

Promotion of Sustainable Development and Deviations from the "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons

Promotion Item	Status of Implementation (Note 1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Has the company established a governance structure to promote sustainable development and set up a dedicated (concurrent) unit to promote sustainable development, which is authorized by the Board of Directors to be handled by senior management, and is supervised by the Board of Directors?	Yes		The company established the "Corporate Governance Organization and Operation Guidelines" on May 12th, 2021 and set up the "Sustainable Development Task Force" accordingly. The Chairman of the Board serves as the convener, with the General Manager as the vice-convener, and the Corporate Governance Supervisor as the executive secretary. The task force includes four subgroups: "Corporate Governance and Integrity Management," "Environmental Sustainability," "Social Responsibility and Employee Care," and "Risk Management," each responsible for promoting sustainable development-related matters. The heads of each subgroup are appointed from the Corporate Governance Supervisor, department vice general managers, or assistant vice general managers, and the secretarial units are from the Finance Department, Environmental Protection Division, Planning Department, and Quality	No discrepancy

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			<p>Assurance Department. Members consist of relevant primary units and direct subordinate managers.</p> <p>Each subgroup holds meetings at least quarterly to review the execution status of subgroup tasks and plan for future directions, with additional meetings convened as needed. Administrative matters of each subgroup are handled by the respective secretarial units.</p> <p>Each subgroup reports its execution status to the "Sustainable Development Task Force" semi-annually and submits the execution plan for the following year before the end of each fiscal year.</p> <p>After reporting the annual execution plan and results to the "Sustainable Development Task Force," the Corporate Governance Supervisor presents a report to the board of directors before the end of February of the following year. The execution status for the year 2023 was presented in a report to the board of directors on February 27, 2024, and detailed annual execution status is disclosed on the company's website.</p>	

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			<p>The company's board of directors oversees sustainable development by regularly receiving reports from the management team, including the annual corporate governance report, risk control objectives and execution, annual intellectual property management plan and execution, and progress of the company's solar power plant construction and greenhouse gas verification execution, among other ESG-related matters, to supervise the promotion of sustainable development within the company.</p> <p>Furthermore, the formulation of policies, strategies, and goals for sustainable development had been incorporated into the company's "Sustainable Development Practices Guidelines," which were reviewed and approved by the board of directors on February 22nd, 2022, and implemented on March 8th.</p>	
2. Does the company assess ESG risks associated with its operations based on the principle of	Yes		The Company has a risk management subgroup under the Corporate Governance Group and has established a "Risk Management Policy and	No discrepancy

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materiality, and establish related risk management policies or strategies?			Procedures", which was approved by the Board of Directors on August 3, 2021 and promulgated on August 24, 2021. The risk assessment of major environmental, social and corporate governance issues related to the Company's operations is conducted by the Risk Management Sub-group in accordance with the "Risk Management Policies and Procedures". Based on the assessment results, the Sub-group will formulate relevant risk management strategies or countermeasures and performance indicators for each business execution unit for the major thematic risks identified in the year. The environmental risks include climate change, environmental protection and water resources management; the social risks include occupational safety and health, labor relations and supplier management, etc. Corporate governance risks include operational risk, compliance risk, financial risk and information security. Detailed information is available on the Company's website and in the CSR report.	

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			<p>Moreover, the Company's financial risk management policies are listed as follows: The execution status of the 2023 fiscal year was reported at the board meeting on February 24, 2025. Details of the risk management-related content are disclosed in Chapter 7 "6. Risk Analysis and Assessment" of this annual report, on the company website, and in the sustainability report.</p> <p>➤ Sound Risk Management System:</p> <p>Sound risk management mechanisms - Ensuring operational performance.</p> <p>Implementing internal controls and audits - Reducing operational risks.</p> <p>Deepening the culture of risk management - Raising risk awareness among all staff.</p> <p>Implementing sustainable development for the enterprise - Continuously improving risk management.</p>	

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III. Environmental Issues				
(1) Does the company establish proper environmental management systems based on the characteristics of their industries?	(1) Yes		<p>1. All of our company's factories have established the "ISO 14001 Environmental Management System" and passed the verification on September 21, 2023, with validity until September 20, 2026. Currently, the company operates according to the environmental management system and relevant government environmental regulations, implementing pollution prevention measures within the factories to reduce the environmental impact of production processes. We continuously strive for improvement and enhancement to gradually enhance environmental management performance.</p> <p>In 2024, the Company carried out 12 environmental regulatory audits, during which 29 environmental regulations and 1 Kaohsiung City self-government ordinance were amended or</p>	<p>No discrepancy</p> <p>No discrepancy</p>

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(2) Does the company endeavor to utilize all	(2)		<p>revised. Of these, 15 regulations applicable to the Company's environmental protection activities were registered, with all compliance audits confirming full conformity. Furthermore, the Company submitted 4 environmental objectives and management plans, including compliance with nitrogen oxide emissions standards in the Rolling Mill Plant's pickling area, improvements in the malfunction handling procedures for dust collection equipment at the Steelmaking Plant, the disposal of waste circuit boards and wiring materials following the maintenance and replacement of electrical control equipment by the Equipment Department, and the upgrading of the electrical control system for the steelmaking water treatment facilities managed by the Utilities Department. All projects were completed and closed according to schedule, and actual implementation fully adhered to the planned timelines.</p>	No discrepancy

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resources more efficiently and use renewable materials which have a low impact on the environment?	Yes		2. The Company is dedicated to achieving high efficiency and high value while implementing low-emission and low-consumption control measures to promote energy conservation and effectively reduce environmental impact. From 2015 to 2024, in compliance with the Ministry of Economic Affairs' "Energy Users' Energy Conservation Target and Implementation Plan," the Company maintained an average annual electricity savings rate exceeding 1% after the plan's implementation. In 2024, the Company carried out "Demand Response Load Management Measures" along with six energy-saving initiatives, including improvements to the air conditioning water system pipelines and management at the Steelmaking Plant, replacement of outdated pumps, upgrades to the steelmaking water treatment electrical control system, and renovation of the central air conditioning system on the second floor of the Rolling Mill Building, along with recognition of the	

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			<p>2023 energy-saving performance results, leading to an annual electricity reduction of approximately 11.6805 million kWh. In terms of renewable energy, the solar power plant generated approximately 3.1797 million kWh of green electricity, which was fully self-consumed, meeting internal green energy demands and minimizing dependence on externally purchased electricity. Taking into account the self-consumed solar power output, the Company achieved a total electricity reduction of approximately 14.8602 million kWh in 2024, with an electricity savings rate of 11.34%. The average electricity savings rate from 2015 to 2024 was 6.42%, successfully meeting the goals set forth by the Ministry of Economic Affairs. Moving forward, in response to the implementation of carbon fee collection and in support of governmental energy-saving policies, the Company will continue to plan for the replacement of energy-intensive equipment,</p>	No discrepancy

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			<p>enhance system operational efficiency, and further develop and utilize renewable energy for self-consumption.</p> <p>The primary raw materials used by the Company's Steelmaking Plant are recyclable waste such as scrap stainless steel and scrap carbon steel. In 2024, over 60% of the raw materials purchased were recyclable, and 32.24% of the materials used were recovered from internal production processes, resulting in a combined recyclable material usage rate of 95.48%. Furthermore, the Steelmaking Plant reintroduced dolomite furnace bricks removed from converters and ladles into the electric furnace melting process batch by batch. This practice not only partially replaced lime usage but also helped protect the electric furnace lining, thereby achieving waste reuse objectives. Throughout 2024, a total of 165.32 metric tons of recovered dolomite bricks were reused. These initiatives not only improved resource recycling and reuse</p>	

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(3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	(3) Yes		<p>but also reduced the consumption of other raw materials and energy, subsequently lowering greenhouse gas emissions and minimizing the impact on the natural environment, helping the Company move toward its sustainable development goals.</p> <p>(3) In response to the specific challenges of climate change in sustainable development, our company has conducted climate change risk assessments and developed response measures as follows:</p> <p>1. Climate Change Risk Assessment Procedure:</p> <p>Our company is committed to promoting corporate governance and annually considers regulations from regulatory authorities and important domestic and international issues to formulate climate-related risks and operational strategic plans. These plans are presented for review and approval at meetings of the</p>	

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			<p>Environmental Sustainability Subcommittee and the Risk Control Subcommittee, where decisions are made by the conveners of these subcommittees.</p> <p>2. Potential Risks of Climate Change:</p> <p>(1)With the implementation of climate change response legislation and the establishment of long-term reduction targets for national net carbon emissions by the government, our company may face significant costs to comply with these policies.</p> <p>(2)The imposition of carbon tariffs abroad and the collection of carbon fees domestically have designated the steel industry as the primary target for initial collection. This is expected to result in additional cost burdens for the company.</p> <p>(3)Despite implementing various energy-saving and carbon reduction measures in previous years, significant equipment</p>	

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			<p>improvements may be required in the future to achieve carbon reduction benefits, which could be time-consuming and costly.</p> <p>3. Response Measures and Policies:</p> <p>(1)We continue to conduct annual greenhouse gas emissions inventories and verifications, set reduction targets, and review the effectiveness of reduction measures.</p> <p>(2)We annually establish greenhouse gas reduction targets and effectively implement reduction plans to reduce emissions and mitigate the impact of future carbon tariffs and carbon fees.</p> <p>(3)We align with government energy-saving and carbon reduction policies and continuously plan for the development of green energy to increase our self-generated power ratio.</p> <p>A detailed explanation of our company's climate change risks,</p>	

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(4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?	(4) Yes		<p>opportunities analysis, and response measures has been disclosed in our company's sustainability report.</p> <p>(4) Statistical information, policy formulation and implementation are as follows:</p> <p>1. Various Statistical Information (Data Coverage: Our company's factory located in the Linhai Industrial Park, Xiaogang District, Kaohsiung City)</p> <p>(1) Greenhouse Gas Emissions Statistics</p> <table border="1" data-bbox="1061 1066 1877 1324"> <thead> <tr> <th>Year</th> <th>Scope 1 (Metric Tons of CO₂e)</th> <th>Scope 2 (Metric Tons of CO₂e)</th> <th>Third-Party Verification</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>35,304.9206</td> <td>68,059.4682</td> <td>BSI</td> </tr> <tr> <td>2023</td> <td>29,842.3861</td> <td>56,537.8815</td> <td>BSI</td> </tr> </tbody> </table>	Year	Scope 1 (Metric Tons of CO ₂ e)	Scope 2 (Metric Tons of CO ₂ e)	Third-Party Verification	2022	35,304.9206	68,059.4682	BSI	2023	29,842.3861	56,537.8815	BSI	
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			<table border="1"> <tr> <td>2024</td> <td>36,063.7402</td> <td>61,389.5064</td> <td>Not yet verified</td> </tr> </table> <p>The Company's greenhouse gas emissions for 2024 are scheduled to undergo external verification by the end of July 2025, with the verification statement anticipated by the end of September 2025, and online reporting will be completed within the prescribed timeframe.</p> <p>(2) Water Consumption Statistics In 2023, the Company's total water consumption was 513.658 thousand tons. External verification of the water recycling rate was completed in November 2024, confirming a recycling rate of 87.51%. In 2024, the total water consumption was 720.945 thousand tons, and external verification of the water recycling rate is expected to be completed by the end of September.</p>	2024	36,063.7402	61,389.5064	Not yet verified	
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			<p>(3) Waste Quantity Statistics</p> <p>2022</p> <table border="1"> <thead> <tr> <th>Nature of Waste</th> <th>Waste Name</th> <th>Reported Quantity (metric tons)</th> <th>Disposal Method</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Hazardous Industrial Waste (metric tons)</td> <td>Dust and ash</td> <td>690.7</td> <td>Resource recycling</td> </tr> <tr> <td>Electroplating sludge</td> <td>35.36</td> <td>Solidification landfill</td> </tr> <tr> <td rowspan="2">General Industrial Waste (metric tons)</td> <td>Oil sludge</td> <td>393.08</td> <td>Physical treatment</td> </tr> <tr> <td>Waste lubricating oil</td> <td>124.1</td> <td>Reuse</td> </tr> </tbody> </table>	Nature of Waste	Waste Name	Reported Quantity (metric tons)	Disposal Method	Hazardous Industrial Waste (metric tons)	Dust and ash	690.7	Resource recycling	Electroplating sludge	35.36	Solidification landfill	General Industrial Waste (metric tons)	Oil sludge	393.08	Physical treatment	Waste lubricating oil	124.1	Reuse	
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			<table border="1"> <tr> <td>Oxidized slag</td> <td>2,233.78</td> <td>Reuse</td> </tr> <tr> <td>Reduced slag</td> <td>8,114.98</td> <td>Reuse</td> </tr> <tr> <td>Waste refractories</td> <td>644.305</td> <td>Physical treatment</td> </tr> <tr> <td>General garbage</td> <td>157.65</td> <td>Incineration</td> </tr> <tr> <td>Inorganic sludge</td> <td>6,406.6</td> <td>Reuse</td> </tr> <tr> <td>Mixed waste wood</td> <td>68.63</td> <td>Incineration</td> </tr> <tr> <td colspan="3" style="text-align: center;">Total Reported Waste Quantity: 18,869.185 metric tons</td> </tr> </table> <p>Waste Management Summary for 2024 (Year 113) (Unit: metric tons)</p>	Oxidized slag	2,233.78	Reuse	Reduced slag	8,114.98	Reuse	Waste refractories	644.305	Physical treatment	General garbage	157.65	Incineration	Inorganic sludge	6,406.6	Reuse	Mixed waste wood	68.63	Incineration	Total Reported Waste Quantity: 18,869.185 metric tons			
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			<table border="1"> <tr> <td>Inorganic Sludge</td> <td>8,456.12</td> <td>Reuse</td> </tr> <tr> <td>Waste Wires & Cables</td> <td>3.06</td> <td>Physical Treatment</td> </tr> <tr> <td>Waste plastic</td> <td>9.74</td> <td>Reuse</td> </tr> <tr> <td>scrap wood</td> <td>148.36</td> <td>Reuse</td> </tr> <tr> <td colspan="3">Total Reported Waste Quantity: 26,557.045 metric tons</td> </tr> </table> <p>2. Policies and Execution Status of Various Measures</p> <p>(1) Energy Conservation and Carbon Reduction</p> <p>The company is committed to reducing greenhouse gas emissions continuously. Every year, it implements voluntary reduction measures in accordance with government policies and reports the results of reduction performance.</p> <p>➤ Target: Achieve an 8% reduction in total greenhouse gas emissions in 2024 compared to the base year (2005).</p>	Inorganic Sludge	8,456.12	Reuse	Waste Wires & Cables	3.06	Physical Treatment	Waste plastic	9.74	Reuse	scrap wood	148.36	Reuse	Total Reported Waste Quantity: 26,557.045 metric tons			
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			<ul style="list-style-type: none"> ➤ Measures: In 2024, the Company continued to implement voluntary greenhouse gas reduction initiatives, reporting six projects: upgrading the steelmaking cooling water electrical control system to a variable frequency control system (Panel B), replacing pumps, updating the steelmaking water treatment electrical control system, improving the piping and management of the steelmaking air conditioning water system, upgrading the central air conditioning system on the second floor of the rolling mill building, and replacing 83 lighting fixtures at the Rolling Mill Plant. ➤ Results: All reduction projects reported for 2024 were completed as planned, resulting in a total electricity savings of 1,861,645.40 kWh and a reduction of 919.653 metric tons of carbon dioxide equivalent 	

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			<p>emissions. Additionally, the solar power plant generated a total of 317.97 thousand kWh of green electricity throughout 2024. The goal of reducing total greenhouse gas emissions by 8% compared to the base year was achieved. Final greenhouse gas reduction performance data will be confirmed after completion of external verification.</p> <p>(2) Quantitative Greenhouse Gas Reduction Target for 2030 In support of its voluntary reduction plan, the Company calculates the baseline and target year emissions in accordance with the "Voluntary Reduction Plan Management Guidelines" and formulates strategies and action plans to achieve the set goals.</p> <p>➤ Target: Reduce total greenhouse gas emissions in 2030 by 3.8% compared to the baseline years (2018–2022).</p>	

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			<ul style="list-style-type: none"> ➤ Strategy: Develop and implement greenhouse gas reduction measures, monitor progress and effectiveness on a regular basis, and ensure the achievement of the set reduction target. ➤ Action Plan: Execute the first and second phases of solar power plant construction; upgrade various pumps; replace cooling tower cooling fans; upgrade the dust collection motor systems with variable frequency drives; upgrade lighting systems across multiple plant buildings; replace central air conditioning systems in the First Administration Building and Rolling Mill Building; replace and upgrade high-efficiency motors; and convert the AOD mobile horizontal preheater to a regenerative preheater. <p>(3) Quantified Management Objectives for Water Reduction</p>	

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			<p>In recent years, with the abnormal changes in global climate, the difference between the periods when water sources were dry and when they were abundant has become significant. The company has been focusing on researching and improving water usage and advocating water conservation policies to save water as much as possible.</p> <p>➤ Target: Using the total water usage of 780.310 thousand metric tons in the year 2019 as the base year, the company plans to reduce water usage by 15% compared to 2019 within 5 years starting from the year 2020. It is planned to reduce water usage annually by 5%, 13%, 14%, 14.5%, and 15% from 2020 to the year 2024 compared to the total water usage in the year 2019.</p> <p>➤ Measures: Measures include recycling wastewater from steel</p>	

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			<p>rolling and steel refining backwash, improving the sludge dewatering equipment of the waste acid treatment system, utilizing recycled water as resources, establishing water balance diagrams and adding flow meters for enhanced control, improving faucets in bathrooms, and strengthening advocacy for water conservation.</p> <p>➤ Results: Based on 2019, the company's total water usage was 780.310 thousand metric tons, and the overall unit water intensity was 3.88 m³/ton of steel coil. The achievement for 2024 was as follows: total water consumption reached 720.945 thousand tons, with an overall unit water consumption density of 3.863 m³ per ton of steel coil. From 2020 to 2024, the average annual total water consumption and overall</p>	

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			<p>unit water intensity decreased by 16.72% and 7.017%, respectively, compared to 2019, successfully achieving the target of reducing total water consumption by 15% within five years relative to 2019 levels.</p> <p>(4) Business Waste Management</p> <p>The company maintains a diverse disposal channel for waste and regularly monitors and analyzes to effectively control the amount of waste generated.</p> <ul style="list-style-type: none"> ➤ Target: The coefficient of various business waste generation shall not exceed the average coefficient of waste generation from the previous year. ➤ Measures: Monthly statistics of the production, storage, and transportation volume of various business wastes are accurately recorded and analyzed. The results 	

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			<p>are reported regularly at department meetings for control and analysis.</p> <p>➤ Results: According to statistical analysis, among the seven main types of business waste listed in 2023, five have achieved the control target, while two have not. The main reasons for not achieving the target are reduced production and process differences. All issues have been reviewed, and continuous control measures are in place.</p>	
<p>IV. Social Issues</p> <p>(1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>	(1) Yes		<p>(1) Human Rights Protection Policy and Implementation:</p> <p>1. The company adheres to government labor-related laws and complies with international standards such as the Universal Declaration of Human Rights and global covenants. We have established human rights policies and related labor conditions,</p>	No discrepancy

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			<p>including the formulation of work-related rules and various personnel management regulations and procedures.</p> <p>2. When reviewing or formulating regulations related to labor conditions, employee welfare, and rights, representatives from the labor union are invited to participate in the review process.</p> <p>3. We have collective agreements with the enterprise union and regularly hold labor-management meetings to fully protect the legitimate rights and interests of employees.</p> <p>4. Workplace Diversity and Gender Equality Policy and Promotion:</p> <p>Our recruitment process strictly follows regulatory requirements, and we have never employed child labor. We actively hire individuals from disadvantaged groups such as persons with disabilities and indigenous peoples to demonstrate our commitment to caring for vulnerable communities. Regarding</p>	

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(2) Does the company have reasonable employee benefit measures (including	(2)		<p>salary, benefits, performance evaluation, and promotion opportunities, we ensure that there is no discrimination based on gender, ethnicity, or marital status. As of the end of December 2024, we employed a total of 14 persons with disabilities, accounting for 2.5% of the total workforce, surpassing the requirement of 1% set by the Disability Rights Protection Act.</p> <p>5. As of the end of 2024, over the past three years, the company has not experienced any incidents related to human rights violations or discrimination. In order to promote human rights issues, in 2024, the company provided a total of 18 hours of training related to human rights, with 206 individuals trained, accounting for approximately 33% of the total staff.</p>	No discrepancy
			(2) 1. Employee Compensation: The company has regulations such as	

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salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	Yes		<p>"Article 40 of the Company's Articles of Association," "Employee Compensation Management Measures," and "Employee Performance Evaluation Guidelines" to regulate the issuance of various types of compensation and bonuses to employees. The main components of employee compensation include basic salary, year-end bonuses, profit-sharing incentives, and performance bonuses.</p> <p>2. Reflecting Business Performance in Employee Compensation: The company has "Business Performance Incentive Bonus Guidelines," and in profitable years, incentive bonuses are issued to employees according to these guidelines, aligning actual business performance with employee compensation.</p> <p>3. Employee Welfare Measures: The company has established the "Tang Rong Iron Works Co., Ltd. Staff Welfare Committee" in accordance with the law. The welfare committee members are</p>	

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			<p>elected or nominated, and regular meetings are held every two months to exercise relevant powers, decide on various employee welfare policies and plans, and organize employee activities, including festival bonuses, scholarships, elderly care benefits, marriage, funeral, medical subsidies, as well as club activities, employee self-improvement activities, and factory anniversary celebrations.</p> <p>4. Workplace Diversity and Equality: Due to the nature of the industry, there is a gender imbalance among employees, with more male than female employees. In 2023, the average proportion of female employees was 9%, while the average proportion of female managers was 7%. However, the company ensures equal pay for equal work and equal opportunities for promotion for both male and female employees. It actively creates a female-friendly working environment by providing</p>	No discrepancy

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			<p>comfortable and well-equipped lactation rooms and offering childcare benefits. The company is committed to implementing gender equality legislation to protect the employment rights of female workers.</p> <p>5. To safeguard the rights of employees, the company has established various rules and regulations related to work in addition to complying with labor laws. Furthermore, the company has a collective agreement with the enterprise union (covering 100% of eligible union members) and regularly holds labor-management meetings to fully protect the legal rights of employees.</p> <p>Since the privatization in July 3, 2006, Tang Eng Iron Works Co., Ltd. and the Stainless Steel Plant Industry Union signed the first collective agreement. Negotiations for the collective agreement are conducted every three years, and the content is formulated in</p>	

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			<p>accordance with relevant regulations, aiming to promote business development and improve the welfare of workers. The collective agreement signed on October 30, 2015 includes nine chapters and a total of 56 articles covering general provisions, labor contracts, working hours, union activities, remuneration, welfare and safety, retirement, layoffs, grievances, labor-management meetings, and appendices. The company believes in profit-sharing and has included a profit-sharing clause in the collective agreement, stipulating that "after compensating for accumulated losses, if there are profits at the end of the operating year, the company shall distribute a fixed amount or a certain percentage of the profits as employee remuneration or bonuses, which shall be negotiated by both parties and handled in accordance with the company's articles of association."</p> <p>In June 2022, Tang Eng Iron Works Co., Ltd. and the Tang Eng</p>	

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(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	(3) Yes		<p>Iron Works Co., Ltd. Enterprise Union began negotiations on a new version of the collective agreement draft. After 6 negotiation meetings over 10 months, discussions are still ongoing. It is hoped that through the revision of the collective agreement, more fair and reasonable labor conditions can be regulated to ensure the comprehensive protection of workers' rights.</p> <p>(3) In compliance with the Occupational Safety and Health Law and the ISO45001 Occupational Safety and Health Operating Environment Monitoring Regulations, the Company has established an operating environment monitoring plan for the healthy working environment in the workplace and has commissioned an operating environment monitoring organization approved by the Ministry of Labor to implement the monitoring. The monitoring plan and monitoring results are in compliance with the regulations and</p>	<p>No discrepancy</p> <p>No discrepancy</p>

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			<p>publicly revealed, and reported to the central competent authorities.</p> <ol style="list-style-type: none"> To ensure a safe and secure workplace environment, the Company conducts regular environmental assessments. Monitoring includes high temperature, noise, dust, specific chemicals, and carbon dioxide levels in indoor central air-conditioned spaces. In 2024, all monitoring results were in compliance with regulations. In accordance with occupational health and safety regulations, the Company has implemented an automated safety and health inspection program, with clear delineation of responsibilities for supervisors at all levels. Site managers proactively identify gaps in self-management through monthly themed audits and daily inspections, continuously working to address and improve these issues. In 2024, the Kaohsiung City Labor Inspection Department 	

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			<p>performed two on-site inspections, with no violations identified. Additionally, the Safety and Health Department conducted 48 audits at various construction sites, and supervisors at levels three and above carried out 336 safety and health inspections.</p> <p>3. The average age of employees at the Company is 50.12 years. Due to decreased metabolism and unhealthy lifestyle habits (such as prolonged sitting, shift work, lack of exercise, poor diet, etc.), the obesity rate (BMI \geq 30) has reached 16.34%, and the high cardiovascular risk rate stands at 7.3%. This reflects an increasing number of health issues among employees. To address this, the Company has implemented the following measures: A. Regular analysis and retention of health check-up results. B. Monitoring abnormal health check-up results and providing health guidance. C. Contacting employees with abnormal indicators via interview or phone to remind them to seek medical follow-up. D. Hiring</p>	

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			<p>occupational physicians to offer personalized health advice. E. Conducting quarterly health awareness sessions and posting relevant information on the company's official website and bulletin boards. In 2023, the obesity rate ($BMI \geq 30$) was recorded at 98 employees, which decreased to 95 employees in 2024, marking a 3% reduction in obesity prevalence. The number of employees at high cardiovascular risk was 20, and 18 of them (60%) managed to lower their risk to medium or low levels.</p> <p>4. The Company organized safety and health education and awareness training. In 2024, a total of 12 training courses were held, including topics on health promotion and workplace harassment prevention, with 14 sessions attended by a total of 496 participants.</p> <p>The Company has conducted occupational safety and health education and awareness training over the past three years, as</p>	No discrepancy

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	Yes	No	Abstract Illustration																	
			<p>shown in the chart below.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Educational Training Sessions</th> <th>Total Number of People</th> <th>Total Hours</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>14</td> <td>733</td> <td>2,262</td> </tr> <tr> <td>2023</td> <td>22</td> <td>717</td> <td>3,049</td> </tr> <tr> <td>2024</td> <td>14</td> <td>496</td> <td>1,806</td> </tr> </tbody> </table> <p>In 2024, the Company did not experience any major occupational accidents (including subcontractors). However, three disabling injury incidents occurred within the plant, all caused by falls while ascending or descending stairs. The total loss of workdays was 120 days, with a disabling injury frequency rate of 2.64 and a disabling injury severity rate of 105. Additionally, there was one fire</p>	Year	Educational Training Sessions	Total Number of People	Total Hours	2022	14	733	2,262	2023	22	717	3,049	2024	14	496	1,806	
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			<p>incident, but no injuries or fatalities occurred, resulting in a fatality and injury rate of 0% relative to the total number of employees.</p> <p>In response to the fire incident, the Company has implemented a targeted management plan to replace the affected areas with fire-resistant partition walls. Further corrective actions include setting up regular temperature monitoring and anomaly handling guidelines for the chimney casing and partition. The Company ensures that all related accidents are thoroughly investigated through hazard identification and risk assessment of the work environment. The Company also introduces measures to improve equipment and revises operational standards as necessary. These efforts are continuously managed through the Plan-Do-Check-Act (PDCA) cycle to ensure ongoing improvements in the health and safety of employees.</p> <p>All of the Company's facilities received ISO 45001 certification</p>	

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(4) Does the company provide its employees with career development and training sessions?	(4) Yes		<p>on July 3, 2020. An external re-evaluation was conducted from May 29 to May 31, 2023, and the certification was successfully renewed, with validity until July 2, 2026.</p> <p>(4) In accordance with the "ISO9001 Education and Training Management Regulations", the Company provides a variety of training programs for on-the-job training and new recruits, including: management training for junior cadres, training for various technical specialists, and training for teacher-level personnel, in order to cultivate excellent middle and senior management personnel and enhance the professional ability of employees, so as to achieve the goal of passing on technology, management and experience. Performance management of education and training will be implemented annually and will be used as a basis for improvement in the following year. In 2023, a</p>	

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(5) Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	(5) Yes		<p>total of 3,539 individuals participated in training sessions, accumulating a total of 11,532 hours. On average, each employee received approximately 19 hours of training.</p> <p>(5) The Company's policy on the protection of customer rights in relation to its products and services is as follows:</p> <p>The Company has established an ISO 9001 quality management system and continues to develop and innovate products with a customer-oriented approach to provide high-quality, environmentally friendly products and eliminate harmful substances, and is committed to new product development, process technology refinement and quality management system verification. Each product is certified by the ISO 9001 quality management system and complies with EU RoHS and REACH-SVHC regulations. In addition, the Company</p>	

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			<p>sends its products to an external laboratory certified by TAF for sampling and testing every year to provide objective evidence that our products meet the requirements of relevant laws and regulations.</p> <p>In terms of product service, the Company has established an after-sales service mechanism in accordance with the ISO 9001 Customer Complaint Management System, which is dedicated to handling product quality and customer feedback in order to achieve the goal of placing equal emphasis on both product quality and after-sales service. The labeling and descriptions of the products and services provided to our customers comply with regulatory requirements, and the Company has not violated any laws or regulations related to products and services or the marketing of products for 2021.</p> <p>We follow the "ISO 9001 Computer System Security Management System" to protect our customers' data. Our computer equipment is</p>	

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			<p>equipped with anti-virus software and network detection to prevent the spread of computer viruses in electronic data. All information required by customers is handled separately by authorized business professionals. All data processing and inquiries are done with a personal account and password, and strict permission management is in place. The account password is updated periodically by the system to ensure the security of personal data files. In 2024, there were no complaints about a breach of customer privacy and loss of customer data.</p> <p>In terms of customer service management, the Company has implemented a customer service management policy. To maintain strong customer relationships, the Company actively addresses immediate issues through both scheduled and impromptu meetings and visits. Additionally, an annual customer satisfaction survey is conducted to gather insights into customer needs and expectations</p>	

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(6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human	(6) Yes		<p>regarding Tangrong. Feedback received from customers is consolidated and monitored in the Company's regular quality meetings, where continuous improvements are made to ensure effective communication, coordination, and overall customer satisfaction.</p> <p>For information on complaint channels and procedures, please visit the Company's official website under Products & Services/Customer Complaint Process (URL: https://www.tangeng.com.tw/pro_ser.html#book5/undefined).</p> <p>(6) The Company is aware of the "ISO 9001 Procurement Practice Management" and has clear regulations on procurement procedures and supplier selection. The procurement contract and the tender specifications clearly stipulate that the supplier should comply with</p>	

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rights? If so, describe the results.			<p>the relevant government regulations to hire laborers. The aforementioned laws and regulations include the Labor Standards Act, human rights-related laws and regulations, and the Occupational Safety and Health Act and its enforcement regulations. Suppliers are also required to clearly provide the source of their raw materials in order to filter and avoid obtaining raw materials from upstream producers that violate international regulations or consensus.</p> <p>In terms of raw material supplier management mechanism, there is a "Rejected Manufacturers' List". The procurement procedures and review mechanisms mentioned above allow for the management and selection of suppliers in terms of their prequalification and ability to fulfill contracts. In the procurement of engineering and labor services, those who have been classified by the competent authorities as rejected suppliers for violating the relevant domestic</p>	

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			<p>laws and regulations are not allowed to become suppliers of the Company.</p> <p>In addition, due to the nature of individual purchase cases, we ask the bidders to provide "Declaration of Conformity for Substances of Very High Concern (REACH-SVHC)" and "Declaration of Conformity for Banned Substances" to raise the level of environmental concern. The Company is actively taking various effective actions to reduce the negative impact of material purchases on the environment.</p>	
5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a	Yes		<p>This report was prepared in accordance with the Global Reporting Initiative (GRI) Universal Standards 2021 and the Sustainability Accounting Standards Board (SASB) sustainability accounting standards, with reference to the ISO 26000 guidance, the United Nations Global Compact (UNGC), the "Operating Procedures for Listed Companies to Prepare and Disclose Sustainability Reports on the Over-</p>	<p>There is no difference except that the report has not yet been verified by a third party.</p>

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third-party verification unit?			<p>The-Counter Market," the United Nations Sustainable Development Goals (SDGs), as well as the Task Force on Climate-related Financial Disclosures (TCFD) and SASB sustainability accounting standards, covering information disclosure on environmental, social, and corporate governance issues of the Company. The Chinese and English versions of the Company's sustainability report were uploaded to the Market Observation Post System and the Company's website within the specified time limit.</p> <p>The disclosed information in the report was provided by each responsible unit of the Company, and compiled and edited by the Planning Department. After administrative procedures, it was reviewed by the General Manager and Chairman, and finalized for publication. To ensure the accuracy of the report, the cost and accounting information in the financial report were confirmed by an auditor, and the quality, safety, health, and environmental management systems</p>	

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			<p>were verified by relevant certification bodies, including the following:</p> <ul style="list-style-type: none"> ➤ The Safety and Health Management System (ISO 45001) and TOSHMS have been verified by the Metal Industry Research and Development Center. ➤ The quality management system ISO9001:2015, EU Pressure Equipment Directive 2014/68/EU (PED), EU Building Construction Materials 305/2011/EU (CPR) have been verified by TUV, a German company in Taiwan. ➤ The Company obtained ISO/ICE17025 accreditation for our metallurgical laboratories, as verified by TAF, the National Accreditation Foundation. ➤ The Company obtained the JIS MARK certification by the Japan Quality Assurance Agency (JQA). ➤ The Company obtained the CNS mark certification by the Bureau of Standards and Inspection, Ministry of Economic Affairs. 	

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			➤ The Company is certified by BSI according to the ISO 14064-1 standard for greenhouse gas emission inventory.	
<p>6. If the company has established sustainable development best-practice principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," describe the implementation and any deviations from such principles:</p> <p>In accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies", the Company has formulated and promulgated the “Tang Eng Iron Work’s Corporate Social Responsibility Best Practice Principles” on May 19, 2021. Moreover, to be in line with the amendment to the name of the Principles as “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” by the competent authority on December 7, 2021, the Company has amended the name of the Principles and some provisions for listed and OTC companies is "Sustainability Development Guidelines of Tang Eng Iron Works Co., Ltd." The company has passed the board of directors' review on February 22, 2022 and the revised guidelines and related articles were officially promulgated on March 8, 2022.</p> <p>The Company established a CSR subgroup under the Corporate Governance Group, which is responsible for promoting the fulfillment of CSR and promoting various related businesses in accordance with the provisions of the "Tang Eng Iron Works’ Sustainable Development Best Practice Principles”. Its actual operation does not differ from the provisions of the Principles. For details of the Company's CSR operations, please refer to the CSR section of the Company's website and the CSR Report.</p>				

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<p>7. Other Key Information for Understanding the Implementation of Sustainable Development:</p> <p>1. The Company will annually disclose the status of its sustainable development initiatives on its website, in the sustainability report, the annual report, and on the public information observatory platform for the benefit of all stakeholders.</p> <p>2. Ongoing Investment in Key Energy-Saving and Green Energy Equipment for Environmental Sustainability: To align with the government's green energy policy and meet the goals of energy conservation and carbon reduction, the Company allocates an annual capital expenditure budget for energy-saving and equipment upgrades, executing the plan accordingly. Furthermore, in support of renewable energy development, the Company's "Solar Power Plant Construction Project" was approved by the Board of Directors on December 29, 2021. The bidding process was completed by August 2022, and an investment of NT\$134.96 million was used to build a 3,000 kW solar power facility. By July 2023, the plant was operational and connected to the grid, generating 3.1797 million kWh of green electricity, which was consumed on-site to reduce reliance on external electricity. Additionally, in 2024, the Company allocated NT\$300 million for the construction of the second phase, a 5,000 kW solar plant. The first stage of the second phase, involving the installation of 3,105 kW on the roof of the rolling mill, is expected to cost NT\$106.51 million, with plans for grid connection by the end of 2025. The second stage, with a capacity of 1,900 kW, is expected to be connected by the end of 2027. The Company aims to achieve net-zero carbon emissions (or carbon neutrality) by 2050.</p> <p>3. Support for Domestic Cultural Development Activities Promotion of Brick Kiln Culture:</p>				

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<p>The Zhongdu Brick Kiln Factory and Red Brick Office, located at 92-2 and 17 Zhongdu Section, Sanmin District, Kaohsiung City, are the last remaining facilities of Taiwan Brick Company. These sites hold significant cultural value, having witnessed the evolution of red brick construction materials and building techniques. In 2005, they were designated as a cultural preservation zone. The area includes several heritage sites, such as the Hoffman Kiln, North and South Chimneys, Downdraft Kiln, Experimental Kiln, Tunnel Kiln, and the Red Brick Office, all of which have been recognized as national monuments by the Ministry of Culture.</p> <p>In alignment with the government's efforts to promote cultural awareness, the company has made the first phase of the site (the Tunnel Kiln Area) accessible to the public for free visits. This area, including surrounding pathways, spans about 1,200 ping. Based on local land rental rates of approximately NT\$400 per ping per month, the annual cost of providing this cultural space is estimated at NT\$5.76 million. Additionally, the company allocated NT\$285,000 in 2024 for the upkeep and management of the Taiwan Brick Company Dagou Factory (Zhongdu Tangrong Brick Kiln Factory), a national heritage site. The company also supports the Kaohsiung City Cultural Bureau's cultural initiatives by providing venue space, as seen in the event "Remembering Childhood Fun – Talking Brick Kiln Culture," for which the company lent the Zhongdu Brick Kiln Factory and surrounding land from April 12 to 15, 2024.</p> <p>4. Community Engagement and Contributions</p> <p>The company continues to exercise its corporate influence in diverse ways to fulfill its corporate social responsibility, sharing goodwill and concern with society through tangible actions. Aligned with our commitment to supporting disadvantaged groups and giving back to the local community, we</p>				

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<p>actively help vulnerable populations and foster strong bonds with neighboring communities to contribute to regional growth. Initiatives include community hikes, social gatherings, blood donation campaigns, elderly care, children's educational programs, and community tours. By sponsoring various community initiatives, we contribute to the development of the surrounding area near our Kaohsiung plant. In 2024, the company's sponsorship for social and community welfare activities amounted to NT\$538,000.</p> <p>5. For additional details regarding our company's implementation of sustainable development, please consult our company website and sustainability report.</p>				