



Ethical and Integrity Corporate Management Policies, Best Practice Principles and Implementation Status for 2024

One. Ethical and Integrity Corporate Management Policies and Best Practice Principles

In 2015, the Board of Directors of the Company approved the Ethical and Integrity Corporate Management Policies and Best Practice Principles, which clearly state that “**the Company is committed to a clean, transparent and responsible business philosophy, formulates policy based on integrity and establishes good corporate governance and risk control mechanism to create a sustainable business environment**”, and actively promotes the core values of corporate integrity and honesty to prevent corruption. These standards set out the prohibition and preventive measures against dishonest acts such as anti-bribery and corruption, confidentiality mechanism, anti-monopoly and unfair competition, anti-insider trading, monitoring and reporting which should be observed by members of the Company.

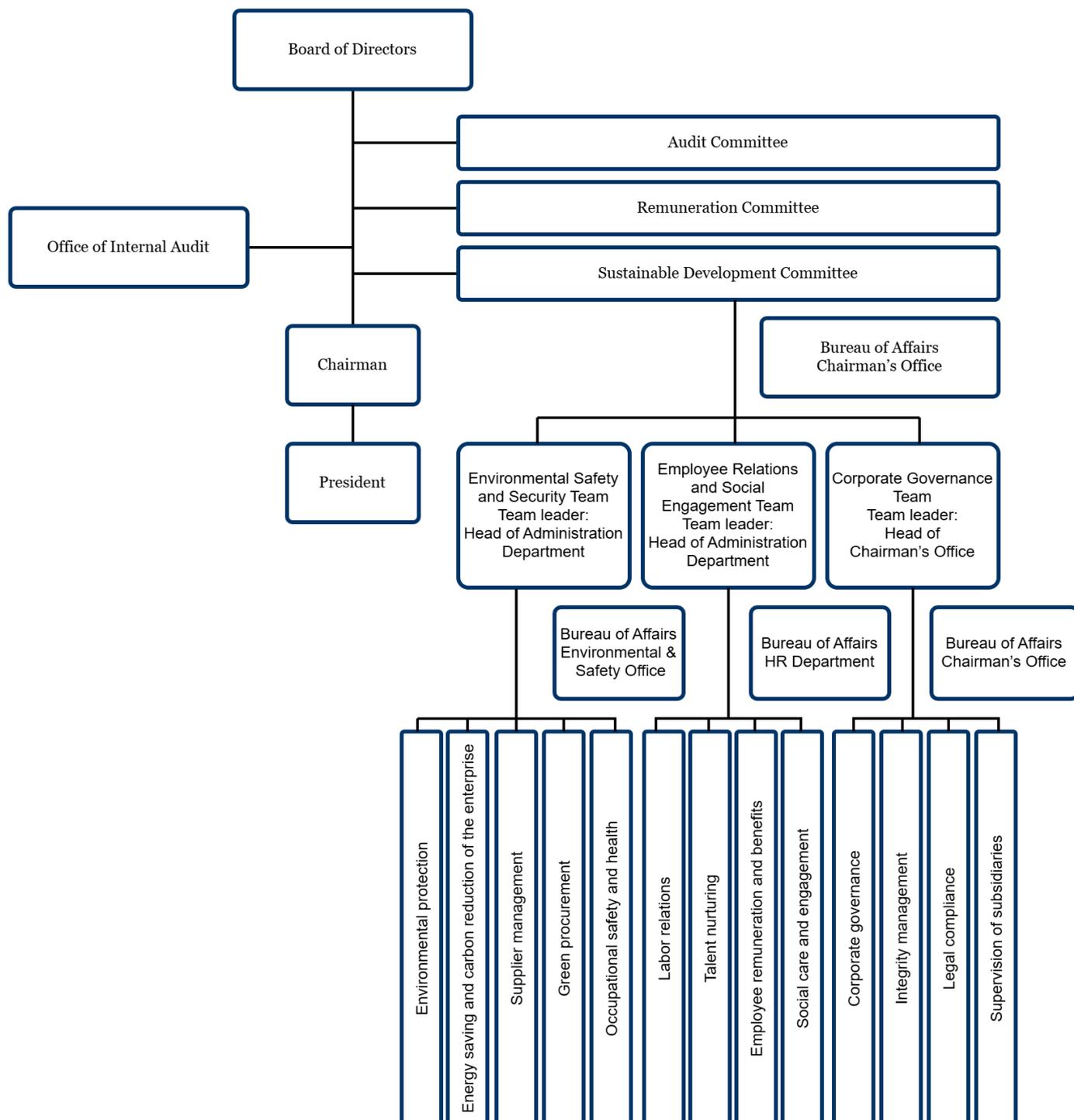
Two. Code of ethical conduct (probity and integrity regulations)

- I. Kenda Rubber Ind. Co., Ltd. has established these rules to ensure that its employees maintain probity, integrity, fairness and impartiality without selfish motives when carrying out their duties, thereby to enhance the reputation and image of Kenda as upholding the highest standard of probity and integrity.
- II. For the purposes of these rules, the following definitions shall apply:
 - (I) Scope of application: all employees of Kenda Company (except the employer).
 - (II) Having vested interests in the duties: means any individual, legal person, group or other unit that has one of the following relationships with the Company or its subsidiaries:
 1. Business dealings, command and supervision relationship etc.
 2. Seeking, carrying out or having entered into a contracting, sales, or other contractual relationship.
 3. Other favorable or adverse impact to be caused by the making, execution or non-execution of business decisions of the Company.
 - (III) Normal standard on social customs and etiquette: means a maximum of NT\$3,000 in market value that a person may accept in a single social occasion. However, a person may accept gift or gratuity with a maximum value of NT\$10,000 in the same year from the same source.
 - (IV) Business etiquette: means the activities that are conducted out of courtesy, customary practice or customs based on official and business needs during domestic or foreign visits, reception of foreign guests, promotion of business and communication and coordination.
 - (V) Entreaties or lobbying: means the communications or contacts which involve the making, execution or non-execution of decisions of substantive matters of the business of the Company, and the decision, execution or non-execution of such substantive matters may be illegal or otherwise improper, thus having influence on the exercise of specific rights and obligations.
- III. The employees of Kenda shall perform their duties in accordance with these rules impartially. They shall not take advantage of their power, means or opportunities of one's position to seek improper advantage for themselves or third parties.
- IV. The employees of Kenda shall not demand, solicit or accept a gift or gratuity from parties that have vested interests in their duties. A gift or gratuity may be accepted, however, under any of the following conditions where it is an unsolicited occurrence and does not affect the exercise of specific rights or obligations:
 - (I) A gift or gratuity is given within the context of business etiquette.
 - (II) A gift or gratuity is given to the employees of Kenda as a reward, assistance in time of hardship, or an expression of condolence.
 - (III) The market value of the gift or gratuity does not exceed NT\$500, or, if given by another party to the majority of the personnel of the Company, the market value of the gift or gratuity does not exceed NT\$1,000.

- (IV) A gift or gratuity is given in connection with engagements or weddings, giving birth, moving to a new residence, taking up a new position, being promoted or transferred, retiring, resigning from or otherwise leaving one's professional position, or the injury, illness or death of the employee of Kenda or the employee's spouse or immediate relative, and the market value of the gift or gratuity does not exceed the normal standard on social customs and etiquette.
- V. The employees of Kenda shall deal with gifts and gratuities in accordance with the following procedures:
 - (I) Except under the circumstances cited in the preceding paragraph, gifts or gratuities offered by parties that have vested interests in the employees' duties shall be rejected or returned, and such cases shall be reported in accordance with the Company's rules on the acceptance of gifts.
- VI. An employee of Kenda shall be deemed to have received a gift or gratuity under any of the following circumstances:
 - (I) The gift or gratuity is received in the name of the spouse or immediate blood relatives of an employee of Kenda or members of the family who are co-living and co-owners of property.
 - (II) The gift or gratuity is received by a third person who later transfers the gift or gratuity to an employee of Kenda or persons mentioned in the preceding paragraph.
- VII. The employees of Kenda are prohibited from taking part in dining or other entertainment activities at the invitation of those who have vested interests in their duties. Exceptions of this prohibition include the following circumstances:
 - (I) The employees of Kenda are obligated to take part as a matter of business etiquette.
 - (II) Such activities are held openly due to folk customs or festivals and the general public is invited to take part.
 - (III) Such activities are arranged as a reward or expression of consolation to the employees of Kenda.
 - (IV) A gift or gratuity is given in connection with engagements or weddings, giving birth, moving to a new residence, taking up a new position, being promoted or transferred, retiring, resigning from or otherwise leaving one's professional position, or the injury, illness or death of the employee of Kenda or the employee's spouse or immediate relative, and the market value of the gift or gratuity does not exceed the normal standard on social customs and etiquette.
 - (V) Further, the employees of Kenda shall avoid accepting invitations to take part in dining and entertainment activities which, although not involving the vested interests in their duties, nevertheless are clearly inappropriate in consideration of their positions and responsibilities.
- VIII. The employees of Kenda shall not engage in improper contacts with other parties that have vested interests in their duties.
- IX. During business trips or participating in conferences, the employees of Kenda shall not accept invitations to take part in dining or other entertainment activities organized by related institutions or organizations, but they may accept simple meals, accommodation or transportation when deemed necessary in the course of carrying out their duties.
- X. When encountering entreaties or lobbying, the employees of Kenda shall report such occurrences within three days to their supervisors and senior officers.
- XI. The employees of Kenda who are found to have violated these rules shall be disciplined in accordance with the penalty and discipline regulations of the Company. Cases in which the employees of Kenda are believed to have committed criminal acts shall be referred to the judicial authority.

Three. Organizational structure

The Company has established the Sustainable Development Committee on January 21, 2022. The director, Yang Chia-Ling, is the Chairperson of the committee, with Vice Chairman, Chang, Hong-Der and the director, Lin Tsung-Yi, and the Chairman's Office serves as the Bureau of Affairs. The Committee is responsible for formulating the Company's Ethical and Integrity Corporate Management Policies and promoting and ensuring the implementation of the Ethical and Integrity Corporate Management Policies as approved by the Board, and reporting to the Board at least once a year on the implementation of the overall ethical practices.



Four. Implementation status

The Chairperson of the Sustainable Development Committee reported to the Board of Directors on June 28, 2024, that suppliers who join the company must be required to commit and sign the Code of Conduct Warranty. A total of 15 new suppliers, all suppliers have signed the Undertaking on Probity and Integrity, representing 100% of all the suppliers. In 2024, through internal and external education and training(including integrity management policies, internal control system, accounting system, tire quality regulations and policies, health, safety and management), the Company conducted 6,742 people and 6,459.5 hours of educational and

promotional training.

Furthermore, the actual status of operation of the Company's ethical and integrity management is also summarized in a checklist (see table below) and reported to the Board at its meeting on June 28.

The state of the Company's performance of ethical and integrity management for 2022, any variance from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons for such variances				
Assessed Items	Implementation status (note 1)			Variance from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons for such variances
	Yes	No	Summary and Explanation	
I. Establishment of Ethical and Integrity Corporate Management Policies and Implementation Measures				
(I) Does the Company have a clear ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	V		<p>The Company has established the “Ethical Corporate Management Best Practices Principles” and the “Codes of Ethical Conduct and Regulations on the Public Recusal of Interested Parties” as resolved by the Board of Directors. The Company requires the Board of Directors, senior executives and all employees to obey these regulations. These policies and regulations provide that the Company and its subsidiaries shall establish policies based on integrity, transparency and accountability, and establish good corporate governance and risk control mechanisms to create a business environment for the sustainability of the Company. In addition to complying with the relevant laws and regulations, the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, the Political Donations Act, the Anti-Corruption Act, the Government Procurement Act, the Act on Recusal of Public Servants Due to Conflicts of Interest, the regulations relating to the listed companies or other business conduct related laws and regulations are also applicable. Offering and acceptance of bribes, illegal political donations, improper charitable donations or sponsorships, offering or acceptance of unreasonable presents, hospitality or other improper benefits, misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights, and engaging in unfair competitive practices are strictly prohibited. The Company’s directors and senior executives shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the Company, the director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director’s proxy to exercise voting rights on that matter.</p> <p>In 2024, the Company conducted internal and external training related to ethical management (including ethical management regulations, internal control systems, accounting systems, tire quality regulations and policies, safety and health and management) for a total of 6,742 participants and 6,459.5 hours.</p>	No material difference

<p>(II) Whether the Company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?</p>	V		<p>For business activities with a higher risk of unethical conduct, the Company shall follow the accounting system and internal control system established by the Company. The Company does not allow external accounts or secret accounts, and constantly reviews to ensure the appropriateness of the system design and the continuous effectiveness of its implementation. The Company's Audit Office shall conduct audits on the compliance of the preceding system from time to time and shall prepare an audit report to the Board and may appoint an accountant to perform such audits and, if necessary, an independent auditor or professional to perform such audits.</p> <p>In order to improve the mechanism, we have set up a clear and effective reward and punishment system by integrating the ethical management policy with employee performance evaluation and human resources policy through education, training and evaluation. There is also a system for whistleblowing, punishment and grievance. New suppliers of the Company are required to sign a "ESG Statement for Suppliers" as a guarantee.</p>	
<p>(III) Special Assistance: Whether the Company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures, and periodically reviews and revises such policies?</p>	V		<p>The Company has established a code of conduct for the relationship of interested parties and ethics guidelines, as well as a non-disclosure policy for its employees, which provide clear directions for directors, managerial personnel, employees and persons having substantial control over the Company. In addition, the management and operation of each business is governed by an internal control system that clearly reveals the disciplinary methods and provides appropriate remedies for grievances.</p>	
<p>II. Ethical and integrity management practice</p>				
<p>(I) Whether the Company has assessed the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?</p>	V		<p>The suppliers and customers of the Company have signed the Letter of Undertaking of Integrity in compliance with the "Act on Recusal of Public Servants Due to Conflicts of Interest" and the "Ethics Guidelines for Civil Servants."</p>	No material difference
<p>(II) Whether the Company has set up a unit which is dedicated to promoting the Company's ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and relevant matters, and program to prevent unethical conduct and monitor its implementation?</p>	V		<p>On January 21, 2022, the Board of Directors resolved to establish the "Sustainable Development Committee" with a "Corporate Governance Team", which is responsible for formulating the Company's Ethical and Integrity Corporate Management Policies, ensuring the implementation of the Ethical and Integrity Corporate Management Policies approved by the board of directors, and reporting to the Board of Directors at least once a year on the implementation of the overall ethical and integrity corporate management.</p> <p>The implementation status for ethical management</p> <ol style="list-style-type: none"> 1. In order to implement the ethical management policy and prevent unethical conduct, the Company holds annual training courses on relevant laws and regulations. The courses cover ethical management, procedures for investigation and public handling of material information, prevention of insider trading, the Company Act, the Securities and Exchange Act, and other laws and regulations. 2. On November 27, 2024, the Company's appointed lawyer was invited to explain to the officers and employees about the prevention of insider trading, and the materials were sent to all directors and announced on the Company's internal website for employees' reference. 3. The Company has established a specific whistleblowing system and announced the internal independent whistleblowing mailbox and hotline on 	

			the “Contact Us” and the “ESG Report” sections of the Company’s website. The Company has designated a responsible person or unit to handle reports that involve directors or senior executives. The report should be submitted to the independent directors or the Audit Committee, and the types of matters to be reported and the standard operating procedures for the investigation should be established. Investigation cases, investigation processes, results and related documents shall be recorded and maintained. The identity of the whistleblower and the contents of the whistleblowing report are kept confidential to protect the whistleblower from improper treatment due to his/her whistleblowing.	
(III) Whether the Company has established policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	V		The Company has a “Code of Ethical Conduct and Regulations on Conflict of Interest in Public Recusal” to prevent conflict of interest related business; the employee who has a conflict of interest in the business should inform the supervisor and recuse himself/herself; the Board members will not participate in the discussion and vote on the motion if a conflict of interest is involved.	
(IV) To implement relevant policies on ethical conducts, has the Company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPA periodically?	V		The Company has an effective accounting system and internal control system, which is audited by an audit unit under the Board of Directors and by professional independent auditors.	
(V) Does the Company provide internal and external ethical conduct training programs on a regular basis?	V		In 2024, the Company conducted internal and external training related to ethical management (including ethical management regulations, internal control systems, accounting systems, tire quality regulations and policies, safety and health and management) for a total of 6,742 participants and 6,459.5 hours.	
III. Implementation status of whistleblowing procedures				
(I) Does the Company establish specific whistleblowing and reward procedures, set up conveniently accessible reporting channels, and designate responsible personnel to handle the reports received?	V		The Company has established a specific whistleblowing system and announced the internal independent whistleblowing mailbox, hotline, responsible personnel or unit on the “Contact Us” and the “ESG Report” sections of the Company’s website. For related information, please refer to the Company’s website of “Contact Us” section (https://www.esg.kenda.com.tw/en).	No material difference
(II) Whether the Company has established standard operation procedures for investigating the complaints received, follow-up measures after investigation are completed, and ensuring such complaints are handled in a confidential manner?	V		The Company has designated a responsible person or unit to handle reports that involve directors or senior executives. The report should be submitted to the independent directors or the Audit Committee, and the types of matters to be reported and the standard operating procedures for the investigation should be established. The investigation cases, investigation processes, results, and related documents are properly recorded and maintained. The identity of the whistleblower and the contents of the whistleblowing report are kept confidential.	
(III) Does the Company adopt proper measures to prevent improper treatment from retaliation for whistleblower?	V		The Company shall keep the identity of the whistleblower and the contents of the whistleblowing report confidential, and shall protect the whistleblower from improper treatment due to his/her whistleblowing.	
IV. Enhance information disclosure				
(IV) Does the Company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and the Market Observation Post System (MOPS)?	V		The Company has established a Code of Conduct on Integrity, which is disclosed on the Company’s website and the Market Observation Post System.	No material difference

V. If the Company has established ethical corporate governance policies based on Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe any discrepancy between the policies and their implementation:

The Company has established the "Ethical and Integrity Corporate Management Best Practice Principles" in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and has followed the relevant regulations. There is no difference between the policies and their implementation.

VI. Other important information to facilitate better understanding of the Company's ethical and integrity compliance practices (e.g., review and amend the Company's Ethical and Integrity Corporate Management Best Practice Principles)

The Company will review and amend the Ethical and Integrity Corporate Management Best Practice Principles based on the implementation status each year and the relevant law and regulations.

Note:

1. Suppliers: <https://www.esg.kenda.com.tw/en/%E4%BE%9B%E6%87%89%E5%95%86%E4%BA%8B%E5%AE%9C%E8%81%AF%E7%B9%AB%E6%B4%BD%E8%A9%A2>

2. Employees:

<https://www.esg.kenda.com.tw/en/%E5%93%A1%E5%B7%A5%E4%BA%8B%E5%AE%9C%E8%81%AF%E7%B9%AB%E6%B4%BD%E8%A9%A2>

3. Shareholders:

<https://www.esg.kenda.com.tw/en/%E8%82%A1%E5%8B%99%E4%BA%8B%E5%AE%9C%E8%81%AF%E7%B9%AB%E6%B4%BD%E8%A9%A2>