel Consumption (km/L) | Weighted Fuel Consumption (km/L) |                                 |
|                                                                                      |              |                                                                | COLT PLUS                                                                                                                                     | 3,769                | 56%       | 16.1                    | 8.9                              |                                 |
|                                                                                      |              |                                                                | ECLIPSE CROSS                                                                                                                                 | 413                  | 6%        | 13.1                    | 0.8                              |                                 |
|                                                                                      |              |                                                                | OUTLANDER                                                                                                                                     | 1,936                | 29%       | 13.3                    | 3.8                              |                                 |
|                                                                                      |              |                                                                | LANCER                                                                                                                                        | 601                  | 9%        | 15.5                    | 1.4                              |                                 |
|                                                                                      |              |                                                                | Total                                                                                                                                         | 6,719                | 100%      | NA                      | 15.7                             |                                 |
|                                                                                      |              |                                                                | Note 1: Passenger car calculations exclude MG branded cars.                                                                                   |                      |           |                         |                                  |                                 |
|                                                                                      |              |                                                                | Note 2: Annual fuel consumption is calculated by dividing the average annual distance of 15,000 kilometers by the fuel efficiency test value. |                      |           |                         |                                  |                                 |
|                                                                                      |              |                                                                | Note 3: The total number of units sold in 2023 is used as the basis for calculation.                                                          |                      |           |                         |                                  |                                 |
|                                                                                      |              |                                                                | MG Brand                                                                                                                                      |                      |           |                         |                                  |                                 |
|                                                                                      |              |                                                                | Vehicle Type                                                                                                                                  | Sales Volume (Units) | Ratio (%) | Fuel Consumption (km/L) | Weighted Fuel Consumption (km/L) |                                 |
|                                                                                      |              |                                                                | EHS PHEV                                                                                                                                      | 2,312                | 17%       | 75.2                    | 12.6                             |                                 |
|                                                                                      |              |                                                                | HS 1.5T                                                                                                                                       | 9,398                | 68%       | 13.5                    | 9.2                              |                                 |
|                                                                                      |              |                                                                | ZS                                                                                                                                            | 2,081                | 15%       | 15.3                    | 2.3                              |                                 |
| Total                                                                                | 13,791       | 100%                                                           | NA                                                                                                                                            | 24.1                 |           |                         |                                  |                                 |

| Fuel Economy & Use-phase Emissions | TR-AU-410a.2                                                                                 | (1) Zero emissions<br>(2) Hybrid vehicles<br>(3) Plug-in hybrid vehicles sold                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <table><tr><th>Model</th><th>Total Sales in 2023</th></tr><tr><td>Zero emission vehicles</td><td>308</td></tr><tr><td>Hybrid vehicles</td><td>0</td></tr><tr><td>Plug-in hybrid vehicles</td><td>2,306</td></tr></table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Model | Total Sales in 2023 | Zero emission vehicles | 308 | Hybrid vehicles | 0 | Plug-in hybrid vehicles | 2,306 | Refer to the column on the left |
|------------------------------------|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------------------|------------------------|-----|-----------------|---|-------------------------|-------|---------------------------------|
|                                    | Model                                                                                        | Total Sales in 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |       |                     |                        |     |                 |   |                         |       |                                 |
|                                    | Zero emission vehicles                                                                       | 308                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |       |                     |                        |     |                 |   |                         |       |                                 |
|                                    | Hybrid vehicles                                                                              | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |       |                     |                        |     |                 |   |                         |       |                                 |
| Plug-in hybrid vehicles            | 2,306                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |       |                     |                        |     |                 |   |                         |       |                                 |
| TR-AU-410a.3                       | Discussion of strategy for managing fleet fuel economy and emissions risks and opportunities | <ul style="list-style-type: none"><li>• Vehicle Efficiency Improvement: Please refer to 2.2.2 Low-Carbon Products and Diverse Development Strategy, 2.3.1 Product Sustainable Value Chain</li><li>• Advancement in Vehicle Technology: Please refer to 2.2.1 Forward-Looking Technology and Process Innovation</li><li>• Regulatory Compliance and Response Strategy for Vehicles: Please refer to 2.2.2 Low-Carbon Products and Diverse Development Strategy</li><li>• Vehicle Development Goals and Planning: Refer to 2.2.1 Forward-Looking Technology and Process Innovation</li></ul> | Refer to the column on the left                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |       |                     |                        |     |                 |   |                         |       |                                 |
| Materials Sourcing                 | TR-AU-440a.1                                                                                 | Description of the management of risks associated with the use of critical materials                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p>Corresponding chapter: 3.3.3 Business Continuity Management (BCP)</p> <ul style="list-style-type: none"><li>• Key Raw Materials: All imported electronic components or raw materials fall under this category.</li><li>• Risk Identification and Items: We classify raw materials with a lead time exceeding 6 months from order to delivery as high-risk, which may impact production and customer delivery schedules.</li><li>• Risk Management Measures:<ul style="list-style-type: none"><li>(1) Establish basic profile data for imported parts or raw materials (including supplier, place of origin, port, lead time, and safety stock).</li><li>(2) Provide suppliers with a 6-month forecast, authorizing them to prepare materials and establish necessary safety stock based on the forecast.</li><li>(3) When necessary, evaluate and seek alternative parts to support production.</li></ul></li></ul> | 70    |                     |                        |     |                 |   |                         |       |                                 |

| Materials Sourcing  | TR-AU-440b.1 | Total amount of waste from manufacturing, percentage recycled | Total waste generated in 2023: 10,086.2959 metric tons; recycling rate: 94.84%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 101     |       |                    |                    |           |        |        |        |           |        |                     |        |        |
|---------------------|--------------|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------|--------------------|--------------------|-----------|--------|--------|--------|-----------|--------|---------------------|--------|--------|
|                     | TR-AU-440b.2 | Weight of end-of-life material recovered, percentage recycled | Corresponding chapter: 4.3.3 Waste Management and Circular Economy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 101-103 |       |                    |                    |           |        |        |        |           |        |                     |        |        |
|                     | TR-AU-440b.3 | Recyclability rate of vehicles sold                           | <table><thead><tr><th>Model</th><th>Model</th><th>Recyclability Rate</th></tr></thead><tbody><tr><td rowspan="3">Passenger Vehicles</td><td>OUTLANDER</td><td>91.96%</td></tr><tr><td>LANCER</td><td>87.03%</td></tr><tr><td>COLT PLUS</td><td>87.03%</td></tr><tr><td>Commercial Vehicles</td><td>ZINGER</td><td>81.51%</td></tr></tbody></table> <p>Note 1: Only the ZINGER commercial vehicle model has been disclosed in this report, while the recyclability rate of the Vercya series is still under evaluation. Further disclosures are expected to be implemented in the future.</p> <p>Note 2: CMC actively participates in the Taiwan Transportation Vehicle Manufacturers Association's response to the Resource Recycling Act and is committed to meeting the requirements of the "Voluntary Guidelines for Promoting Resource Recycling and Reuse in the Automotive Industry." CMC aims to achieve a vehicle recovery rate of over 80% and a recycling and reuse rate of over 85% for its vehicles.</p> | Model   | Model | Recyclability Rate | Passenger Vehicles | OUTLANDER | 91.96% | LANCER | 87.03% | COLT PLUS | 87.03% | Commercial Vehicles | ZINGER | 81.51% |
| Model               | Model        | Recyclability Rate                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |         |       |                    |                    |           |        |        |        |           |        |                     |        |        |
| Passenger Vehicles  | OUTLANDER    | 91.96%                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |         |       |                    |                    |           |        |        |        |           |        |                     |        |        |
|                     | LANCER       | 87.03%                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |         |       |                    |                    |           |        |        |        |           |        |                     |        |        |
|                     | COLT PLUS    | 87.03%                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |         |       |                    |                    |           |        |        |        |           |        |                     |        |        |
| Commercial Vehicles | ZINGER       | 81.51%                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |         |       |                    |                    |           |        |        |        |           |        |                     |        |        |
| Activity Metrics    | TR-AU-000.A  | Number of vehicles manufactured                               | 52,985 vehicles in 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 72      |       |                    |                    |           |        |        |        |           |        |                     |        |        |
|                     | TR-AU-000.B  | Number of vehicles sold                                       | 52,783 vehicles in 2023 (including domestic and export sales)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 72      |       |                    |                    |           |        |        |        |           |        |                     |        |        |

Sustainability Commitment from the Chairperson

ESG Highlights

About CMC

Vision Blueprint for Corporate Sustainability

Innovative Technologies and Forward-Looking Value

Excellent Governance and Proactive Action

Circular Reduction and Safeguarding Environment

Safe Workplace and Outstanding Development

Giving Back to Society in Every Way Possible

Appendix

## Appendix V: Verification Statement



安永聯合會計師事務所

11012 台北市基隆路一段333號9樓  
9F, No. 333, Sec. 1, Keelung Road  
Taipei City, Taiwan, R.O.C.Tel: 886 2 2757 8888  
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## 會計師獨立確信報告

中華汽車工業股份有限公司 公鑒

## 確信範圍

本會計師接受中華汽車工業股份有限公司（以下簡稱中華汽車）之委任，對2023年度永續報告書中所選定之永續績效資訊（以下稱「標的資訊」），執行財團法人中華民國會計研究發展基金會所發布之確信準則所定義之「有限確信案件」並出具報告。

## 標的資訊及其適用基準

有關中華汽車之標的資訊及其適用基準詳列於附件一。

## 管理階層責任

中華汽車管理階層之責任係依據適當之基準編製標的資訊，包括參考全球永續性報告協會(Global Reporting Initiatives, GRI)所發布之2021年GRI 準則(GRI Standards)，中華汽車管理階層應選擇所適用之基準，並對標的資訊在所有重大方面是否依據該適用基準報導負責，此責任包括建立及維持與標的資訊編製有關之內部控制、維持適當之記錄並作成相關之估計，以確保標的資訊未存有導因於舞弊或錯誤之重大不實表達。

## 本事務所責任

本會計師之責任係依據所取得之證據對標的資訊作成結論。

本會計師依照財團法人中華民國會計研究發展基金會所發布之確信準則3000號「非屬歷史性財務資訊查核或核閱之確信案件」之要求規劃並執行有限確信工作，以對標的資訊是否存在重大不實表達出具有限確信報告。本會計師依據專業判斷，包括對導因於舞弊或錯誤之重大不實表達風險之評估，以決定確信程序之性質、時間及範圍。

本會計師相信已取得足夠及適切之證據，以作為表示有限確信結論之基礎。

## 會計師之獨立性及品質管理

本會計師及所隸屬組織遵循會計師職業道德規範中有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及專業上應有之注意、保密及專業行為。

本事務所遵循品質管理準則1號「會計師事務所之品質管理」，該品質管理準則規定組織設計、付諸實行及執行品質管理制度，包含與遵循職業道德規範、專業準則及適用之法令規範相關之政策或程序。

## 所執行程序之說明

有限確信案件中執行程序之性質及時間與適用於合理確信案件不同，其範圍亦較小，因此，有限確信案件中取得之確信程度明顯低於合理確信案件中取得者。本會計師所設計之程序係為取得有限確信並據此作成結論，並不提供合理確信必要之所有證據。



儘管本會計師於決定確信程序之性質及範圍時曾考量中華汽車內部控制之有效性，惟本確信案件並非對中華汽車內部控制之有效性表示意見。本會計師所執行之程序不包括測試控制或執行與檢查資訊科技(IT)系統內資料之彙總或計算相關之程序。

有限確信案件包括進行查詢，主要係對負責編製標的資訊及相關資訊之人員進行查詢，並應用分析及其他適當程序。

本會計師所執行之程序包括：

- 與中華汽車人員進行訪談，以瞭解中華汽車之業務與履行永續發展之整體情況，以及永續報導流程；
- 透過訪談、檢查相關文件，以瞭解中華汽車之主要利害關係人及利害關係人之期望與需求、雙方具體之溝通管道，以及中華汽車如何回應該等期望與需求；
- 與中華汽車攸關人員進行訪談，以瞭解用以蒐集、整理及報導標的資訊之相關流程；
- 檢查計算標準是否已依據適用基準中概述的方法正確應用；
- 針對報告中所選定之永續績效資訊進行分析性程序；蒐集並評估其他支持證據資料及所取得之管理階層聲明；如必要時，則抽選樣本進行測試；
- 閱讀中華汽車之永續報告書，確認其與本會計師取得關於永續發展整體履行情況之瞭解一致。

## 先天限制

因永續報告中所包含之非財務資訊受到衡量不確定性之影響，選擇不同的衡量方式，可能導致績效衡量上之重大差異，且由於確信工作係採抽樣方式進行，任何內部控制均受有先天限制，故未必能查出所有業已存在之重大不實表達，無論是導因於舞弊或錯誤。

## 結論

依據所執行之程序及所取得之證據，本會計師未發現標的資訊有未依照適用基準編製而須作重大修正之情事。

## 其他事項

本確信報告出具後，中華汽車對任何確信標的或適用基準之變更，本會計師將不負就該等資訊重新執行確信工作之責任。

安永聯合會計師事務所

會計師：呂倩雯

民國一十三年六月二十八日







附件一：

| 編號 | 章節  | 內文標題          | 標的資訊                  |         | 適用基準    |                                                                                                                                                                                                                                                                                 |          |        |        |
|----|-----|---------------|-----------------------|---------|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------|--------|
| 1  | 4.3 | 治污循環—志在減污再生經濟 | 2023 年空氣汙染物排放情形       |         |         | GRI 305-7 氮氧化物(NOx)、硫氧化物(SOx),及其它重大的氣體排放<br>報導組織應報告以下資訊：<br>a. 以公斤或其倍數為單位 之以下各重大氣體排放：<br>i. 氮氧化物(NOx)<br>ii. 硫氧化物(SOx)<br>iii. 持久性有機汙染物(POP)<br>iv. 揮發性有機化合物(VOC)<br>v. 有害空氣汙染物(HAP)<br>vi. 懸浮微粒(PM)<br>vii. 其它在相關法規中明訂之氣體排放的標準類別<br>b. 所用之排放係數的來源。<br>c. 使用的標準、方法學、假設、及/或計算工具。 |          |        |        |
|    |     |               | 種類                    | 2023 年  |         |                                                                                                                                                                                                                                                                                 |          |        |        |
|    |     |               | 粒狀汙染物排放量 (噸/年)        | 1.531   |         |                                                                                                                                                                                                                                                                                 |          |        |        |
|    |     |               | 硫氧化物排放量 (噸/年)         | 0.587   |         |                                                                                                                                                                                                                                                                                 |          |        |        |
|    |     |               | 氮氧化物排放量 (噸/年)         | 4.041   |         |                                                                                                                                                                                                                                                                                 |          |        |        |
|    |     |               | VOCs 排放量 (噸/年)        | 206.496 |         |                                                                                                                                                                                                                                                                                 |          |        |        |
|    |     |               | 合併排放量 (噸/年)           | 212.655 |         |                                                                                                                                                                                                                                                                                 |          |        |        |
| 2  | 4.3 | 治污循環—志在減污再生經濟 | 2023 年廢棄物總量統計表 (單位：噸) |         |         | GRI 306-3 廢棄物的產生<br>報導組織應報告以下資訊：<br>a. 產生的廢棄物總重量 (以公噸為單位)，並按廢棄物組成成分細分總量。<br>b. 瞭解數據以及數據如何彙整的必要背景資訊。                                                                                                                                                                             |          |        |        |
|    |     |               | 一般事業廢棄物               | 再利用     | 木材      |                                                                                                                                                                                                                                                                                 | 5,309.23 | 191.91 |        |
|    |     |               |                       |         | 玻璃      |                                                                                                                                                                                                                                                                                 | 4.52     | -      |        |
|    |     |               |                       |         | 廢塑膠     |                                                                                                                                                                                                                                                                                 | 224.99   | -      |        |
|    |     |               |                       | 物理      | 廢耐火材    |                                                                                                                                                                                                                                                                                 | -        | -      |        |
|    |     |               |                       |         | 廢離子樹脂   |                                                                                                                                                                                                                                                                                 | -        | -      |        |
|    |     |               |                       |         | 有機污泥    |                                                                                                                                                                                                                                                                                 | 62.45    | -      |        |
|    |     |               |                       | 熱處理     | 非有害污泥   |                                                                                                                                                                                                                                                                                 | -        | -      |        |
|    |     |               |                       |         | 洗淨      |                                                                                                                                                                                                                                                                                 | 廢鐵容器     | 25.39  | 4.12   |
|    |     |               |                       |         | 焚化      |                                                                                                                                                                                                                                                                                 | 廢油       | 0.92   | -      |
|    |     |               |                       | 漆渣      |         |                                                                                                                                                                                                                                                                                 | 80.31    | -      |        |
|    |     |               |                       | 一般垃圾    |         |                                                                                                                                                                                                                                                                                 | 242.63   | 61.11  |        |
|    |     |               |                       | 掩埋      | 含膠玻璃罐   |                                                                                                                                                                                                                                                                                 | 1.17     | -      |        |
|    |     |               |                       |         | 無機污泥    |                                                                                                                                                                                                                                                                                 | -        | -      |        |
|    |     |               |                       |         | 有害事業廢棄物 |                                                                                                                                                                                                                                                                                 | 焚化       | 醫療廢棄物  | 0.0159 |
|    |     |               |                       | 固化      |         |                                                                                                                                                                                                                                                                                 |          | 含鉻化合物  | -      |
|    |     |               | 物理處理                  | 溶劑      |         |                                                                                                                                                                                                                                                                                 | 41.01    | -      |        |
|    |     |               |                       | 不可回收廢棄物 |         |                                                                                                                                                                                                                                                                                 | 453.8959 | 66.26  |        |



| 編號              | 章節       | 內文標題            | 標的資訊                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 適用基準            |           |                 |         |        |    |          |       |      |      |        |     |          |    |      |       |          |    |      |          |                                                                                                                        |   |    |       |  |   |  |            |    |   |   |   |   |    |   |  |   |  |             |    |      |   |   |   |    |       |  |   |  |        |    |   |   |   |   |    |   |  |   |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------------|----------|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------|-----------------|---------|--------|----|----------|-------|------|------|--------|-----|----------|----|------|-------|----------|----|------|----------|------------------------------------------------------------------------------------------------------------------------|---|----|-------|--|---|--|------------|----|---|---|---|---|----|---|--|---|--|-------------|----|------|---|---|---|----|-------|--|---|--|--------|----|---|---|---|---|----|---|--|---|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2               | 4.3      | 治污循環—志在減污再生經濟   | <p><b>2023 年廢棄物資源回收再利用統計表 (單位：噸)</b></p> <table><tr><td rowspan="8">回收再利用</td><td>鐵類</td><td>2,033.34</td></tr><tr><td>鋁屑銅</td><td>20.62</td></tr><tr><td>紙類</td><td>1,594.67</td></tr><tr><td>廢潤滑油類</td><td>8.48</td></tr><tr><td>包材塑膠</td><td>178.38</td></tr><tr><td>廢木材</td><td>5,501.14</td></tr><tr><td>玻璃</td><td>4.52</td></tr><tr><td>非包材塑膠</td><td>224.99</td></tr><tr><td colspan="2">總量</td><td>9,566.14</td></tr></table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 回收再利用           | 鐵類        | 2,033.34        | 鋁屑銅     | 20.62  | 紙類 | 1,594.67 | 廢潤滑油類 | 8.48 | 包材塑膠 | 178.38 | 廢木材 | 5,501.14 | 玻璃 | 4.52 | 非包材塑膠 | 224.99   | 總量 |      | 9,566.14 | <p>GRI 306-3 廢棄物的產生</p> <p>報導組織應報告以下資訊：</p> <p>a. 產生的廢棄物總重量 (以公噸為單位)，並按廢棄物組成成分細分總量。</p> <p>b. 瞭解數據以及數據如何彙整的必要背景資訊。</p> |   |    |       |  |   |  |            |    |   |   |   |   |    |   |  |   |  |             |    |      |   |   |   |    |       |  |   |  |        |    |   |   |   |   |    |   |  |   |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                 |          | 回收再利用           | 鐵類                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                 | 2,033.34  |                 |         |        |    |          |       |      |      |        |     |          |    |      |       |          |    |      |          |                                                                                                                        |   |    |       |  |   |  |            |    |   |   |   |   |    |   |  |   |  |             |    |      |   |   |   |    |       |  |   |  |        |    |   |   |   |   |    |   |  |   |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 鋁屑銅             | 20.62    |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |           |                 |         |        |    |          |       |      |      |        |     |          |    |      |       |          |    |      |          |                                                                                                                        |   |    |       |  |   |  |            |    |   |   |   |   |    |   |  |   |  |             |    |      |   |   |   |    |       |  |   |  |        |    |   |   |   |   |    |   |  |   |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 紙類              | 1,594.67 |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |           |                 |         |        |    |          |       |      |      |        |     |          |    |      |       |          |    |      |          |                                                                                                                        |   |    |       |  |   |  |            |    |   |   |   |   |    |   |  |   |  |             |    |      |   |   |   |    |       |  |   |  |        |    |   |   |   |   |    |   |  |   |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 廢潤滑油類           | 8.48     |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |           |                 |         |        |    |          |       |      |      |        |     |          |    |      |       |          |    |      |          |                                                                                                                        |   |    |       |  |   |  |            |    |   |   |   |   |    |   |  |   |  |             |    |      |   |   |   |    |       |  |   |  |        |    |   |   |   |   |    |   |  |   |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 包材塑膠            | 178.38   |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |           |                 |         |        |    |          |       |      |      |        |     |          |    |      |       |          |    |      |          |                                                                                                                        |   |    |       |  |   |  |            |    |   |   |   |   |    |   |  |   |  |             |    |      |   |   |   |    |       |  |   |  |        |    |   |   |   |   |    |   |  |   |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 廢木材             | 5,501.14 |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |           |                 |         |        |    |          |       |      |      |        |     |          |    |      |       |          |    |      |          |                                                                                                                        |   |    |       |  |   |  |            |    |   |   |   |   |    |   |  |   |  |             |    |      |   |   |   |    |       |  |   |  |        |    |   |   |   |   |    |   |  |   |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 玻璃              | 4.52     |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |           |                 |         |        |    |          |       |      |      |        |     |          |    |      |       |          |    |      |          |                                                                                                                        |   |    |       |  |   |  |            |    |   |   |   |   |    |   |  |   |  |             |    |      |   |   |   |    |       |  |   |  |        |    |   |   |   |   |    |   |  |   |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 非包材塑膠           | 224.99   |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |           |                 |         |        |    |          |       |      |      |        |     |          |    |      |       |          |    |      |          |                                                                                                                        |   |    |       |  |   |  |            |    |   |   |   |   |    |   |  |   |  |             |    |      |   |   |   |    |       |  |   |  |        |    |   |   |   |   |    |   |  |   |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 總量              |          | 9,566.14        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |           |                 |         |        |    |          |       |      |      |        |     |          |    |      |       |          |    |      |          |                                                                                                                        |   |    |       |  |   |  |            |    |   |   |   |   |    |   |  |   |  |             |    |      |   |   |   |    |       |  |   |  |        |    |   |   |   |   |    |   |  |   |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 3               | 5.4      | 安心職場—樂在工作滿意體驗   | <p>2023 年危害辨識與風險評估結果，1 級高危害風險危害 1 件，佔 0.01%(2 級：0.02%、3 級：13.47%、4 級：75.85%、5 級：10.64%)，另較低風險等級中，以被刺、割、擦傷、感電、跌倒、等類別為大宗。</p> <table><tr><td>2023 中華汽車員工總工時數</td><td>4,001,312</td></tr><tr><td>2023 中華汽車非員工總時數</td><td>276,816</td></tr></table> <table><tr><th colspan="2">職災統計項目</th><th colspan="2">中華汽車</th><th colspan="2">承攬商</th></tr><tr><th></th><th></th><th>男</th><th>女</th><th>男</th><th>女</th></tr><tr><td rowspan="2">傷害率 (IR)</td><td>比例</td><td>0.17</td><td>0</td><td>0</td><td>0</td></tr><tr><td>總計</td><td colspan="2">0.149</td><td colspan="2">0</td></tr><tr><td rowspan="2">職業病率 (ODR)</td><td>比例</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td>總計</td><td colspan="2">0</td><td colspan="2">0</td></tr><tr><td rowspan="2">損工日數率 (LDR)</td><td>比例</td><td>4.26</td><td>0</td><td>0</td><td>0</td></tr><tr><td>總計</td><td colspan="2">3,748</td><td colspan="2">0</td></tr><tr><td rowspan="2">因公死亡件數</td><td>件數</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td>總計</td><td colspan="2">0</td><td colspan="2">0</td></tr></table> <p>傷害率(IR)=(失能傷害人次數/工作總時數) x200,000<br/>職業病率(ODR)=(職業病總數/工作總時數) x200,000<br/>損工率(LDR)=(失能傷害的總損失日數/工作總時數) x200,000</p> | 2023 中華汽車員工總工時數 | 4,001,312 | 2023 中華汽車非員工總時數 | 276,816 | 職災統計項目 |    | 中華汽車     |       | 承攬商  |      |        |     | 男        | 女  | 男    | 女     | 傷害率 (IR) | 比例 | 0.17 | 0        | 0                                                                                                                      | 0 | 總計 | 0.149 |  | 0 |  | 職業病率 (ODR) | 比例 | 0 | 0 | 0 | 0 | 總計 | 0 |  | 0 |  | 損工日數率 (LDR) | 比例 | 4.26 | 0 | 0 | 0 | 總計 | 3,748 |  | 0 |  | 因公死亡件數 | 件數 | 0 | 0 | 0 | 0 | 總計 | 0 |  | 0 |  | <p>GRI 403-9 職業傷害</p> <p>報導組織應報告以下資訊：</p> <p>a.所有員工：</p> <p>i.職業傷害所造成的死亡數量與比率；</p> <p>ii.嚴重的職業傷害的數量與比率(排除死亡人數)；</p> <p>iii.可記錄之職業傷害的數量與比率；</p> <p>iv.職業傷害的主要類型；</p> <p>v.工作時數。</p> <p>b.所有非員工但其工作及/或工作場所受組織所管控之工作者：</p> <p>i.職業傷害所造成的死亡數量與比率；</p> <p>ii.嚴重的職業傷害的數量與比率(排除死亡人數)；</p> <p>iii.可記錄之職業傷害的數量與比率；</p> <p>iv.職業傷害的主要類型；</p> <p>v.工作時數。</p> <p>c.造成嚴重職業傷害風險的職業 危害，包括：</p> <p>i.如何決定這些危害；</p> <p>ii.報導期間內，何種危害造成或促成嚴重傷害；</p> <p>iii.使用分級管控，消除這些危害並將風險降至最低，所採取或即將採取的行動。</p> <p>d.使用分級管控，消除其他職業危害並將風險降至最低，所採取或即將採取的行動。</p> <p>e.是否根據 200,000 或 1,000,000 工作小時計算比率。</p> <p>f.此揭露項目是否排除任何工作者，並說明其原因 (如有排除)，包括所排除工作者之類型。</p> <p>g.瞭解如何彙編數據之任何必要背景資訊，如所使用的任何標準、方法學、及假設。</p> |
|                 |          | 2023 中華汽車員工總工時數 | 4,001,312                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                 |           |                 |         |        |    |          |       |      |      |        |     |          |    |      |       |          |    |      |          |                                                                                                                        |   |    |       |  |   |  |            |    |   |   |   |   |    |   |  |   |  |             |    |      |   |   |   |    |       |  |   |  |        |    |   |   |   |   |    |   |  |   |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 2023 中華汽車非員工總時數 | 276,816  |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |           |                 |         |        |    |          |       |      |      |        |     |          |    |      |       |          |    |      |          |                                                                                                                        |   |    |       |  |   |  |            |    |   |   |   |   |    |   |  |   |  |             |    |      |   |   |   |    |       |  |   |  |        |    |   |   |   |   |    |   |  |   |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 職災統計項目          |          | 中華汽車            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 承攬商             |           |                 |         |        |    |          |       |      |      |        |     |          |    |      |       |          |    |      |          |                                                                                                                        |   |    |       |  |   |  |            |    |   |   |   |   |    |   |  |   |  |             |    |      |   |   |   |    |       |  |   |  |        |    |   |   |   |   |    |   |  |   |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                 |          | 男               | 女                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 男               | 女         |                 |         |        |    |          |       |      |      |        |     |          |    |      |       |          |    |      |          |                                                                                                                        |   |    |       |  |   |  |            |    |   |   |   |   |    |   |  |   |  |             |    |      |   |   |   |    |       |  |   |  |        |    |   |   |   |   |    |   |  |   |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 傷害率 (IR)        | 比例       | 0.17            | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 0               | 0         |                 |         |        |    |          |       |      |      |        |     |          |    |      |       |          |    |      |          |                                                                                                                        |   |    |       |  |   |  |            |    |   |   |   |   |    |   |  |   |  |             |    |      |   |   |   |    |       |  |   |  |        |    |   |   |   |   |    |   |  |   |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                 | 總計       | 0.149           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 0               |           |                 |         |        |    |          |       |      |      |        |     |          |    |      |       |          |    |      |          |                                                                                                                        |   |    |       |  |   |  |            |    |   |   |   |   |    |   |  |   |  |             |    |      |   |   |   |    |       |  |   |  |        |    |   |   |   |   |    |   |  |   |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 職業病率 (ODR)      | 比例       | 0               | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 0               | 0         |                 |         |        |    |          |       |      |      |        |     |          |    |      |       |          |    |      |          |                                                                                                                        |   |    |       |  |   |  |            |    |   |   |   |   |    |   |  |   |  |             |    |      |   |   |   |    |       |  |   |  |        |    |   |   |   |   |    |   |  |   |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                 | 總計       | 0               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 0               |           |                 |         |        |    |          |       |      |      |        |     |          |    |      |       |          |    |      |          |                                                                                                                        |   |    |       |  |   |  |            |    |   |   |   |   |    |   |  |   |  |             |    |      |   |   |   |    |       |  |   |  |        |    |   |   |   |   |    |   |  |   |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 損工日數率 (LDR)     | 比例       | 4.26            | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 0               | 0         |                 |         |        |    |          |       |      |      |        |     |          |    |      |       |          |    |      |          |                                                                                                                        |   |    |       |  |   |  |            |    |   |   |   |   |    |   |  |   |  |             |    |      |   |   |   |    |       |  |   |  |        |    |   |   |   |   |    |   |  |   |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                 | 總計       | 3,748           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 0               |           |                 |         |        |    |          |       |      |      |        |     |          |    |      |       |          |    |      |          |                                                                                                                        |   |    |       |  |   |  |            |    |   |   |   |   |    |   |  |   |  |             |    |      |   |   |   |    |       |  |   |  |        |    |   |   |   |   |    |   |  |   |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 因公死亡件數          | 件數       | 0               | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 0               | 0         |                 |         |        |    |          |       |      |      |        |     |          |    |      |       |          |    |      |          |                                                                                                                        |   |    |       |  |   |  |            |    |   |   |   |   |    |   |  |   |  |             |    |      |   |   |   |    |       |  |   |  |        |    |   |   |   |   |    |   |  |   |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                 | 總計       | 0               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 0               |           |                 |         |        |    |          |       |      |      |        |     |          |    |      |       |          |    |      |          |                                                                                                                        |   |    |       |  |   |  |            |    |   |   |   |   |    |   |  |   |  |             |    |      |   |   |   |    |       |  |   |  |        |    |   |   |   |   |    |   |  |   |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

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| 編號 | 章節  | 內文標題          | 標的資訊                |       |       |     | 適用基準                                                                                                                                                                              |
|----|-----|---------------|---------------------|-------|-------|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4  | 5.3 | 培育發展—完善學習精進職能 | 2023 年永續課程教育訓練成果    |       |       |     | GRI 404-1 每名員工每年接受訓練的平均時數<br>報導組織應報告以下資訊：<br>a. 就下列劃分，組織員工在報導期間內接受訓練的平均時數：<br>i. 性別；<br>ii. 員工類別。                                                                                 |
|    |     |               | 年度                  | 2023  |       |     |                                                                                                                                                                                   |
|    |     |               | 類別                  | 一般人員  |       |     |                                                                                                                                                                                   |
|    |     |               | 性別                  | 男     | 女     |     |                                                                                                                                                                                   |
|    |     |               | 總人次                 | 1,347 | 695   |     |                                                                                                                                                                                   |
|    |     |               | 總時數                 | 2,984 | 1,519 |     |                                                                                                                                                                                   |
|    |     |               | 平均時數                | 2.2   | 2.2   |     |                                                                                                                                                                                   |
| 5  | 5.2 | 吸引留任—多元招募福利薪酬 | 2023 年中華汽車職員育嬰假申請情形 |       |       |     | GRI 401-3 育嬰假<br>報導組織應報告以下資訊：<br>a. 按性別劃分，享有育嬰假的員工總數。<br>b. 按性別劃分，實際使用育嬰假的員工總數。<br>c. 按性別劃分，休完育嬰假後，在報導期間復職的員工總數。<br>d. 按性別劃分，休完育嬰假且復職後十二個月仍在職的員工總數。<br>e. 按性別劃分，休完育嬰假後復職和留任的員工比例。 |
|    |     |               | 項目                  | 男性    | 女性    | 合計  |                                                                                                                                                                                   |
|    |     |               | 符合育嬰假申請資格人數(A)      | 123   | 20    | 143 |                                                                                                                                                                                   |
|    |     |               | 實際申請人數(B)           | 5     | 3     | 8   |                                                                                                                                                                                   |
|    |     |               | 申請率(B/A)            | 4%    | 15%   | 6%  |                                                                                                                                                                                   |
|    |     |               | 報告年度待復職人數(C)        | 7     | 1     | 8   |                                                                                                                                                                                   |
|    |     |               | 申請復職人數(D)           | 3     | 1     | 4   |                                                                                                                                                                                   |
|    |     |               | 復職率(D/C)            | 43%   | 100%  | 50% |                                                                                                                                                                                   |
|    |     |               | 報告前一年度實際復職人數(E)     | 4     | 5     | 9   |                                                                                                                                                                                   |
|    |     |               | 復職滿一年後留任人數(F)       | 4     | 4     | 8   |                                                                                                                                                                                   |
|    |     |               | 留任率(F/E)            | 100%  | 80%   | 89% |                                                                                                                                                                                   |

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| 編號 | 章節         | 內文標題                        | 標的資訊              |     |     |       |     | 適用基準                                                                                                                                                                                                                                                    |  |
|----|------------|-----------------------------|-------------------|-----|-----|-------|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 6  | 3.1<br>5.1 | 永續治理—強化治理穩固根本、人才布局—驅動公司永續發展 | 董事組成狀況            |     |     |       |     | GRI 405-1 治理單位與員工的多元化<br>報導組織應報告以下資訊：<br>a. 就以下多元化類別，組織治理單位的成員百分比：<br>i. 性別；<br>ii. 年齡層：30 歲以下、30-50 歲、50 歲以上；<br>iii. 其它相關的多元化指標（例如：少數或弱勢團體）。<br>b. 就以下多元化類別，各項員工類別的員工百分比：<br>i. 性別；<br>ii. 年齡層：30 歲以下、30-50 歲、50 歲以上；<br>iii. 其它相關的多元化指標（例如：少數或弱勢團體）。 |  |
|    |            |                             | 董事（含獨立董事）         |     |     |       |     |                                                                                                                                                                                                                                                         |  |
|    |            |                             | 年齡                | 性別  | 人數  | 佔比    |     |                                                                                                                                                                                                                                                         |  |
|    |            |                             | 51~60 歲(含)        | 男性  | 2   | 22%   |     |                                                                                                                                                                                                                                                         |  |
|    |            |                             |                   | 女性  | 1   | 11%   |     |                                                                                                                                                                                                                                                         |  |
|    |            |                             | 61~70 歲(含)        | 男性  | 4   | 44%   |     |                                                                                                                                                                                                                                                         |  |
|    |            |                             |                   | 女性  | 1   | 11%   |     |                                                                                                                                                                                                                                                         |  |
|    |            |                             | 71 歲（含以上）         | 男性  | 1   | 11%   |     |                                                                                                                                                                                                                                                         |  |
|    |            |                             |                   | 女性  | 0   | 0%    |     |                                                                                                                                                                                                                                                         |  |
|    |            |                             | 2023 年員工性別組成      |     |     |       |     |                                                                                                                                                                                                                                                         |  |
|    |            |                             | 員工類別              | 女性  | 百分比 | 男性    | 百分比 |                                                                                                                                                                                                                                                         |  |
|    |            |                             | 一般員工              | 291 | 93% | 1,820 | 88% |                                                                                                                                                                                                                                                         |  |
|    |            |                             | 現場幹部(組長、技術長、副技術長) | 0   | 0%  | 82    | 4%  |                                                                                                                                                                                                                                                         |  |
|    |            |                             | 中階主管              | 17  | 5%  | 116   | 6%  |                                                                                                                                                                                                                                                         |  |
|    |            |                             | 高階主管              | 6   | 2%  | 40    | 2%  |                                                                                                                                                                                                                                                         |  |
|    |            |                             | 2023 年員工年齡組成      |     |     |       |     |                                                                                                                                                                                                                                                         |  |
|    |            |                             | 年齡區間              | 女性  | 百分比 | 男性    | 百分比 |                                                                                                                                                                                                                                                         |  |
|    |            |                             | 30 歲以下(含)         | 57  | 18% | 382   | 19% |                                                                                                                                                                                                                                                         |  |
|    |            |                             | 31-50 歲(含)        | 198 | 63% | 1,005 | 49% |                                                                                                                                                                                                                                                         |  |
|    |            |                             | 51 歲(含)以上         | 59  | 19% | 671   | 33% |                                                                                                                                                                                                                                                         |  |