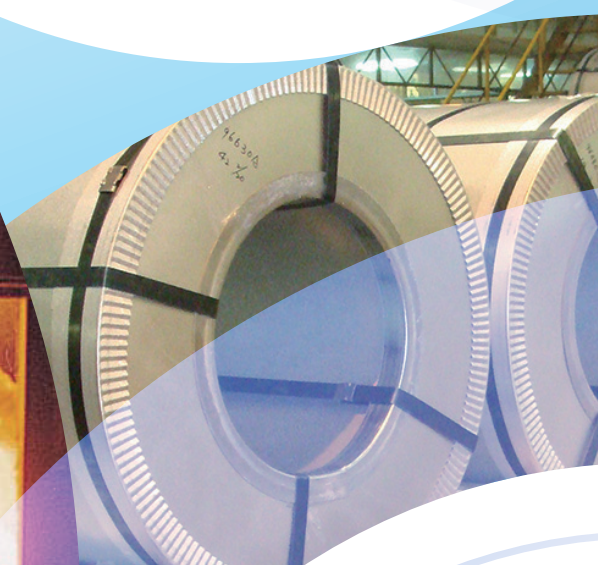
唐榮鐵工廠股份有限公司
TANG ENG IRON WORKS CO., LTD.



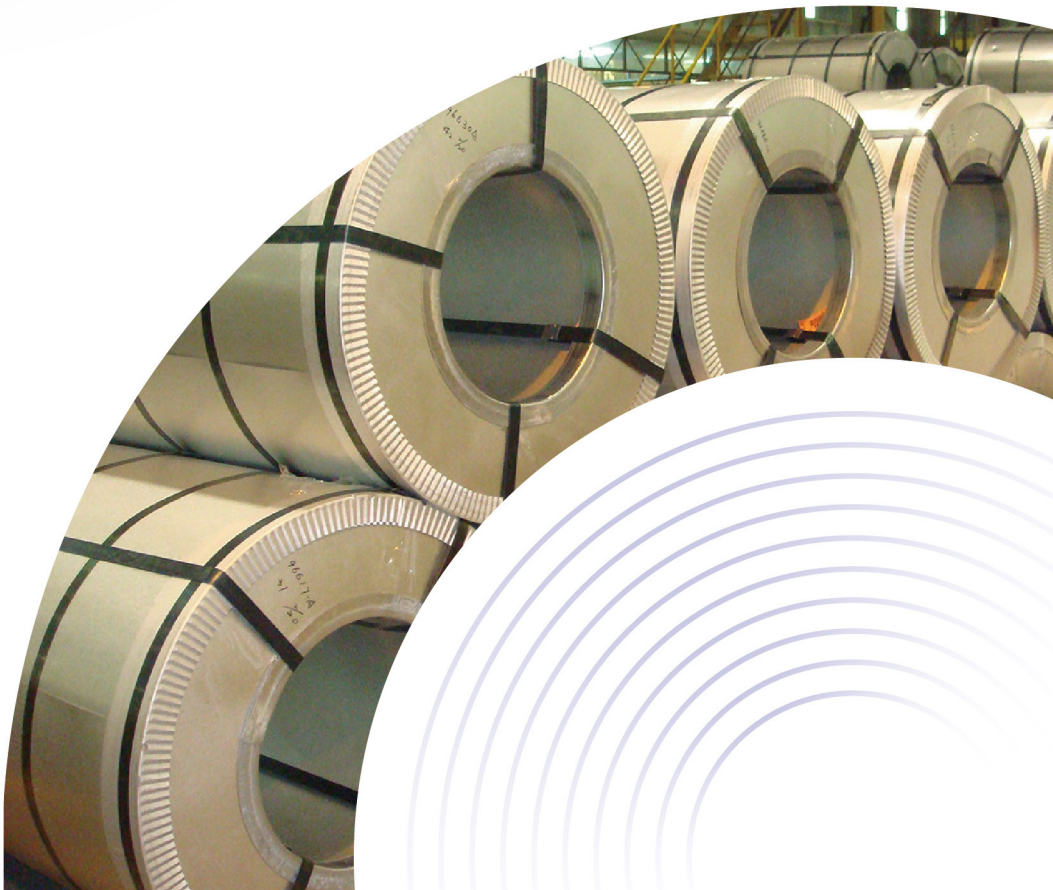




2025 SUSTAINABILITY REPORT

唐榮鐵工廠股份有限公司
TANG ENG IRON WORKS CO., LTD.

2025 SUSTAINABILITY REPORT



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About This Report

Reporting Scope and Basis

Tang Eng Iron Works Co., Ltd. (hereinafter referred to as "Tang Eng," the "Company," or "we") has prepared this Sustainability Report in accordance with the GRI Universal Standards 2021 published by the Global Reporting Initiative (GRI) in 2021. This Sustainability Report has also been prepared with reference to ISO 26000, the United Nations Global Compact (UNGC), the Regulations Governing the Preparation and Filing of Sustainability Reports by TPEx-Listed Companies, the United Nations Sustainable Development Goals (SDGs), the IFRS Sustainability Disclosure Standard IFRS S2 Climate-related Disclosures (formerly the TCFD framework), and the Sustainability Accounting Standards Board (SASB), which serve as the basis for the preparation of this Sustainability Report.

Tang Eng Iron Works Co., Ltd. issued its first Corporate Social Responsibility Report in 2012. In response to the requirements of the Financial Supervisory Commission (FSC), the Corporate Social Responsibility Report was renamed the Sustainability Report in 2022. This Report is the 14th report issued by Tang Eng, and the Company will continue to issue the Report annually. In addition to the printed version, the finalized Report will be uploaded to the online information reporting system designated by the competent authority in accordance with applicable requirements, and a Sustainability Development section has been established on the Company's official website. Through the publication of this Report, the Company transparently discloses its sustainability initiatives and performance in the environmental, social, and governance dimensions, enabling stakeholders to understand Tang Eng's efforts in corporate sustainable development and corporate social responsibility practices, as well as its determination to continue making progress.

The information and data disclosed in this Report are primarily based on 2025 (January 1, 2025, to December 31, 2025). The Report focuses on various topics relating to Tang Eng's environmental, social, and governance aspects, which constitute the key content of this Report. The Report is organized into the following six chapters:

Report Structure	
CH1 Sustainability Core – Steady Development	CH2 E Environmental Responsibility – Low-Carbon and Circular Steelmaking
CH3 S People-Centered Sustainability – Diverse and Inclusive Workplace	CH4 S Social Engagement – Giving Back and Shared Prosperity
CH5 S+G Transformation Pillar – Supply Chain Connectivit	CH6 G Sustainability Foundation – Governance and Integrity

Data Collection, Management, and Review

The information disclosed in this Report covers the Company's operations at its manufacturing facilities located in the Linhai Industrial Park, Xiaogang District, Kaohsiung City. In accordance with the Company's Procedures for Sustainability Report Preparation and Assurance, each responsible department truthfully completed and submitted the required information. The Planning Department then consolidated and edited the information. The draft Report was reviewed and revised by the relevant departments before being submitted through the Company's administrative procedures for review by the General Manager and the Chairman. The Report was finalized and published following review by the Board of Directors.

Although the Company's 2025 Sustainability Report has not undergone external assurance or verification, the Company has established a rigorous internal review mechanism and incorporated the preparation of the Report into its internal control system to ensure the accuracy of the Report. To further ensure the accuracy of the Report, the cost and accounting information cited from the financial statements has been audited and verified by certified public accountants. The Company's quality, occupational health and safety, and environmental management systems, greenhouse gas emissions, and water recycling rate have all been audited and verified by the relevant certification and verification bodies, as listed below:

- Following audits conducted by Metal Industries Research & Development Centre, the Company obtained certification to ISO 45001:2018 and TOSHMS for its occupational health and safety management system.
- Following audits conducted by TÜV Rheinland Taiwan Ltd., the Company obtained certification for the ISO 9001:2015 quality management system, the Pressure Equipment Directive (PED) 2014/68/EU, and the Construction Products Regulation (CPR) 305/2011/EU.
- Following audits conducted by British Standards Institution (BSI) Taiwan, the Company obtained certification for the ISO 14001:2015 environmental management system.
- Following audits conducted by the Taiwan Accreditation Foundation (TAF), the Company obtained accreditation for its ISO/IEC 17025:2017 metallurgical laboratory.
- Following audits conducted by the Japan Quality Assurance Organization (JQA), the Company obtained JIS Mark certification.
- Following audits conducted by the Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs, the Company obtained CNS Mark certification.
- The Company's greenhouse gas emissions were verified by British Standards Institution (BSI) Taiwan, and a verification statement was issued.
- The Company's water recycling rate was verified by Metal Industries Research & Development Centre, and a verification statement was issued.

Restatements of Information or Significant Changes in Ownership

Compared with 2024, there were no significant changes in the reporting scope or topic boundaries. If other reporting scopes are involved, they are explained separately in the relevant sections of this Report. In addition to referring to the GRI Materiality Principle, the Company has prepared this Report in accordance with more rigorous standards. Through continuous improvement, the Company reviews its data collection processes and scope to enhance data quality year by year.

Publication Schedule

The Company is committed to maintaining an annual reporting frequency and transparent communication with stakeholders. This Report is scheduled for publication in August 2026.

- Previous edition: August 2025
- Current edition: August 2026
- Next edition: August 2027

With respect to the integrated disclosure of financial and non-financial information, the reporting period of this Sustainability Report is fully consistent with that of the Company's annual financial statements, with both covering the full year of 2025. However, as this Sustainability Report encompasses multi-dimensional non-financial data relating to environmental, social, and governance matters, additional time is required for the comprehensive cross-departmental collection, consolidation, and preparation of data to ensure the rigor and completeness of the information. Accordingly, while the Company's annual financial statements were released on March 2, 2026, in accordance with the Board of Directors' meeting schedule, this Sustainability Report will be finalized and uploaded to the designated online information reporting system before the end of August 2026 in accordance with the requirements of the competent authority, with the aim of providing stakeholders with the most accurate and comprehensive roadmap for the Company's sustainable development.

Link to This Report

Link to Financial Reports

Link to the Stakeholder Section

Report Contact Information	
Contact Department	Planning Department, Tang Eng Iron Works Co., Ltd.
Address	Address: No. 4, Yanhai 2nd Road, Xiaogang District, Kaohsiung City 81260
Telephone	(07) 802-2811 Ext.1551,1556,1557
E-mail	tecsr@mail.tangeng.com.tw
Website	https://www.tangeng.com.tw/Home

Message from Management



Tang Eng Iron Works Co., Ltd.

Chairman

趙健在

2025 was a particularly challenging year for the global steel industry. Although the global economy gradually emerged from peak inflation, markets continued to be affected by high interest rates, geopolitical tensions, the U.S.–China trade dispute, and reciprocal tariff policies. In particular, weakened economic momentum and a sluggish real estate market in China significantly reduced steel demand. Excess steel products were dumped into global markets at low prices, directly impacting the operating environment of the steel industry.

In the face of this structural imbalance, the Company did not retreat despite these headwinds. Instead, the management team adopted flexible production and order-taking strategies and, under prudent risk management, maintained a basic capacity utilization rate to absorb fixed costs and reduce operational volatility. This period of adjustment and preparation represented a critical opportunity to strengthen the Company's operational resilience.

Promoting Environmental Sustainability and Implementing the Low-Carbon Transition

In response to the official implementation of Taiwan's carbon fee in 2026 and the full implementation of the European Union's Carbon Border Adjustment Mechanism (CBAM), the Company has proactively pursued transformation to align with international standards. Through its in-house steelmaking technology, the Company produces low-carbon circular economy products, substantially reducing the impact of carbon certificates required for exports to Europe. The Company also continues to implement its Voluntary Greenhouse Gas Emissions Reduction Plan and optimize energy-intensive equipment in an effort to qualify for preferential domestic carbon fee rates and mitigate operational impacts. Following the completion of the first phase of its solar power plant, the Company has commenced the second phase of development, continuing its low-carbon transition in line with its sustainable development pathway and promoting environmental sustainability.

People First and Social Engagement

The Company upholds the belief that employees are its most important asset. We are committed not only to safeguarding employee health and safety and providing compensation and benefits, but also to fostering harmonious labor-management relations. In addition, we actively conduct occupational safety audits and emergency response drills to create a safe and secure workplace. The Company also continues to exercise its corporate influence through various initiatives, fulfilling its corporate social responsibility by spreading goodwill and care through concrete actions. We remain committed to supporting disadvantaged groups, maintaining good relationships with neighboring communities, and contributing to local community development. Through various activities and programs, we strive to build a better society together.

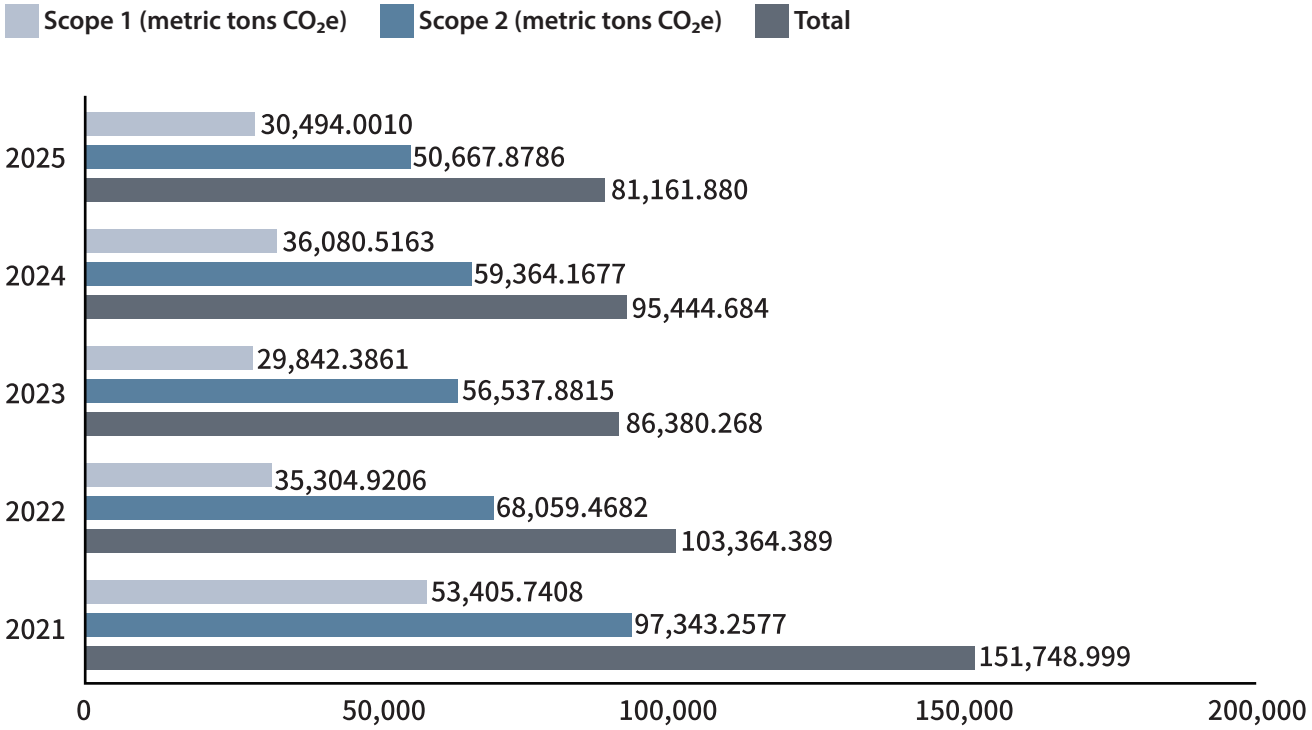
Looking Ahead, Embracing Challenges, Sustainable Operations

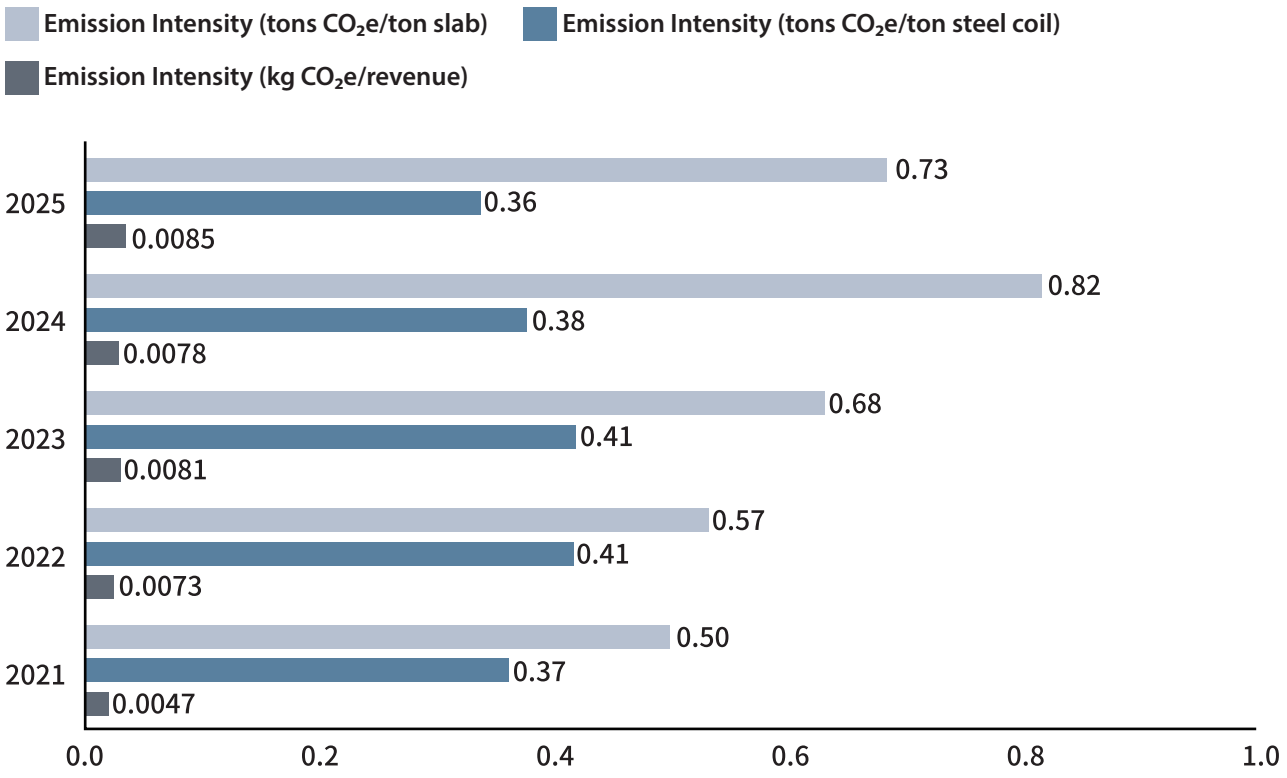
Looking ahead to 2026, the global stainless steel market is expected to recover gradually following the finalization of trade policies. The Company will build on stable profitability in its core business by flexibly adjusting procurement and raw material allocation and utilizing the flexible model of in-house steelmaking and external procurement to strengthen its cost competitiveness. At the same time, the Company will continue to enhance the utilization of its land assets through diversified approaches to gradually increase non-operating income, thereby strengthening its overall operating performance and ensuring financial security. Meanwhile, taking into account the development trends of domestic and international sustainability issues, the Company will align with the IFRS Sustainability Disclosure Standards and embed ESG principles at the core of its business decision-making. In the face of future challenges, the Company will proceed with prudence at every step and create long-term and resilient sustainable value for all stakeholders.

Sustainability Management Performance

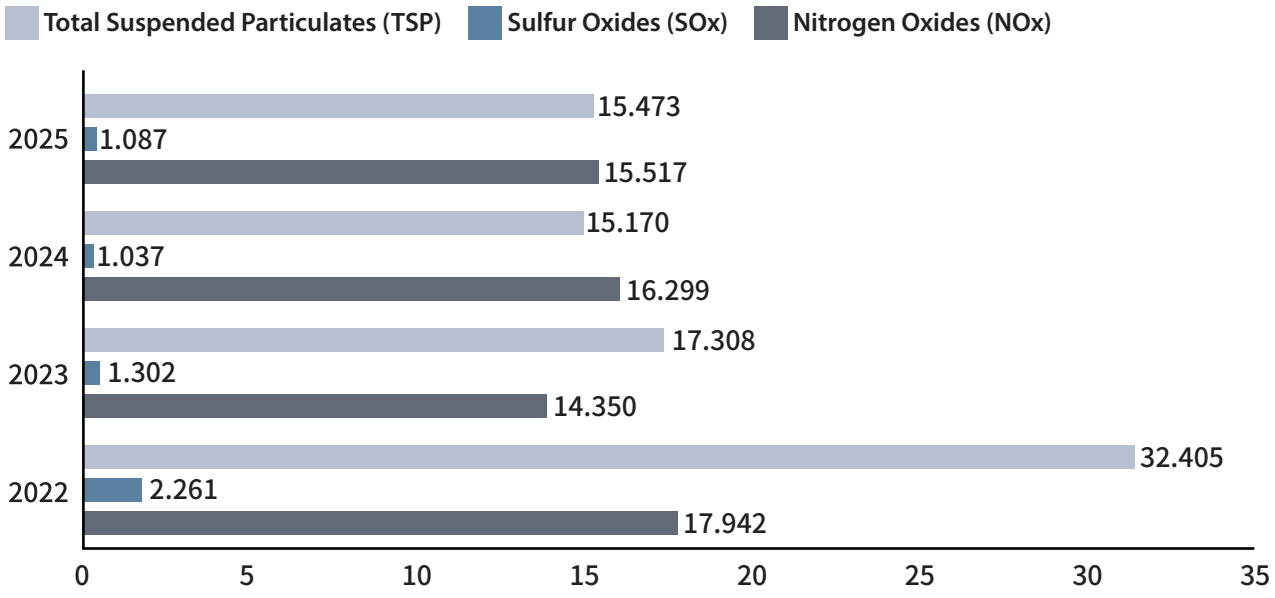
【E Environmental】

Greenhouse Gas Emissions Over the Past 5 Years



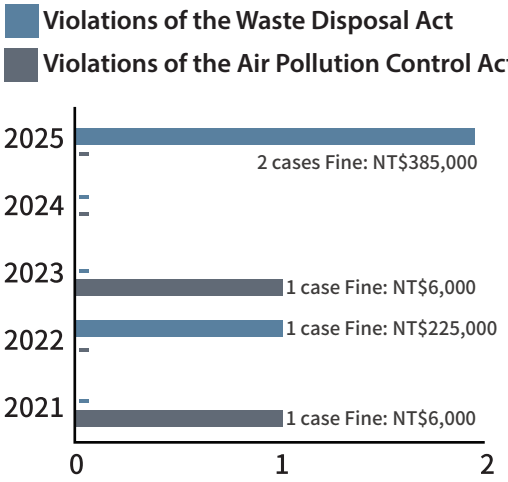


Air Pollutant Emissions Over the Past 4 Years



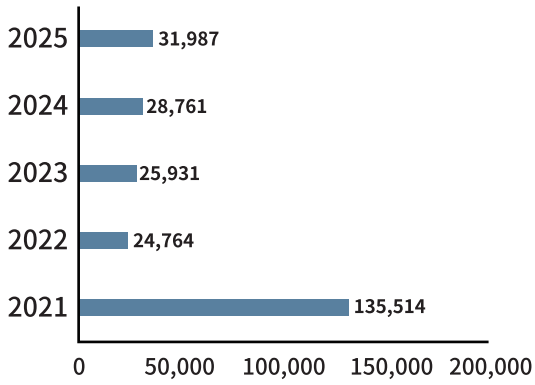
Environmental Penalties Over the Past 5 Years

Unit：case



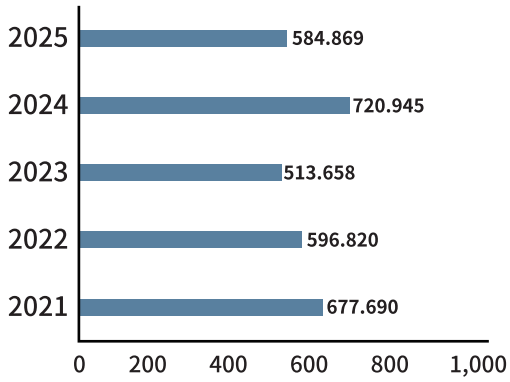
Environmental Protection Expenditure Over the Past 5 Years

Unit：Thousands



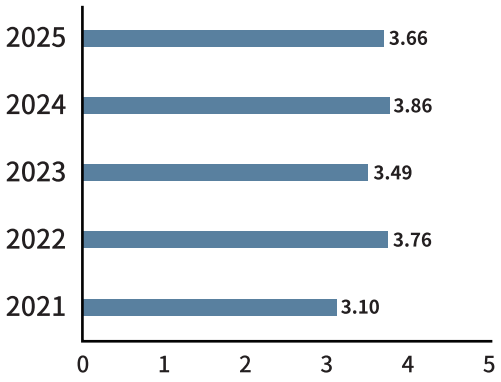
Tap Water Consumption Over the Past 5 Years

Unit：Million liters



Water Use Intensity Over the Past 5 Years

Unit：m^3/ton steel coil

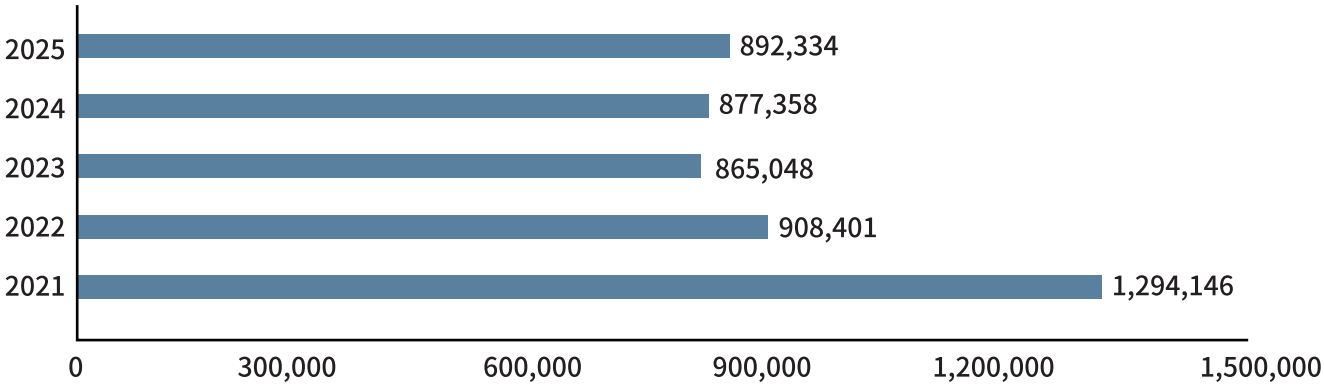


Sustainability Management Performance

【S Social】

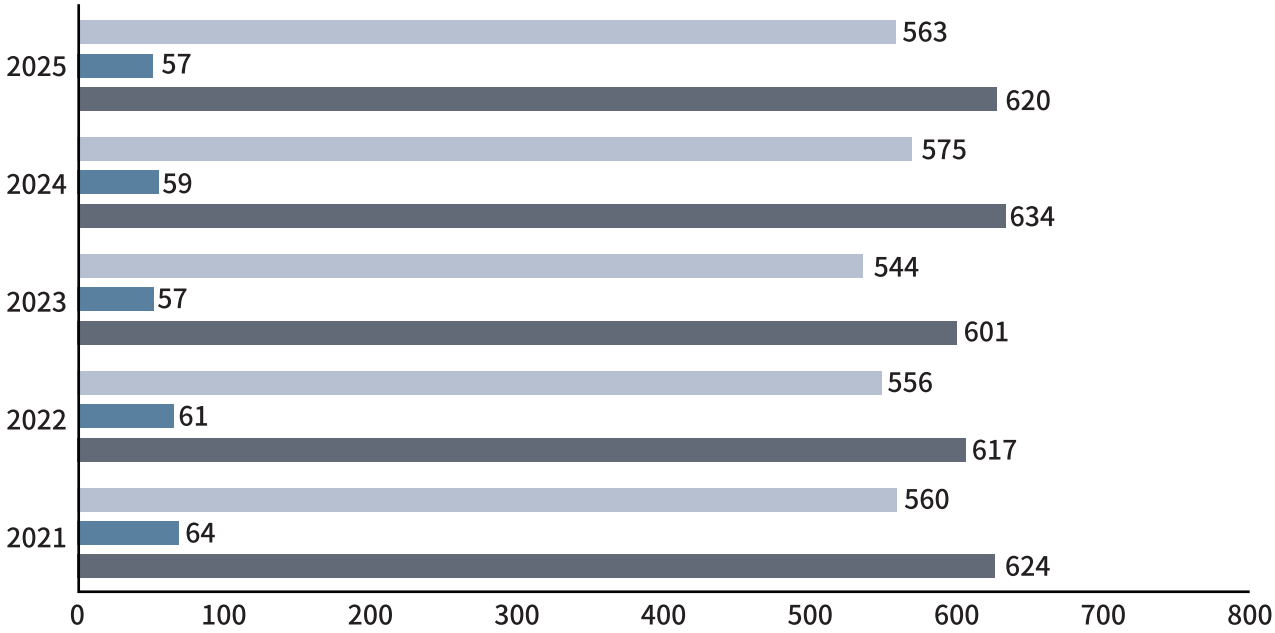
Employee Compensation and Benefits

Unit：NT$ thousand



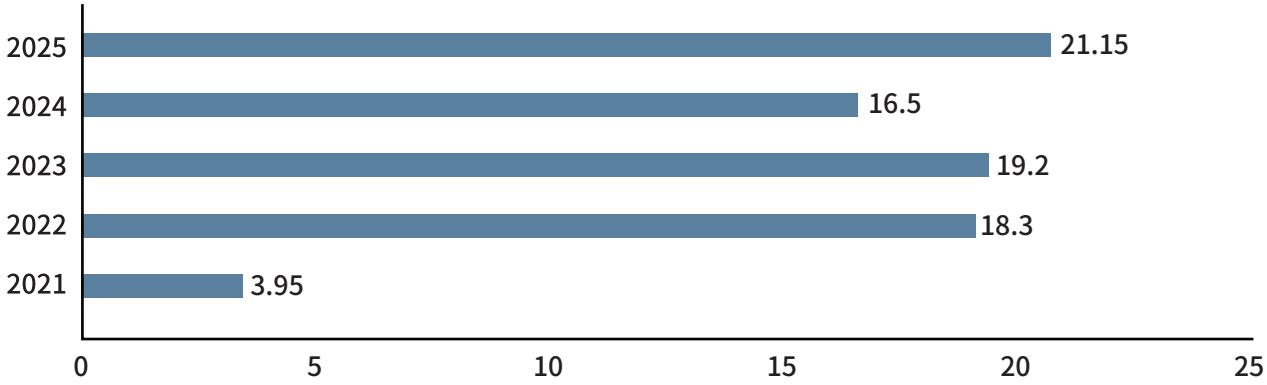
Employee Headcount

Male Employees　Female Employees　Total Employees　Unit：Employees



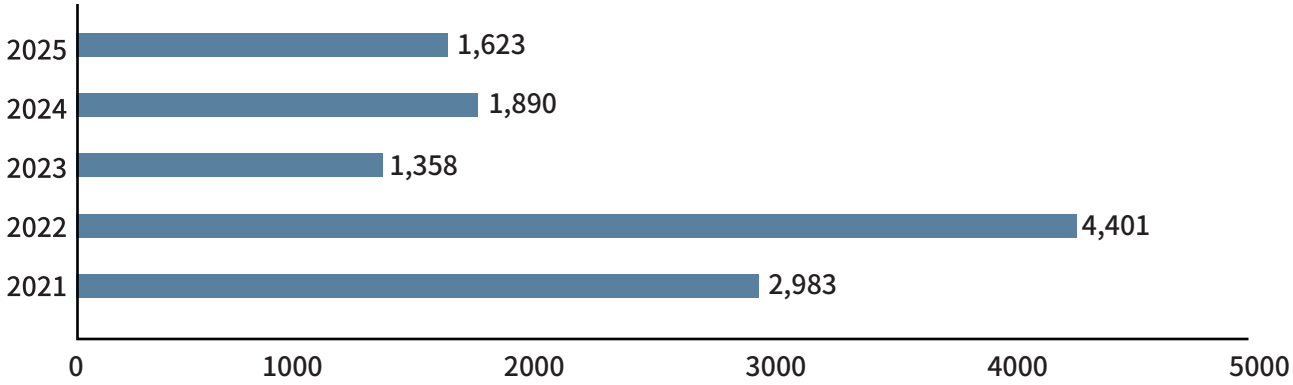
Average Employee Training Hours

Unit：Hour/Person



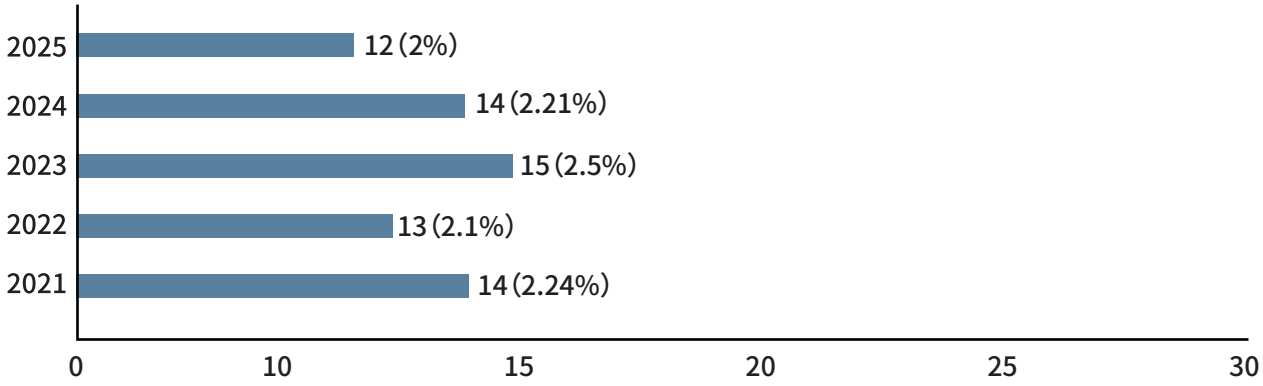
Employee Training Expenditure

Unit：NT$ thousand



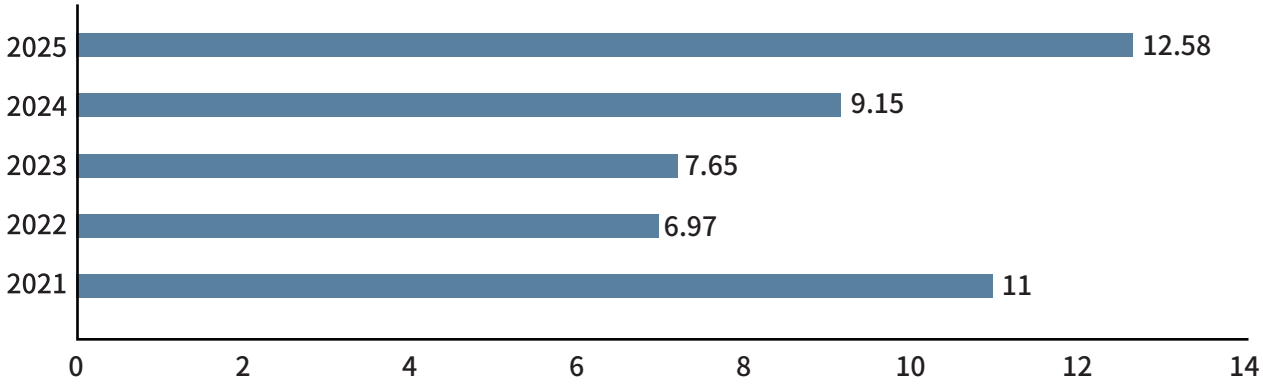
Ratio of Employees with Disabilities to Total Workforce

Unit：Number（%）



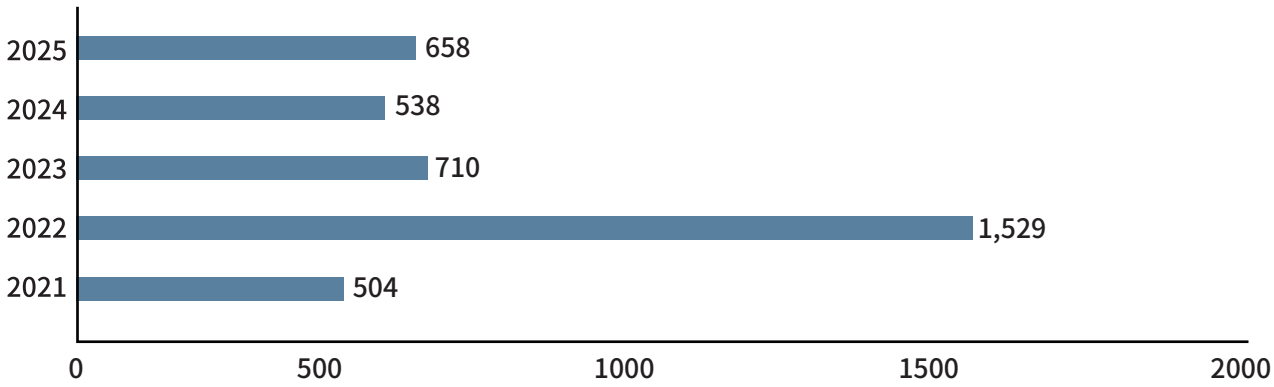
Turnover Rate

Unit：%

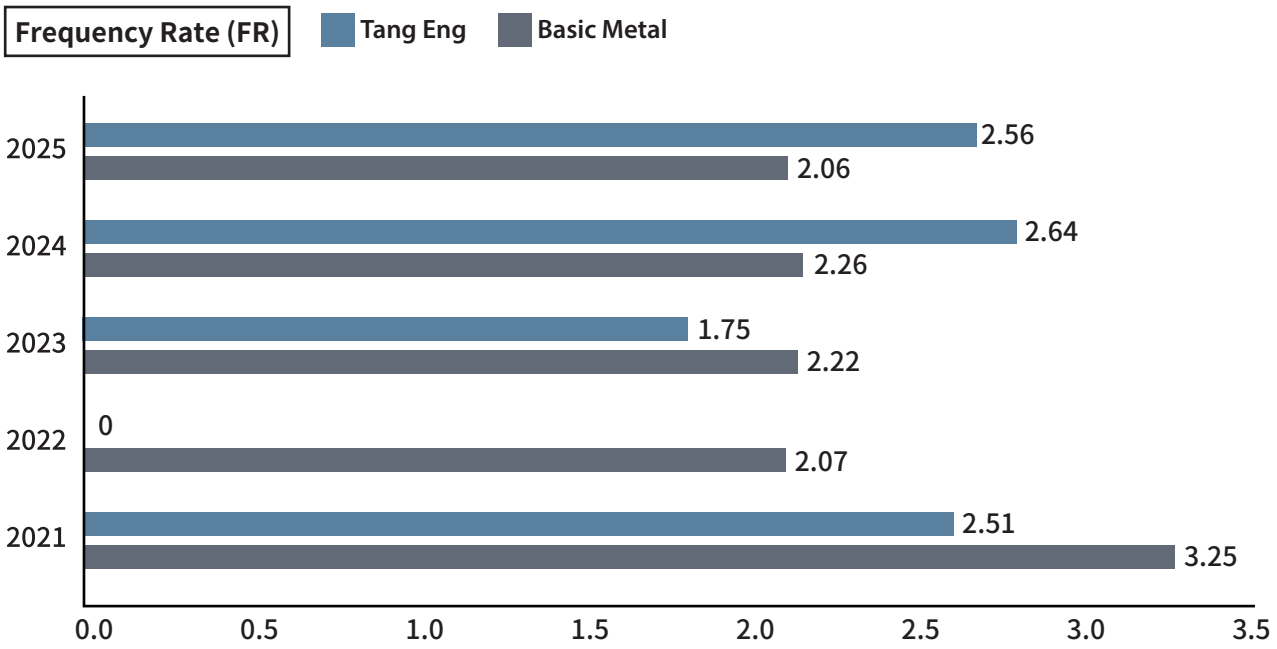


Social Contribution Expenditure

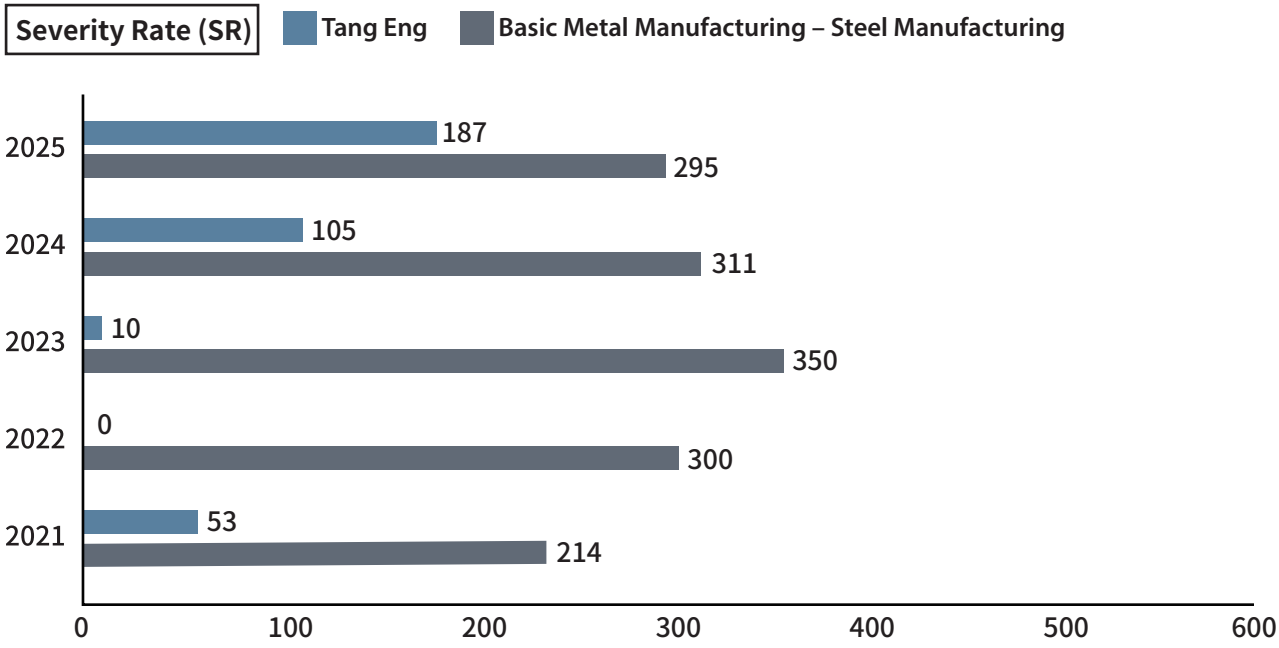
Unit：NT$thousand



In 2025, the Company's Frequency Rate (FR) was 2.56, and its Severity Rate (SR) was 187.



註：Occupational Safety and Health Administration, Ministry of Labor https://osha-performance.osha.gov.tw/content/master page/Index.aspx

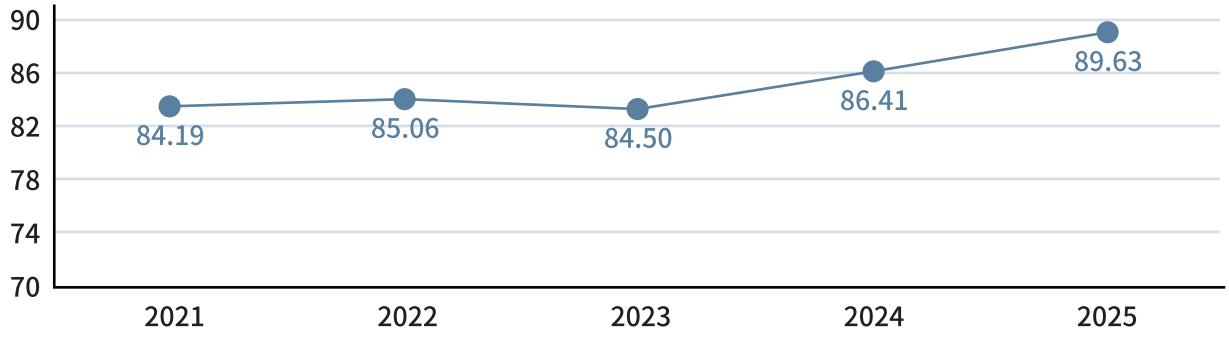


【G Corporate Governance】

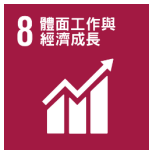
Historical Operating Performance					
Item	2021	2022	2023	2024	2025
Operating Revenue (NT$thousand)	16,813,060	14,021,337	10,706,636	12,189,393	9,602,428
Gross Profit (NT$thousand)	1,971,930	5,912	-864,316	-490,141	-1,252,289
Net Profit After Tax (NT$thousand)	1,586,250	-224,948	-1,125,320	-771,737	-1,652,460
Earnings Per Share After Tax (NT$)	4.53	-0.64	-3.22	-2.2	-4.72
Return on Assets (%)	8.78	-0.77	-5.97	-3.71	-8.47
R&D Expenses (NT$thousand)	16,284	10,976	9,026	8,858	8,382

Customer satisfaction					
Item	2021	2022	2023	2024	2025
Product Quality	73.44	78.44	79.38	78.53	84.69
Delivery Timeliness	87.19	82.81	77.81	81.18	85.94
Shipping and Delivery Quality	80.31	81.56	82.81	88.82	87.81
Customer Complaint Handling	81.88	84.69	84.69	84.12	90.31
Sales Representative Service	98.13	97.81	97.81	99.41	99.38
Overall Average Score	84.19	85.06	84.5	86.41	89.63

Historical Average Customer Satisfaction Scores



Responses to the United Nations Sustainable Development Goals (SDGs)

Sustainable Development Goal	Actions Taken in 2025	Corresponding Sections
 1 End poverty in all its forms everywhere. 1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than USD 1.25 a day.	Provided donations and supplies to disadvantaged groups in Taiwan. Total donations for public welfare activities in 2025 amounted to NT$658,000.	4.2 Participation in Public Welfare Activities
 3 Ensure healthy lives and promote well-being for all at all ages. 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.	The Company has three types of special hazardous operations at its workplaces, including nickel operations, dust operations, and ionizing radiation operations. In 2025, a total of 132 employees underwent special health examinations. In addition to health management provided by medical personnel, the Company's occupational safety personnel regularly conduct work environment monitoring and strengthen on-site inspections to safeguard the physical and mental health of high-risk workers.	3.6 Workplace Safety and Employee Care
 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. 4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship, and appreciation of cultural diversity and of culture's contribution to sustainable development.	Tang Eng provides diversified training programs for employee on-the-job training and new employee orientation, including new employee orientation and training, various technical skills training programs, and training programs for professional-level personnel, with the aim of cultivating outstanding middle and senior management talent and enhancing employees' professional competencies to achieve the transfer of technology, management, and experience. In 2025, a total of 12 employees participated in training on JIS MARK Standard Operating Instructions and related training programs, and all participants passed the required assessments.	3.3 Education, Training and Performance Evaluation.
 5 Achieve gender equality and empower all women and girls. 5.c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.	Tang Eng supports and actively responds to the Gender Equality Promotion Plan promoted by the Ministry of Labor by actively fostering a women-friendly workplace and providing comfortable, well-equipped breastfeeding (lactation) rooms and preferential childcare measures. Equality of Employment Rights: The Company ensures that employees are not treated differently in terms of compensation, benefits, performance evaluation, or promotion opportunities on the basis of gender, marital status, or childbirth. In 2025, a total of 153 employees participated in 21 hours of human rights-related training, representing approximately 25% of the Company's total workforce. The training covered labor rights and equality of employment rights, including 3 hours of sexual harassment prevention training, which was attended by 86 employees. In 2025, 100% of the Company's operating activities underwent human rights audits through internal audits, and no violations of human rights laws or incidents of discrimination occurred during the year.	3.1 Human Rights Policy under the Sustainability Commitment 3.2 Talent Recruitment and Retention 3.4 Employee Compensation and Benefits Evaluation.
 6 Ensure availability and sustainable management of water and sanitation for all. 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.	The Company's water source is the Fengshan Reservoir in Kaohsiung. The Fengshan Reservoir supplies 300,000 tons of industrial water per day. In 2025, Tang Eng's total water withdrawal was 584,900 tons, with an average daily raw water withdrawal of 1,602.38 tons, accounting for only 0.534% of the Fengshan Reservoir's daily water supply, which was far below its industrial water supply capacity. In 2025, the Company saved a total of 307,250 tons of water. During the year, 176,690 tons of water were recycled and reused, and the plant's overall water recycling rate was 87.23%.	2.5 Water Resource
 7 Ensure access to affordable, reliable, sustainable and modern energy for all. 7.3 By 2030, double the global rate of improvement in energy efficiency.	The unit electricity consumption for steel coil production increased slightly to 669.62 kWh/metric ton, representing an increase of approximately 7.56% compared with 2024. Meanwhile, the energy intensities of natural gas and steam decreased by 0.28% and 0.51%, respectively. In accordance with the Ministry of Economic Affairs' "Energy Saving Targets and Implementation Plans for Energy Users," Tang Eng implemented Demand Response Load Management Measures and related energy-saving measures in 2025, reducing electricity consumption by approximately 17.62814 million kWh/year. The solar power plant was completed and connected to the grid in July 2023. In 2025, it generated a total of 3.22708 million kWh of green electricity, all of which was used for self-consumption to reduce purchased electricity. The Company's overall electricity-saving rate was 14.31%.	2.3 Energy Management
 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all. 8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	Tang Eng expects that, through the revision of the Collective Agreement, more equitable and reasonable labor conditions will be established, thereby providing more comprehensive protection of employees' rights and interests. A total of 12 labor-management meetings were held, during which 26 proposals were discussed. Consensus was reached on all proposals, and corresponding resolutions were adopted. In 2025, the Company conducted 11 employee training courses in 16 sessions, with a total of 828 participant attendances.	3.5 Employee Relations 3.6 Occupational Safety and Employee Care

Sustainable Development Goal	Actions Taken in 2025	Corresponding Sections
 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	Develop new steel grades, accelerate industrial development, and bring greater convenience and healthier living to people. In line with the Government's major infrastructure policy of "Domestic Production of Railway Vehicles," Tang Eng, together with major shareholders including China Steel Corporation, Nippon Sharyo, Sumitomo Corporation, and Sumitomo Corporation Taiwan, established Taiwan Rolling Stock Co., Ltd. (hereinafter referred to as "TRSC") in 2002. The solar power plant was completed and connected to the grid in July 2023. In 2025, it generated a total of 3.22708 million kWh of green electricity, all of which was used for self-consumption to reduce purchased electricity. The Company's overall electricity-saving rate was 14.31% in 2025.	1.1.2 Financial Performance 1.4.3 Innovation and Research & Developm
 11 Make cities and human settlements inclusive, safe, resilient and sustainable. 11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.	Investment – TRSC The Company will continue to align with the management plans of China Steel Corporation, the major shareholder of TRSC, and support the Government's "Domestic Production of Railway Vehicles" policy to help the domestic railway industry establish itself and grow. In 2025, TRSC actively developed the vehicle maintenance and inspection market and the market for railway vehicle components, while seeking technology partners to expand its potential business opportunities.	3.6 Workplace Safety and Employee Care
 12 Ensure sustainable consumption and production patterns. 12.2 By 2030, achieve the sustainable management and efficient use of natural resources.	The raw materials used by the Company and all of its products are 100% free of radioactive substances. To ensure that all raw materials entering the plant and all products sold are free from radioactive contamination, Tang Eng has invested in radiation detection equipment. To comply with the latest domestic environmental regulations and the environmental requirements of the European market, Tang Eng has established standards and testing methods for hazardous substances contained in its products to ensure effective control. Products sold to the European Union (EU) must comply with the requirements of RoHS and REACH to ensure that users are not exposed to hazardous substances. More than 70% of the raw materials used by the Company consist of recyclable scrap (including 200 Series, 300 Series, and 400 Series stainless steel scrap, as well as carbon steel scrap). All products are stainless steel coils. Stainless steel is characterized by its recyclability, making it a key material in the circular economy. In accordance with the UL 2809 Recycled Content Validation Standard, Tang Eng actively supports environmental protection policies and has applied for 90% recycled content certification for Type 301 and Type 304 stainless steel, demonstrating its commitment to green sustainability.	5.4 Product Quality and Labeling 1.4 Green Products and Innovative Research and Development
 13 Take urgent action to combat climate change and its impacts. 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	In response to the specific challenges that climate change poses to sustainable development, the Company has developed feasible greenhouse gas reduction measures and implemented greenhouse gas reduction action plans. In 2025, Tang Eng implemented three voluntary greenhouse gas reduction projects, all of which focused on improving electricity use. The implementation rate reached 100%, reducing electricity consumption by 703,435.66 kWh and greenhouse gas emissions by 333.4285 tons CO_2e.	1.1.5 Future Business Strategies and Objectives 2.2 Climate Change Risks, Opportunities, and Response Strategies
 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. 16.5 Substantially reduce corruption and bribery in all their forms. 16.6 Develop effective, accountable and transparent institutions at all levels.	As the planning of business integrity was a matter of urgency, the Company first established a Legal Affairs Office within its organizational structure and subsequently formed a Sustainability Development Committee, which includes a Corporate Governance and Integrity Management Subgroup. The Legal Affairs Office is responsible for implementing integrity management matters. In 2025, the Company had no incidents of corruption, anti-competitive behavior, antitrust practices, or monopolistic practices.	6.2 Business
 17 Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development. 17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.	To continuously strengthen Tang Eng's sustainable competitiveness, the Company not only participates in relevant industry associations and organizations but also actively participates in other associations to obtain the latest industry information, share its experience, and join hands with all sectors to create sustainable value for Tang Eng.	4.4 Participation in Industry and Professional Associations



1 Sustainability Core – Steady Development

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Chapter 1

Sustainability Core – Steady Development

1.1 About Tang Eng

Material Topic 1: Financial Performance and Operational Risk

Material Topic	Financial Performance and Operational Risk
Reason for Materiality	Tang Eng adheres to the business philosophy of Integrity, Respect, Efficiency, and Responsibility, continuously striving for the Company's sustainable development while formulating policies according to the characteristics of different fields.
Positive and Negative Impacts	Economic Dimension – Actual Positive Impacts Paying taxes in accordance with the law helps promote economic growth and balanced regional development. The Company complies with tax regulations and maintains open and appropriate relationships with tax authorities. Accounting books and supporting documentation related to corporate income tax are provided for inspection by the tax authorities. Tax risks are effectively managed, and education and training are strengthened to avoid the risk of penalties or tax disputes. +:Stable operations and improved operating performance　-：Operational risks +：Protection of the rights and interests of shareholders and other stakeholders -：Potential penalties imposed by the competent authorities +：Positive impact；　-: Negative impact
Policy	1. Keep abreast of economic conditions, strengthen and monitor production, sales, and inventory management, and enhance the operating performance of the Company's core business. 2. Adopt a collective leadership approach based on the principles of fairness, openness, and transparency, revitalize idle assets, and increase stable non-operating income. 3. Strengthen financial monitoring and early warning mechanisms to control financial risks. 4. Strengthen corporate governance and build a foundation for sustainable corporate development. Tang Eng complies with the Company Act, the Securities and Exchange Act, and other applicable laws and regulations, as well as the requirements of the Financial Supervisory Commission, the Taipei Exchange, and other competent authorities, and continues to create maximum benefits for the Company and its shareholders.
Proactive Management of Opportunities	Tang Eng aims to maintain a stable annual gross profit margin and generate profits from its core business by strengthening production, sales, and inventory management while monitoring the achievement of its planned targets to ensure the operating performance of its core business. In addition, the Company reduces the proportion of idle assets in response to market conditions, increases annual rental income, reduces tax costs, and maintains a sound financial structure to ensure financial stability.
Risk Prevention and Management	According to the 2025 outlook released by the World Steel Association (worldsteel), the primary factors currently supporting steel demand are the continued advancement of public infrastructure projects and improving financing conditions in many countries. However, high manufacturing costs, weak consumer demand, and geopolitical uncertainties remain the major risks facing the global steel market in 2025 and 2026. In developed Asian countries such as Japan and South Korea, steel demand is projected to decline by a further 0.3% in 2026 compared with 2025 due to the impact of trade frictions on the manufacturing sector. In contrast, emerging Asian markets are expected to perform relatively well, with growth driven by India and ASEAN countries. Steel demand in these markets is projected to grow by 6.9% in 2025 and further increase to 7.4% in 2026. In China, due to export pressures and the severe impact on local government finances, although the decline in steel demand is projected to narrow to 1.0% in 2026, steel demand is expected to remain in decline, and a significant recovery is unlikely in the short term. In Europe and the United States, steel demand in Europe is projected to increase by 1.3% in 2025 and further rise to 3.2% in 2026, while steel demand in the United States is projected to grow by 1.8% in each of the two years. Benefiting from infrastructure development, steel demand in Africa is projected to reach approximately 41 million tons in 2025, reflecting a structural improvement. Overall, the global steel market is gradually emerging from the bottom of the cycle. However, the recovery remains slow and uneven, with the primary growth momentum coming from emerging markets, while demand in mature markets continues to remain weak. In response, the Company's

Material Topic	Financial Performance and Operational Risk
	management team continues to respond proactively to these challenges. Strategic planning continues to focus on strengthening domestic and export sales channels to maintain stable production and sales volumes and capacity utilization, reduce losses arising from idle capacity, and strengthen inventory control measures to mitigate the risk of inventory value declines, thereby enhancing the competitiveness of the Company's core business.
Remedial Measures for Negative Impacts	Tang Eng complies with domestic tax regulations by properly recording the relevant accounting items and filing tax returns on schedule. The Company also actively cooperates by providing the information required for audits and reviews. At the same time, through strengthened education and training, the Company reduces the risk of fines or litigation resulting from non-compliance. These measures not only help improve financial compliance but also reduce potential financial losses and reputational risks that may affect business operations, thereby further ensuring the Company's stable operations and strengthening compliance management.
Short-, Medium-, and Long-Term Objectives	To embrace innovation and change, create profits, and become a trusted and outstanding enterprise in specialty steel and diversified sustainable operations. Objectives 1. To maintain a stable annual gross profit margin and generate profits from core operations. 2. To reduce the proportion of idle assets, increase annual rental income, and reduce tax costs. To maintain a stable financial structure to reduce financial risks, while continuously monitoring indicators such as the current ratio, debt ratio, and annual net cash inflow from operating activities on a monthly basis. 3. To deepen corporate sustainable development, promote the Company's net-zero transformation, and enhance sustainability information disclosure, thereby improving corporate social responsibility and information quality.
Effectiveness Assessment	▪ External Systems: In accordance with the requirements of ISO 9001, ISO 45001, and JIS MARK, the Company regularly reviews, monitors, and evaluates the relevant systems and develops improvement plans. ▪ Internal Systems: The Accounting Department prepares monthly management reports on indicators including gross profit margin, operating profit (loss), profit (loss) before tax, capacity utilization, inventory balance, losses from idle capacity, and inventory gains and losses for regular monitoring by the responsible units, enabling them to adopt appropriate measures and make timely improvements. The Company regularly reviews its objectives and formulates improvement plans to address identified deficiencies in order to achieve the expected objectives. ▪ Complaint Mechanism: The Company's website (http://www.tangeng.com.tw) publishes, in the "Stakeholder Section," the contact information of the spokesperson, acting spokesperson, and various departments, including telephone numbers, email addresses, and reporting channels for ethical misconduct. ▪ Specific Actions: Implement the "Sustainable Development Action Plan for TWSE/TPEx Listed Companies" in accordance with the regulatory timetable, and prepare and submit the Sustainability Report.
Performance and Adjustments	▪ Operating Revenue: In 2025, affected by U.S. tariff policies, the appreciation of the New Taiwan dollar, and weak export demand, together with escalating U.S.-China trade disputes and the continued slowdown in China's economic momentum and property market, steel demand declined. Amid excess capacity and low-priced dumping, the steel market came under pressure, resulting in a significant decrease in operating revenue compared with 2024. ▪ Gross Profit (Loss): Mainly due to weaker overall market demand in 2025, coupled with excess capacity and pressure from low-priced dumping, resulting in lower production volumes and declining selling prices, the gross profit margin in 2025 decreased significantly compared with 2024. ▪ Operating Profit (Loss): Mainly due to increased operating losses in 2025, resulting in a higher operating loss compared with 2024. ▪ Non-operating Income and Expenses: In 2025, the Company recognized termination benefit expenses and soil remediation expenses in connection with the implementation of a workforce structure optimization project and environmental improvement measures, respectively, resulting in an increase in non-operating expenses compared with 2024. ▪ Profit (Loss) Before Tax: Mainly due to increased operating losses in 2025, resulting in a higher loss before tax compared with 2024. ▪ Other Comprehensive Income (Loss) for the Period (Net of Tax): Mainly due to increased hedging losses incurred by investees and increased fair value measurement losses resulting from declines in share prices in 2025.

1.1.1 Tang Eng Profile

Tang Eng Iron Works was founded by Mr. Tang Eng in 1940. In 1957, it was incorporated as Tang Eng Iron Works Co., Ltd. The Company successively established the Iron Works, Zhongdu Brick Kiln Plant, Cement Products Plant, Casting Machinery Plant, Taipei Machinery Plant, and other factories, becoming the largest privately owned enterprise group in southern Taiwan at the time.

In 1962, it was taken over by the Taiwan Provincial Government and became a provincial-owned enterprise. It once operated a steel plant, an alloy steel plant, a casting machinery plant, a refractory materials plant (formerly the Zhongdu Brick Kiln Plant), a machinery plant, and a construction plant. In 1983, the stainless steel plant was completed and officially commenced operations. On February 6, 1984, the Securities and Futures Bureau of the Ministry of Finance approved the public offering of the Company's shares. In 1986, the head office was relocated from Kaohsiung City to Hukou Township, Hsinchu County. Following the streamlining of the Taiwan Provincial Government in July 1999, the Company came under the administration of the Ministry of Economic Affairs and became a state-owned enterprise. On October 21, 2002, the head office was relocated back to Kaohsiung, to the Zhonghua Building. At the same time, the steel plant, machinery plant, Construction Department, Transportation Department, and other plants and departments ceased operations and were dissolved, leaving only the stainless steel plant in operation.

Privatization was completed on July 5, 2006, through the divestment of government-owned shares. On April 15, 2008, the head office and stainless steel plant integration project was completed, and the Company's headquarters was relocated to No. 4, Yanhai 2nd Road, Xiaogang District, Kaohsiung City. The Company's principal business is the production and sale of steel coils, slabs, steel ingots, and other products manufactured from 200, 300, 400, 600, and 2205 series stainless steel, as well as 800H superalloy.

Tang Eng Company Overview	
Company Name	Tang Eng Iron Works Co., Ltd.
Company Type	TPEx Listed Company
Stock Code	2035
Industry	Steel Industry
Listing Date	July 7, 2006
Date of Establishment	May 1940
Paid-in Capital	NT$3.5 billion
Head Office Address	No.4 Yenhai 2nd Road, Xiaogang District, Kaohsiung City



Operations and Service Locations

Tang Eng is the longest-established steel company in Taiwan. The Company is committed to improving quality and reducing costs to further strengthen the Tang Eng stainless steel brand. Taiwan serves as the Company's production base and service location. The Taipei Office was closed after the end of October 2025 to facilitate participation in an urban renewal project. In addition, there were no significant changes to the Company's supply chain during 2025.

Operations and Service Locations	Address	Telephone	Fax
Head Office	No. 4, Yanhai 2nd Road, Xiaogang District, Kaohsiung City	07-802-2811	07-806-5396
Tang Eng Technology Park	No. 458, Xinxing Road, Hukou Township, Hsinchu County	03-598-1074	03-597-8843

As a leader in Taiwan's stainless steel industry, Tang Eng not only focuses on its core manufacturing business but is also committed to building a transparent and resilient industry value chain. Under the framework of sustainable development (ESG), the Company has identified the integration of the steel industry chain and low-carbon transformation as its core priorities.

At the upstream stage, Tang Eng adopts flexible procurement strategies to ensure a stable supply of metal raw materials, securing the supply of key materials such as iron, chromium, and nickel, while progressively implementing environmental responsibility management across the supply chain.

At the midstream manufacturing stage, Tang Eng leverages its solid technical capabilities and refined craftsmanship to manufacture high-quality No. 1, 2B, 2D, and BA products that comply with international standards. At the same time, the Company implements energy-saving and carbon-reduction technologies together with energy management systems to reduce the environmental footprint per unit of production.

At the downstream end of the value chain, through a stable supply of products, Tang Eng helps build the foundation for daily life and engineering construction.

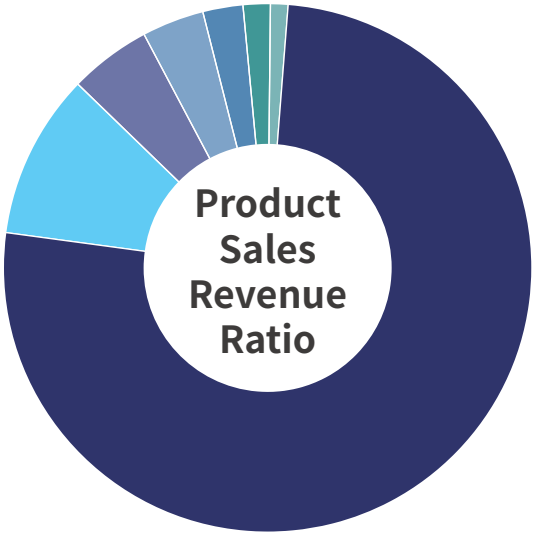
Looking ahead, the Company will continue to strengthen its green core competitiveness. In addition to integrating the value chain, Tang Eng will actively promote the transformation toward low-carbon technologies, thereby demonstrating the Company's commitment to achieving net-zero emissions.

Main Products and Business

Tang Eng's main products include AISI 200, AISI 300, AISI 400, AISI 630, AISI 631, AISI 2205, and 800H steel grades. Product forms include slabs, hot-rolled steel coils, cold-rolled steel coils, thick steel plates, and steel ingots. Both steel composition and product dimensions can be customized to meet customer requirements. The Company has an annual production capacity of up to 300,000 metric tons. The products are supplied to domestic downstream customers for the manufacture of knives, kitchen utensils, tableware, structural tubing, and industrial piping. The products are of consistent quality and are widely recognized by customers.

With research and development support from the Ministry of Economic Affairs and the Metal Industries Research and Development Center, the Company successfully developed antibacterial stainless steel based on the compositions of 304L and 316L stainless steel by incorporating copper. This functional stainless steel is designed for use in daily utensils. It has passed testing conducted by SGS and the Food Industry Research and Development Institute and complies with the Japanese JIS Z 2801 testing standard. With an antibacterial activity value (R) greater than 2.0, it exhibits a bacteriostatic effect, with an antibacterial rate of more than 99%. The product has been widely recognized and favored by China Steel Corporation, Taiwan Power Company, Chunghwa Post, and various companies and organizations, and is custom-ordered as gifts for employees and customers.

In recent years, Tang Eng has continued to strengthen the production and sales of differentiated, customized, high-value niche products, including AISI 200 series, AISI 400 series, AISI 630, AISI 631, AISI 2205, and 800H stainless steels. Looking ahead, the Company will continue to research and develop new and customized steel grades to avoid excessive concentration on AISI 304 products, further diversify its product portfolio, mitigate sales risks, strengthen its competitive market position, enhance product added value, and broaden its product offerings.



Unit：ton

Product / Service	Sales Volume	Sales Region	Customer Type
AISI 200 Series Hot- and Cold-Rolled Steel Coils	664.04	Taiwan, Northeast Asia, Europe, and the Americas	Distributors Processors / Pipe Manufacturers Cutting Service Providers Re-rolling Manufacturers
AISI 300 Series Hot-Rolled Steel Coils	20,316.705		
AISI 300 Series Cold-Rolled Steel Coils	134,813.002		
AISI 400 Series Hot- and Cold-Rolled Steel Coils	953.787		
304L Antibacterial Stainless Steel	32.536		
Other Steel Coils	2,629.647		
Distribution of Other Products	552.949		

1.1.2 Financial Performance

Tang Eng adheres to the principle of transparency in financial information disclosure and strictly complies with the disclosure requirements for domestic and international sustainability reports. During the entire reporting period of 2025, the Company did not apply for or receive any financial subsidies from government agencies.

The Company's overall operating performance over the past three years has continued to be affected by external economic conditions and industry conditions, resulting in significant fluctuations in revenue and profitability. In 2025, operating revenue declined compared with the previous year due to factors such as U.S. tariff policies, the appreciation of the New Taiwan dollar, and weak export demand. Going forward, the Company will continue to strengthen cost structure management, enhance product competitiveness, and respond prudently to market changes, with the aim of gradually improving operating performance and reducing the extent of losses.

Item/Year	2023	2024	2025
Operating Revenue(NT$ thousand)	10,706,636	12,189,393	9,602,428
Operating Costs(NT$ thousand)	11,570,952	12,679,534	10,854,717
Gross Profit (NT$ thousand)	-864,316	-490,141	-1,252,289
Operating Profit (Loss)(NT$ thousand)	-1142,505	-798,561	-1,551,931
Non-operating Income and Expenses(NT$ thousand)	17,185	26,824	-100,529
Profit (Loss) Before Tax (NT$ thousand)	-1125,320	-771,737	-1,652,460
Net Profit (Loss) for the Period (NT$ thousand)	-1125,320	-771,737	-152,460
Total Comprehensive Income (Loss) for the Period(NT$ thousand)	-1100,793	-785,272	-1,550,700
Earnings Per Share (NT$)	-3.22	-2.2	-4.72

Investee Businesses

Among the Company's investee businesses, the Company holds a relatively higher ownership interest in Taiwan Rolling Stock Co., Ltd. (TRSC), where it is the second-largest shareholder. The Company does not have significant influence over any of its other investees. With respect to the operations of TRSC, the Company continues to align with the management plan of the major shareholder, China Steel Corporation, in alignment with the government's "Locally Manufactured Rail Vehicles" policy to support the development of Taiwan's rail industry. In 2023, TRSC jointly established the Joint Research Center for Smart Rail Vehicle Technology with National Taipei University of Technology to develop rail vehicle solutions and smart applications, including the Control and Monitoring System (CMS), with the aim of enhancing train dispatching and maintenance efficiency. At the current stage, TRSC continues to pursue opportunities in rail vehicle manufacturing, refurbishment, and maintenance services. It is also actively expanding its maintenance spare parts business and continues to sell rail vehicle components to increase revenue.

Analysis of Investee Businesses and Return on Investment

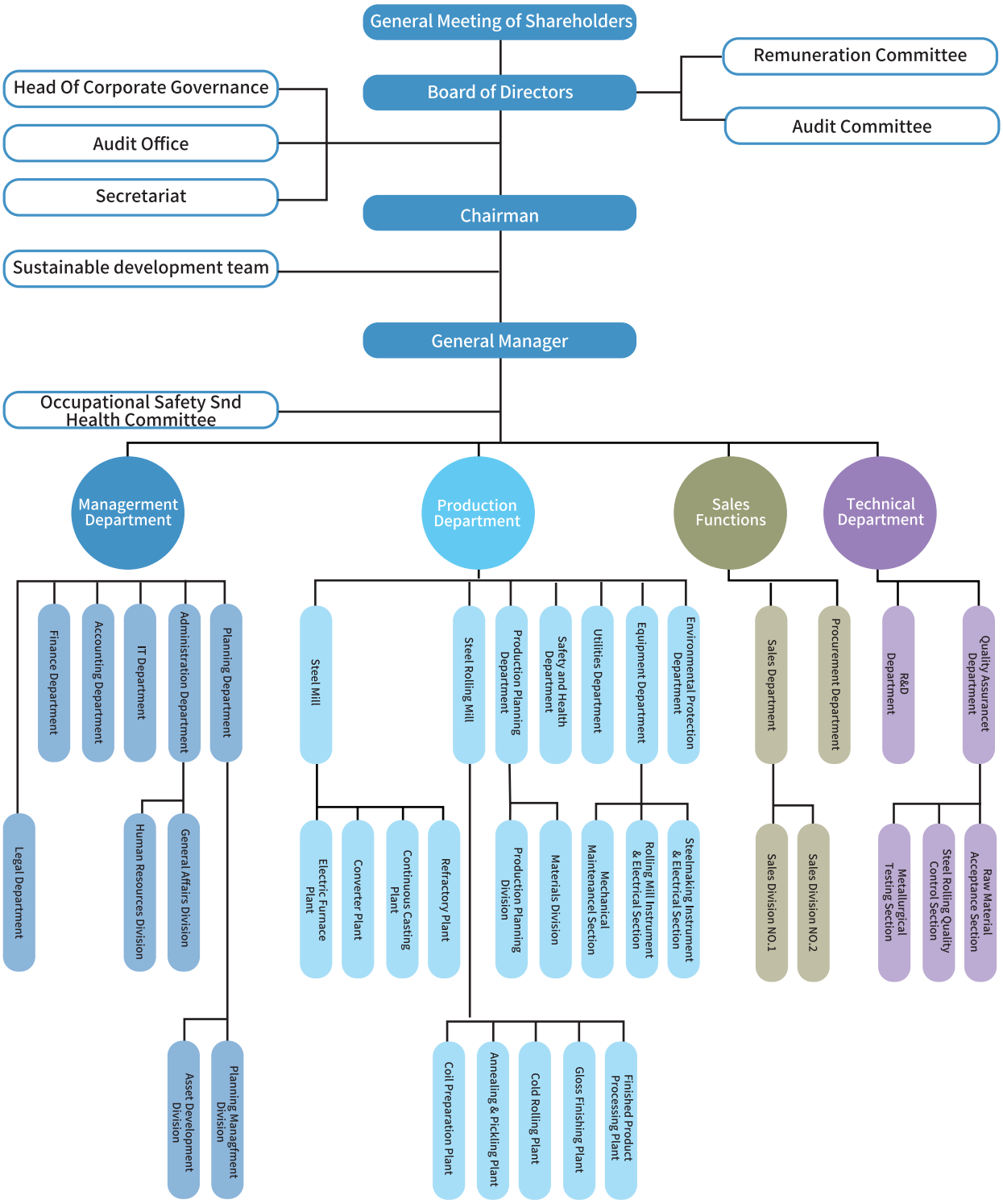
To implement sustainable business operations and maximize the overall effectiveness of capital utilization, the Company has consistently exercised prudence in evaluating and participating in various investment projects. The Finance Department regularly reviews the operating performance and financial condition of investee businesses to ensure that investment targets align with the Company's long-term development objectives and maintain the soundness of its overall financial structure.

The Company's investment strategy is not solely focused on achieving appropriate financial returns but is more closely integrated with national development policies and the transformation and upgrading of its business units. The Company's current investee businesses mainly include China Steel Corporation, Taiwan Rolling Stock Co., Ltd. (TRSC), and Taipei Rapid Transit Corporation. Among these investments, those in China Steel Corporation and Taipei Rapid Transit Corporation are primarily long-term strategic investments made in alignment with government policies. In addition, the Company's investment in Taiwan Rolling Stock Co., Ltd. (TRSC) represents an important step in the privatization of its Rail Vehicle Business Division. Through the establishment of a joint venture with private-sector investors, the Company seeks to revitalize its existing assets and strengthen the market competitiveness of the industry.

The table, "Investee Companies," provides detailed information on the purpose of each investee company, current shareholding, and key financial indicators, including the net profit margin, return on equity, and earnings per share. Through transparent and comprehensive information disclosure, the Company seeks to demonstrate to all stakeholders its rigorous investment management performance and prudent financial management approach.

Investee Company	China Steel Corporation	Taiwan Rolling Stock Co., Ltd.	Taipei Rapid Transit Corporation
Purpose of Investment	Investment in Line with Government Policy	Asset Contribution for the Privatization of the Rail Vehicle Division and the Establishment of a Joint Venture	Investment in Line with Government Policy
Paid-in Capital	NT$157.731 billion	NT$2 billion	NT$10 billion
Principal Business Activities	Steelmaking, Production and Sales of Steel Products	Manufacturing of Rail Vehicles and Components	Mass Rapid Transit Transportation
Investment Date	June 30, 1980	October 16, 2002	October 30, 1994
Original Investment Amount (NT$)	16,700,000	260,000,000	25,000,000
Original Number of Shares Held (Shares)	1,670,000	26,000,000	2,500,000
Current Number of Shares Held (Shares)	3,693,380	52,937,931	3,571,428
Current Shareholding Ratio (%)	0.023%	26.47%	0.36%
Net Profit Margin (%)	-1.11%	0.38%	1.83%
Return on Equity (ROE) (%)	-1.04%	0.67%	2.81%
Earnings (Loss) per Share (NT$)	-0.29	0.05	0.39

1.1.3 Tang Eng Organizational Chart



1.1.4 Management Philosophy

Tang Eng's Vision:

To pursue innovation and transformation, generate profits, and become a trusted and outstanding enterprise in specialty steel products and diversified sustainable operations.

Management Philosophy

Integrity
Ethical Management, Reputation First

Respect
Customers First, People First

Efficiency
Effective Resource Utilization, Timely Execution

Responsibility
Quality First, Service First

Corporate Spirit

Innovation
Continuous Improvement, Creating New Opportunities

Unity
Collective Wisdom, Maximizing Team Strength

Pragmatism
Steady and Practical, Seeking Truth from Facts

Proactiveness
Taking Initiative, Acting Proactively

1.1.5 Future Business Strategy and Goals

In light of the severe and volatile global industrial and economic environment, including prolonged weak market demand, fluctuating inflation, the continued U.S.-China technology dispute, rising geopolitical conflict risks, and other uncertainties, together with increasingly stringent domestic and international requirements for carbon neutrality and sustainable transformation, the Company faces both challenges and opportunities. The management team adopts a pragmatic approach and leverages its competitive advantages to formulate operational plans and strategies. In 2026, the Company will, based on stable profitability from its core business, leverage the benefits of land asset activation to increase non-operating income on an annual basis, thereby strengthening its overall operating performance and ensuring financial security. At the same time, taking into consideration domestic and international sustainability trends, the Company will link its core business with these trends by formulating and promoting specific sustainable development (ESG) initiatives on an annual basis.

Strategic Focus 1

Stay Abreast of Economic Conditions, Strengthen and Monitor Production, Sales, and Inventory Operations, and Enhance Core Business Performance

Goal ▶ Maintain a stable annual gross profit margin and achieve profitability in the Company's core business.

Strategy 1	Strengthen domestic and international sales channels and maintain stable production, sales, and inventory planning and operations.
Strategy 2	Establish a profit forecasting and product profitability analysis system to support timely operational decision-making through early forecasting and planning.
Strategy 3	Leverage a flexible production model combining in-house steelmaking and externally procured hot-rolled black coils (slabs) to strengthen cost competitiveness and enhance product profitability.

Strategy 4	Implement lean management of variable processing expenses to maintain stable variable processing costs. Develop multi-skilled employees to optimize workforce utilization across plants and departments and reduce fixed labor costs.
Strategy 5	Monitor the timely and quality completion of all emission reduction measures under the voluntary reduction plan to be submitted to the Ministry of Environment in 2026 and ensure successful verification by the Ministry of Environment, thereby mitigating the impact of carbon fee collection on the Company's core business. Produce low-carbon circular economy products through in-house steelmaking to reduce the impact of CBAM certificate requirements on exports to the European Union.
Strategy 6	Expand niche and differentiated products, strengthen the development of customized products, and standardize production processes to ensure stable manufacturing quality, thereby meeting customers' diverse quality requirements.
Strategy 7	Strengthen inventory management to reduce the risk of inventory write-downs resulting from price fluctuations.
Strategy 8	Establish risk control measures for variances between production, sales, and inventory forecasts and actual execution to ensure stable operations.

Strategic Focus 2

Revitalize idle assets through diversified approaches, enhance non-operating income, and strengthen the Company's financial position.

Goal ▶ Enhance the value of diversified asset utilization and reduce the proportion of idle assets.

Strategy 1	Develop utilization plans for idle assets based on the characteristics of different areas to increase fixed non-operating income.
Strategy 2	Develop an integrated development plan for the Special Commercial District and the Cultural Preservation District, obtain the required development approvals, and attract businesses to establish operations, thereby promoting regional prosperity and enhancing the value of surrounding assets.
Strategy 3	In line with government transportation infrastructure projects, complete the negotiated land acquisition process, strive to secure more favorable acquisition prices, and safeguard the Company's asset interests.

Strategic Focus 3

Strengthen Financial Risk Management and Ensure Sound Fund Allocation.

Goal ▶ Strengthen financial risk management to ensure sound fund management, while continuously monitoring key indicators on a monthly basis, including the current ratio, credit facility utilization rate, and annual net cash inflows from operating activities.

Strategy 1	Monitor key financial ratios and manage liquidity risk.
Strategy 2	Ensure sufficient credit facilities while maintaining and strengthening relationships with financial institutions.
Strategy 3	Closely monitor interest rate and exchange rate trends and take timely response measures.

Strategic Focus 4

Implement Corporate Governance and Enhance the Value of Sustainable Operations

Goal ▶ Deepen the corporate culture of sustainability governance and promote energy conservation and carbon reduction toward net zero.

Strategy 1	In line with the implementation timeline established by the competent authority, progressively implement the Sustainable Development Action Plan (2023–2026).
Strategy 2	In line with the implementation timeline established by the competent authority for adopting the IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2), establish a cross-functional task force and formulate an implementation plan.
Strategy 3	Continue to plan water conservation, energy conservation, carbon reduction, and green energy development; implement measures under the voluntary emission reduction plan; and follow the sustainable development pathway to demonstrate the Company's commitment to sustainability.
Strategy 4	Promote waste recycling and reuse, strive to achieve the goal of zero waste through resource circularity, and implement environmental protection measures, including pollution prevention and remediation.
Strategy 5	Continue to strengthen senior management's commitment to occupational safety and health management, implement management by walking around, identify potential hazards and improvement needs at an early stage, and create a safe and healthy workplace.

Conclusion

The global stainless steel market is expected to experience a moderate recovery in 2026 following the gradual finalization of U.S. reciprocal tariffs. Nevertheless, the imbalance between supply and demand and excess production capacity in China's steel market have yet to be fundamentally resolved, while international trade barriers and geopolitical risks will continue to influence market developments. Looking ahead to 2026, the Company will continue to optimize its product portfolio, increase the proportion of high value-added products, and flexibly adjust its procurement, production, and sales strategies to enhance order intake and capacity utilization. At the same time, the Company will actively expand its domestic and international sales channels, strengthen cost control, and increase non-operating income through asset revitalization and sound financial management, thereby driving business growth with a steady and pragmatic approach. In addition, to advance sustainable business operations, the Company will continue to integrate ESG with its business strategy through a sound corporate governance framework. Building on its core business capabilities, the Company will maximize resource efficiency in conjunction with the deployment of green energy facilities, thereby strengthening the Company's sustainable competitiveness.

1.2 Stakeholder Communication

1.2.1 Stakeholder Identification Approach

The Company's key stakeholders for 2025 were identified through a review and discussion of the 2024 stakeholder identification results by internal members involved in preparing this Sustainability Report. The Company also referred to stakeholders commonly included in the sustainability reports of industry peers and conducted internal discussions with department heads to develop a preliminary list of potential stakeholders.

In addition, the Company referred to the stakeholder categories listed in the GRI Standards, including business partners, civil society organizations, consumers, customers, employees and other workers, government agencies, community residents, shareholders and other investors, suppliers/contractors, labor unions, vulnerable groups, verification bodies, banks, media, academic and research institutions, and steel industry peers.

Finally, through discussions and confirmation by external experts and the heads of each department, the Company identified stakeholders most closely associated with its business operations. The Company's key stakeholders for 2025 were confirmed to comprise eight major categories: shareholders, government agencies, employees, customers, suppliers/contractors, Community Residents , verification bodies, and financial institutions.

1.2.2 Stakeholder Communication Channels and Results

Shareholders

Investors are important stakeholders of the Company and should be treated fairly, with equal access to consistent information. The Company will continue to deliver returns to shareholders through sound operating performance and transparent and ethical corporate governance.

Topics of Concern	Communication Channels	Frequency
▪ Procurement Practices	▪ Shareholders' Meeting	▪ Annually
▪ Economic Performance	▪ Investor Conferences	▪ Annually
▪ Innovative Products and Technologies	▪ Annual Report	▪ Annually
▪ Risk Management	▪ Investor Relations Section of the Company's Website	▪ As Needed
▪ Customer Service Management	▪ Material Information Announcements on the Market Observation Post System (MOPS)	▪ Regularly / Promptly
▪ Anti-corruption		
▪ Supplier Environmental Assessment		

2025 Implementation Results

- The Company convened its Annual Shareholders' Meeting in accordance with applicable regulations and encouraged shareholders to actively participate through electronic voting in line with the trend of shareholder activism.
- The Company held investor conferences in accordance with applicable regulations. Presentation materials and related information were disclosed on the Company's website and the Market Observation Post System (MOPS).
- The Company promptly disclosed material information and, in accordance with applicable regulations, disclosed monthly revenue, quarterly and annual financial statements, annual reports, and other required information on the Market Observation Post System (MOPS) and the Company's website.
- The statutory procedures for amending the Company's Articles of Incorporation were completed, expressly providing that shareholders' meetings may be convened by virtual meeting or by other methods announced by the competent authority.

Government Agencies

Government agencies are important guiding authorities for the Company's business operations and development. Through the formulation of regulations, regulatory mechanisms, and policy implementation, they influence the Company's regulatory compliance, industrial development, and sustainability strategy. The Company conducts its operations in accordance with the policies and regulations established by both central and local governments, including those related to occupational safety and health management, public finance, taxation, labor inspections, and environmental protection. The Company also maintains open communication channels with government agencies to stay informed of the latest regulatory requirements and fulfill its corporate social responsibilities.

Topics of Concern	Communication Channels	Frequency
▪ Human Rights Assessment	▪ Official Correspondence	▪ As Needed
▪ Local Communities	▪ Policy and regulatory consultation meetings, forums, public hearings, awareness courses, and training courses	▪ As Needed
▪ Forced or Compulsory Labor	▪ Government Agency Meetings	▪ As Required by the Competent Authority
▪ Rights of Indigenous Peoples	▪ Participation in symposiums, seminars, and evaluations organized by the competent authorities	▪ As Needed
▪ Customer Health and Safety	▪ Submission of or responses to filings, reports, and other relevant information	▪ As Required by the Competent Authority
▪ Innovative Products and Technologies	▪ Regular inspections and evaluations conducted by the competent authorities	▪ As Required by the Competent Authority
▪ Education and Training	▪ Guidance visit by the Kaohsiung City Reserve Command regarding the deferred mobilization program for reserve military personnel employed in national defense industries	▪ Annually
▪ Marketing and Labeling	▪ Submission and disclosure of interim and annual financial reports within the statutory deadlines	▪ Annually
▪ Security Practices	▪ Submission of corporate income tax returns within the statutory deadlines	▪ Annually

Government Agencies

2025 Implementation Results

- Participated in the Awareness Briefing for the First Linhai Industrial Park Water and Electricity Coordination Meeting.
- Participated in the Briefing for the Second Linhai Industrial Park Water and Electricity Coordination Meeting.
- Participated in the Briefing on the Survey and Analysis Results of Unit Energy Consumption for Electric Arc Furnace Slabs.
- Participated in the Industry Consultation Meeting on Energy Conservation Diagnostics and Plan Formulation for Energy Users.
- Participated in the Briefing on the Reporting System for the Energy Conservation Inspection Program for Major Industrial Energy Users.
- Participated in the Natural Gas Supply Suspension Coordination Meeting for the Lunar New Year Holiday.
- Participated in the Consultation Meeting on Feasible Approaches for Large-scale ESCO Projects in State-owned Enterprises.
- Participated in the 2025 Energy Conservation Promotion Training Seminar and Matchmaking Event.
- Participated in the Briefing on Cross-sector Greenhouse Gas Reduction Cooperation, Carbon Inventory, and Energy Conservation Guidance.
- Participated in the 2025 Major Electricity Users Symposium.
- Participated in the Awareness Briefing for the First Linhai Industrial Park Water and Electricity Coordination Meeting.
- Participated in the Briefing for the Second Linhai Industrial Park Water and Electricity Coordination Meeting.
- Participated in the Briefing on the Survey and Analysis Results of Unit Energy Consumption for Electric Arc Furnace Slabs.
- Participated in the Industry Consultation Meeting on Energy Conservation Diagnostics and Plan Formulation for Energy Users.
- Participated in the Briefing on the Reporting System for the Energy Conservation Inspection Program for Major Industrial Energy Users.
- Participated in the Natural Gas Supply Suspension Coordination Meeting for the Lunar New Year Holiday.
- Participated in the Consultation Meeting on Feasible Approaches for Large-scale ESCO Projects in State-owned Enterprises.
- Participated in the 2025 Energy Conservation Promotion Training Seminar and Matchmaking Event.
- Participated in the Briefing on Cross-sector Greenhouse Gas Reduction Cooperation, Carbon Inventory, and Energy Conservation Guidance.
- Participated in the 2025 Major Electricity Users Symposium.
- Participated in the Awareness Briefing on the Adoption and Maintenance of Air Quality Purification Areas.
- Participated in the Briefing on Air Pollution Fee Regulations and the Reporting System.
- Participated in the Consultation Meeting on the Draft Air Pollutant Emission Standards for the Steel Industry in Kaohsiung City.
- Participated in the Briefing on Required Measures During the Air Quality Deterioration Season for Public and Private Premises.
- Participated in the 2025 Kaohsiung City Fixed Pollution Source Regulations Awareness Briefing.
- Participated in the Awareness Briefing on Total Quantity Control Regulations in Kaohsiung City.
- Participated in the 2025 Training Session on Air Pollution Control Regulations and Technologies.
- Participated in the Briefing on Cross-sector Greenhouse Gas Reduction Cooperation, Carbon Inventory, and Energy Conservation Guidance.
- Participated in the Consultation Meeting on Net-zero Strategies of the Kaohsiung Industrial Net-zero Alliance.
- Participated in the Launch Ceremony of the 5th Taiwan Climate Action Expo and the Resilient Cities Workshop.
- Participated in the 3rd Seminar on How Taiwan's Steel Industry Supply Chain Can Respond to Carbon Border Adjustment Measures.
- Participated in the Consultation Meeting on Energy as the Key Driver for Kaohsiung's Net-zero Transition.
- Participated in the Net-zero Strategy Meeting of the Industrial Net-zero Alliance for the Steel and Other Industries.
- Participated in the Steel Industry Labor Union Working Group Meeting on Greenhouse Gas Emission Reduction Performance.
- Participated in the Industry Consultation Meeting on Energy Conservation Diagnostics and Plan Formulation for Energy Users.
- Participated in the 2025 Kaohsiung City Awareness Briefing on Regulations Governing Toxic and Concerned Chemical Substances.
- Participated in the 2025 Kaohsiung City Awareness Briefing on the Safe Use of Chemicals and Chemicals of Food Safety Concern.
- Participated in the 2025 Southern Regional Joint Defense Organization Training Seminar (Phase II).
- Participated in the Briefing on Air Pollution Fee Regulations and the Reporting System.
- Participated in the 2025 Environmental Protection Regulations Awareness Briefing.
- Participated in the TOSHMS Southern Taiwan Promotion Meeting organized by the Occupational Safety and Health Administration, Ministry of Labor.
- Participated in the Kaohsiung Steel Industry Senior Management Symposium organized by the Kaohsiung City Labor Inspection Office.
- Participated in the Industrial Safety, Occupational Health and Environmental Protection Committee Meeting organized by the Taiwan Steel Industry Association.
- Participated in the Training Seminar on the Promotion of Occupational Safety and Health Management organized by the Taiwan Steel Industry Association.
- Participated in the Labor Safety and Health Promotion Meeting organized by the Kaohsiung Linhai Industrial Park Service Center.
- In 2025, the Kaohsiung City Labor Inspection Office conducted seven on-site inspections and identified one nonconformity (failure to establish occupational safety and health operating procedures for the hot-rolled steel coil sheet-feeding operation). The nonconformity has been corrected, and all remaining inspection items were found to be in compliance with applicable requirements.
- In 2025, the Kaohsiung City Reserve Command conducted a guidance visit on the deferred mobilization program for reserve military personnel in the national defense industry.

Employees

Employees are the cornerstone of the Company's sustainable operations, the driving force behind its continued growth, and its greatest asset. Through on-the-job training, the Company enhances employees' job-related skills and fosters a safe and healthy working environment.

Topics of Concern	Communication Channels	Frequency
▪ Economic Performance	▪ Labor Union	▪ As Needed
▪ Occupational Safety and Health	▪ Employee Rewards and Discipline Committee	▪ As Needed
▪ Labor/Management Relations	▪ Labor-Management Meetings	▪ Monthly
▪ Innovative Products and Technologies	▪ Employee Stock Ownership Trust Committee	▪ Annually
▪ Risk Management	▪ Employee Welfare Committee	▪ Once Every Two Months
▪ Air Pollution Control	▪ Employee Education and Training	▪ For New Employees / As Needed
▪ Market Reputation	▪ Labor Retirement Reserve Supervisory Committee	▪ Annually
▪ Education and Training	▪ Occupational Safety and Health Committee	▪ Quarterly
	▪ Production Department Operations Meetings	▪ Weekly

Employees

2025 Implementation Results

- A total of 12 labor-management meetings were held, during which 26 proposals were discussed. Consensus was reached on all proposals, and corresponding resolutions were adopted.
- The Labor Retirement Reserve Supervisory Committee convened once.
- The Employee Stock Ownership Trust Committee convened three times.
- A total of six Employee Welfare Committee meetings were held. Twenty-six proposals were discussed, all of which reached consensus and were adopted as resolutions.
- Six education and training sessions were conducted for new employees.
- The Employee Rewards and Discipline Committee handled two cases.
- The Company has established the Measures for the Prevention of Sexual Harassment, Complaint Handling, and Investigation Procedures and the Sexual Harassment Complaint Handling Committee to safeguard gender equality in the workplace, provide employees and service recipients with a work and service environment free from sexual harassment, prevent incidents of sexual harassment, establish complaint channels, and protect the rights and interests of the parties concerned. No sexual harassment cases were reported in 2025.
- A total of four Occupational Safety and Health Committee meetings were held, during which 14 proposals concerning preventive measures for hazards associated with machinery, equipment, raw materials, and materials were reviewed.
- In 2025, the Company conducted 16 education and training sessions attended by 828 participants and nine emergency response drills.
- A total of 156 Production Department Operations Meetings were held in 2025.
- The Company organized multiple health lectures to promote employees' physical and mental well-being.

Customers

Customers' long-term trust is the cornerstone of the Company's sound operations. In addition to competitive pricing, product quality is also a key concern for customers. Through in-depth technical exchanges and after-sales services, the Company transforms customer needs into the driving force for research and development, continuously enhancing its metallurgical technologies and product specifications. Customer technical feedback is further translated into the Company's core competitiveness, enabling continuous improvements in product value-added and market competitiveness. The Company continues to advance product research and development and resource circularity. Meeting customers' expectations for environmental and social responsibility is an important manifestation of the Company's commitment to its social contract, creating mutual benefit and shared prosperity. In addition to pricing, customers also require product quality that meets their specific application needs. As stainless steel products are used in a wide variety of applications, customers have significantly different quality requirements depending on their intended use. Through customer visits and feedback, the Company gains a thorough understanding of customers' actual needs and provides the most appropriate products for their applications, thereby creating a win-win outcome.

Topics of Concern	Communication Channels	Frequency
Customer Privacy	Customer Satisfaction Surveys	Annually
Customer Service Management	Product Services on the Company's Website	Promptly
Socioeconomic Compliance	Disclosure of Product Quality Information	As Needed
Marketing and Labeling	Customer Service Hotline	Promptly
Risk Management	Telephone Calls and Customer Visits	As Needed
Customer Health and Safety	Customer Visits and Exchanges at the Company	As Needed
Environmental Compliance	Technical Exchanges	As Needed
Economic Performance		
Business Integrity		

2025 Implementation Results

- A customer satisfaction survey is conducted annually. Issues identified as important by customers are reported to senior management. Improvement plans are developed by the relevant departments for items receiving unsatisfactory ratings, reviewed by management, and implemented promptly. The Company also follows up with customers regularly to evaluate the effectiveness of these improvements. In addition, every six months, the Company conducts two-way discussions with customers regarding issues raised in the previous year to better understand customer feedback on product quality improvements.
- Product services on the Company's website are updated promptly to keep customers informed of the Company's latest products and corporate information.
- Product quality information on the Company's website is updated as needed to keep customers informed of the Company's latest products and corporate information.
- Telephone calls and customer visits are conducted as needed to facilitate direct communication and strengthen mutual trust.
- A customer service hotline is maintained to understand customers' quality requirements and complaints. Customer feedback is communicated to the relevant production departments to support continuous product quality improvement and enhance customer satisfaction.
- Customers visit the Company's facilities as needed to engage in direct exchanges on manufacturing processes and product quality, thereby ensuring effective communication.
- In response to customers' requirements for new manufacturing processes, technical exchanges are conducted at customers' sites as needed. The Company also follows up on product usage at customers' sites and promptly implements technical improvements where necessary.
- In 2025, 16 customer satisfaction questionnaires were distributed and all 16 were returned, achieving a 100% response rate. The survey covered five evaluation aspects: product quality, delivery timeliness, transportation and delivery quality, complaint handling, and sales service.

Suppliers are one of the Company's important business partners. Maintaining good relationships with suppliers depends on the establishment of a sound management system. Suppliers' product quality, delivery performance, supply capability, credibility, management practices, and communication all affect the Company's production performance, steel coil quality, and finished products. Suppliers therefore maintain a close and mutually dependent relationship with the Company.
Contractors are trusted partners that work together with the Company in a mutually beneficial relationship by providing engineering and labor services. The Company works closely with contractors and their employers to provide a safe and well-managed working environment for contractor personnel. Through contractor manpower support and coordination with on-site personnel, the Company ensures smooth operations. Stable contractor relationships not only strengthen contractors' safety awareness and professional skills but also continuously enhance the effectiveness of contractor management.

Topics of Concern	Communication Channels	Frequency
▪ Business Integrity ▪ Procurement Practices ▪ Materials	▪ Visits to and Meetings with Suppliers ▪ Supplier Guidance and Quality Audits ▪ Supplier Evaluations	▪ Regularly ▪ As Needed ▪ Annually
▪ Business Integrity ▪ Procurement Practices ▪ Materials ▪ Customer Privacy ▪ Customer Health and Safety ▪ Risk Management ▪ Economic Performance ▪ Socioeconomic Compliance ▪ Occupational Safety and Health ▪ Economic Performance ▪ Air Pollution Control ▪ Supplier Environmental Assessment ▪ Greenhouse Gas Emissions ▪ Waste	▪ Supplier Communication and Exchanges ▪ Supplier Education and Training ▪ Supplier Meetings ▪ Quarterly Occupational Safety and Health Performance Evaluations for Contractors ▪ Contractor Occupational Safety and Health Exchange Meetings ▪ Occupational Safety and Health Coordination Meetings ▪ Established an Occupational Safety Inspection Team to conduct inspections at construction sites throughout the Company ▪ Site Inspection Logs ▪ Occupational Safety and Health Inspections and Guidance	▪ As Needed ▪ Quarterly ▪ As Needed ▪ Before Construction Work ▪ As Needed ▪ Daily ▪ Regularly

2025 Implementation Results

- Conducted the annual evaluation of JIS MARK raw material suppliers.
- Requested suppliers to provide annual declarations of recycled material verification.
- Supplier meetings were held as needed to stay informed of developments in the raw material market and changes in the supply chain.
- Conducted 56 inspections at construction sites throughout the Company in 2025. A total of 23 nonconformities (including those identified through incident investigations) were found, all of which have been fully corrected.
- Invited contractors to participate in three occupational safety and health training sessions, with a total of five participants.
- Conducted 49 internal and external communication and consultation activities.
- Convened 135 Contractor Occupational Safety and Health Coordination Meetings.
- Conducted daily workplace environmental and hazard notifications and maintained site inspection logs.
- Managers at the third level and above conducted 2Conducted the annual evaluation of JIS MARK raw material suppliers.
- Requested suppliers to provide annual declarations of recycled material verification.
- Supplier meetings were held as needed to stay informed of developments in the raw material market and changes in the supply chain.
- Conducted 56 inspections at construction sites throughout the Company in 2025. A total of 23 nonconformities (including those identified through incident investigations) were found, all of which have been fully corrected.
- Invited contractors to participate in three occupational safety and health training sessions, with a total of five participants.
- Conducted 49 internal and external communication and consultation activities.
- Convened 135 Contractor Occupational Safety and Health Coordination Meetings.
- Conducted daily workplace environmental and hazard notifications and maintained site inspection logs.
- Conducted the annual evaluation of JIS MARK raw material suppliers.
- Requested suppliers to provide annual declarations of recycled material verification.
- Supplier meetings were held as needed to stay informed of developments in the raw material market and changes in the supply chain.
- Occupational Safety and Health Department
- Conducted 56 inspections at construction sites throughout the Company in 2025. A total of 23 nonconformities (including those identified through incident investigations) were found, all of which have been fully corrected.
- Invited contractors to participate in three occupational safety and health training sessions, with a total of five participants.
- Conducted 49 internal and external communication and consultation activities.
- Convened 135 Contractor Occupational Safety and Health Coordination Meetings.
- Conducted daily workplace environmental and hazard notifications and maintained site inspection logs.
- Managers at the third level and above conducted 252 occupational safety and health audits.

Community Residents

The Company maintains positive relationships with residents of communities surrounding its operating sites and seeks to build a better future by giving back to society.

Topics of Concern	Communication Channels	Frequency
▪ Greenhouse Gas Emissions	▪ Community Communication Meetings	▪ As Needed
▪ Green Products	▪ Neighborhood Engagement and Public Welfare Activities	▪ As Needed
▪ Air Pollution Control		▪ As Needed
▪ Supplier Environmental Assessment	▪ Support for or Sponsorship of Community or Non-profit Organization Activities	▪ As Needed
▪ Water and Effluents		
▪ Socioeconomic Compliance	▪ Meetings and Exchanges with Local Organizations and Elected Representatives	
▪ Local Communities		

2025 Implementation Results

Community Sponsorship Activities

- Community Sponsorship Activities
- Sponsored the 2025 Environmental Awareness Campaign organized by Shanming Village, Xiaogang District, Kaohsiung City.
- Sponsored the 2025 Volunteer Training Program organized by Gangnan Village, Xiaogang District, Kaohsiung City.
- Sponsored the Environmental Volunteer Workshop and Networking Activity organized by Daling Village, Xiaogang District, Kaohsiung City.
- Sponsored the Neighborhood Chief Training Program organized by Shandong Village, Xiaogang District, Kaohsiung City.
- Sponsored the Volunteer Networking and Energy Conservation and Carbon Reduction Awareness Activity organized by Gangming Village, Xiaogang District, Kaohsiung City.
- Sponsored the Children's Drawing Workshop organized by Ganghou Community, Xiaogang District, Kaohsiung City.
- Sponsored the Community Visit Program organized by the Neighborhood Chiefs Association of Xiaogang District, Kaohsiung City.
- Sponsored the Environmental Observation Activity for Volunteer Leaders in Northern Taiwan organized by Songshan Village, Xiaogang District, Kaohsiung City.
- Sponsored the Dengue Fever Prevention Awareness Campaign organized by Pingding Village, Xiaogang District, Kaohsiung City.
- Sponsored the Neighborhood Chief and Volunteer Networking Dinner organized by Jinan Village, Xiaogang District, Kaohsiung City.
- Sponsored the Volunteer Observation and Environmental Awareness Activity organized by the Daping Community Development Association, Xiaogang District, Kaohsiung City.
- Sponsored the Neighborhood Chief and Volunteer Networking Dinner organized by the Erling Village Office, Xiaogang District, Kaohsiung City.
- Sponsored the Ghost Festival Celebration organized by the Hongliang Village Office, Xiaogang District, Kaohsiung City.
- Sponsored the Domestic Violence Prevention Awareness Campaign organized by the Shanming Village Office, Xiaogang District, Kaohsiung City.
- Sponsored the Mid-Autumn Festival Neighborhood Gathering organized by the Qianzhen Community Development Association, Kaohsiung City.
- Sponsored the Ghost Festival Celebration organized by Kongzhai Village, Xiaogang District, Kaohsiung City.
- Sponsored the Volunteer Training Program organized by Shunling Village, Xiaogang District, Kaohsiung City.
- Sponsored the Neighborhood Chief and Volunteer Dinner Gathering organized by Fengyuan Village, Xiaogang District, Kaohsiung City.
- Sponsored the Double Ninth Festival Celebration and Patrol Team Dinner organized by Gaosong Village, Xiaogang District, Kaohsiung City.
- Sponsored the Year-end Dinner for Volunteers and Neighborhood Chiefs organized by Taishan Village, Xiaogang District, Kaohsiung City.
- Sponsored the Community Volunteer Networking and Environmental Awareness Activity organized by the Daping Community Development Association, Xiaogang District, Kaohsiung City.
- Sponsored the Neighborhood Chief and Volunteer Dinner Gathering organized by Sanling Village, Xiaogang District, Kaohsiung City.
- Sponsored the Neighborhood Chief and Volunteer Dinner Gathering organized by Gangzheng Village, Xiaogang District, Kaohsiung City.
- Sponsored the Neighborhood Chief and Volunteer Dinner Gathering organized by Hezuo Village, Xiaogang District, Kaohsiung City.
- Sponsored the Year-end Dinner for Neighborhood Chiefs and Volunteers organized by Xiazhuang Village, Xiaogang District, Kaohsiung City.
- Sponsored the Neighborhood Chief and Volunteer Dinner Gathering organized by Guilin Village, Xiaogang District, Kaohsiung City.
- Sponsored the Neighborhood Chief and Volunteer Dinner Gathering organized by Zhongcuo Village, Xiaogang District, Kaohsiung City.
- Sponsored the Neighborhood Chief and Volunteer Dinner Gathering organized by Gangqian Village, Xiaogang District, Kaohsiung City.

Verification Bodies

Through audits conducted by external Certification Bodiesand the implementation of their recommended improvement measures, the Company ensures the effective operation of its occupational safety and health management system and continuously enhances its occupational safety and health performance. In addition, to maintain various certifications, the Company regularly undergoes audits conducted by verification bodies. These audits confirm that the Company's management processes, production processes, product quality, and laboratory testing methods comply with applicable standards. They also help identify opportunities to optimize management practices and inspection methods, enabling the Company to continuously improve its operating standards and operational effectiveness while ensuring that its operations meet high standards of safety and quality.

Topics of Concern	Communication Channels	Frequency
▪ Customer Health and Safety ▪ Risk Management ▪ Education and Training ▪ Materials	▪ Third-Party Verification of ISO 14001 ▪ Third-Party Verification of Greenhouse Gas Emissions in Accordance with ISO 14064-1 ▪ Internal and External Audits Conducted in Accordance with ISO 45001 ▪ Audits Conducted in Accordance with JIS MARK Requirements	▪ Annually ▪ Annually ▪ Annually ▪ Every Three Years

2025 Implementation Results

- Conducted one ISO 14001 internal audit (March 7–15, 2025).
- Conducted one ISO 14001 external audit (August 5, 2025).
- Conducted one ISO 14064-1 internal audit (February 11–27, 2025).
- Conducted one ISO 14064-1 external audit (July 7–28, 2025).
- Conducted one ISO 45001 internal audit (January 6–20, 2025).
- Conducted one ISO 45001 external audit (May 19–20, 2025).
- Conducted one ISO 9001 internal audit (September 26–October 15, 2025).
- Conducted one ISO 9001 external audit (April 14–16, 2025).

Financial Institutions

Financial institutions provide the funding required to support the Company's sustainable development. The Company is committed to establishing stable and open communication channels with financial institutions through the transparent disclosure of relevant financial information and the demonstration of its operating performance, thereby strengthening their trust and support. This enables the Company to secure stable sources of operating funds and competitive interest rates, supporting its sound operations.

Topics of Concern	Communication Channels	
▪ Corporate Governance and Business Integrity ▪ Regulatory Compliance ▪ Operational and Financial Performance ▪ Risk Management ▪ Information Security ▪ Climate Change Response ▪ Energy Management	▪ Proactive Visits to Financial Institutions ▪ Participation in Symposiums and Seminars Organized by the Competent Authorities and Financial Institutions ▪ Annual Report ▪ Annual Shareholders' Meeting and Institutional Investor Conferences ▪ The Company's Website ▪ Material Information Disclosed on the Company's Website and the Market Observation Post System (MOPS)	▪ As Needed ▪ As Needed ▪ Annually ▪ Annually ▪ Promptly ▪ Promptly

2025 Implementation Results

- The Company visits financial institutions as needed, and representatives of financial institutions also visit the Company as needed to maintain good communication and interaction.
- The Company participates in seminars and symposiums organized by the competent authorities and financial institutions as needed.
- All credit facility agreements with existing financial institutions were successfully renewed, and additional financial institutions were added for credit facilities.

1.3 Identification of Material Topics

Tang Eng identified its material topics through a materiality assessment process that analyzed issues concerning the Company's operating activities, business relationships, and sustainability context. Based on this process, the Company identified its material topics for 2025. Through material topic management, the Company effectively responds to issues of concern to its stakeholders.

To ensure that the information disclosed in this Sustainability Report meets the needs of stakeholders, the Company followed four steps: understanding the organizational context, identifying the actual and potential impacts of sustainability topics, assessing the significance of those impacts, and reporting on sustainability topics, thereby determining the material sustainability topics for the current year.

Step 1 – Understanding the Organizational Context

Tang Eng identified sustainability topics relevant to the Company by referencing the GRI Topic Standards, SASB Standards, the United Nations Sustainable Development Goals (SDGs), and the material topics disclosed in the Company's previous Sustainability Report. Based on these references, the Company compiled 18 sustainability topics.

Step 2 – Identifying the Actual and Potential Impacts of Sustainability Topics

External experts scored each sustainability topic based on the Company's actual and potential negative impacts and positive impacts on the economy, the environment, and people (including their human rights). The scores for actual negative impacts, potential negative impacts, actual positive impacts, and potential positive impacts across the economic, environmental, and social dimensions (including human rights) were aggregated and ranked. Topics with a total score exceeding 30 were identified as the Company's material topics. In addition, topics listed in the SASB Standards were given priority consideration as material topics following the scoring process.

Step 3 – Assessing the Significance of Impacts

The scoring results were reviewed and approved by external experts together with the Company's first-level department heads and directly affiliated second-level department heads during the kick-off meeting for preparing the Sustainability Report. Drawing on the Company's past operating experience, the significance and likelihood of each topic's impacts were examined, resulting in the identification of 10 material sustainability topics.

Step 4 – Reporting on Sustainability Topics

Based on the analysis results of the material sustainability topics, external experts, together with the Company's departments, conducted a comprehensive evaluation according to the nature of each topic. The 10 material sustainability topics were ultimately grouped into eight material topic management categories, which are disclosed in this Sustainability Report to communicate with and respond to stakeholders.

Material Topic Identification Results

Material Topic Identification Results

Material Topics

Financial Performance and Operational Risks	Customer Service Management	Energy, Greenhouse Gas Emissions, and Air Emission Control	Raw Materials and Waste Management	Water Resource Management
Occupational Safety and Health Management	Sustainable Talent Development (Labor Relations and Communication, Talent Recruitment, and Training)			Supplier Management

Other Topics

Corporate Governance and Business Integrity	Information Security and Privacy Protection	Risk Management	Natural Ecosystem Conservation	Climate Change Adaptation
Human Rights Protection	Social Contribution and Participation	Product Responsibility and Customer Health and Safety		

1.3.1 Boundaries of Material Topic Impacts

Material Topics	Impact Boundaries for Each Aspect								Management Approaches and Related Sections
	Shareholders	Government Agencies	Employees	Customers	Suppliers / Contractors	Community Residents	Verification Bodies	Financial Institutions	
Financial Performance and Operational Risks	●		○	▲				●	1.1 About Tang Eng
Customer Service Management	●			●					5.5 Customer Service Management
Energy, Greenhouse Gas Emissions, and Air Emission Control	●	●	▲			○	●		2.3 Energy Management 2.4 Greenhouse Gas Management Measures
Raw Materials and Waste Management	●		●	○	●	●			2.6 Pollution Prevention Measures
Water Resource Management	●	●	▲	▲		●	▲		2.5 Water Resource Management
Occupational Safety and Health Management	●		●		▲				3.6 Workplace Safety and Care
Sustainable Talent Development			●						3.5 Employee Relations
Supplier Management					●				5.1 Supplier Management

Note：● Causes impacts ○ Directly related ▲ Contributes to impacts

1.3.2 Material Topic Management

Material Topics	Organization's Policies or Commitments Related to the Material Topic	Impacts	Key Affected Stakeholders	Corresponding Sections
Financial Performance and Operational Risks	1. Keep abreast of economic conditions and strengthen oversight of production, sales, and inventory operations to enhance core business performance. 2. Practice collaborative leadership based on the principles of fairness, openness, and transparency, activate idle assets, and increase stable non-operating income. 3. Strengthen financial monitoring and early warning mechanisms to control financial risks. 4. Strengthen corporate governance and promote sustainable corporate development. Tang Eng complies with the Company Act, the Securities and Exchange Act, and other applicable laws and regulations, as well as the requirements of the Financial Supervisory Commission and the Taipei Exchange, and continues to maximize benefits for the Company and its shareholders.	**Economic Dimension – Actual Positive Impact** Paying taxes in accordance with the law contributes to economic growth and balanced regional development. The Company complies with tax laws and regulations, maintains an open and appropriate relationship with the tax authorities, provides accounting books and supporting documents relating to corporate income tax for inspection by the tax authorities, manages tax risks, and strengthens education and training to avoid the risk of penalties or complaints.	• Shareholders • Employees • Financial Institutions • Customers	1.1About Tang Eng

Material Topics	Organization's Policies or Commitments Related to the Material Topic	Impacts	Key Affected Stakeholders	Corresponding Sections
Customer Service Management	Policy: Tang Eng upholds the corporate philosophy of Integrity, Respect, Efficiency, and Responsibility. The Company has established policies emphasizing compliance with laws and fulfillment of responsibilities, self-discipline and self-respect, and integrity and pragmatism to support sustainable corporate development and safeguard the rights and interests of stakeholders. Strategies: 1. Adopt the SWOT analysis approach to develop a range of response strategies. In addition to continuously improving the quality of existing products, the Company is committed to developing differentiated and customized products to meet customers' special requirements, establishing collaboration channels for new steel grades and new products, and supporting the development of new steel grades and related business development to develop blue ocean markets and enhance the Company's competitiveness. 2. In addition to responding promptly and appropriately to customer issues, the Company proactively gains an understanding of the intended applications and quality requirements of products required to meet customers' special needs to ensure that customer requirements are met. Timely two-way communication with customers is also conducted to facilitate the achievement of these objectives. 3. Establish a cross-functional Quality Leadership Team to conduct regular project reviews in order to meet customers' needs for continual quality improvement. 4. Assign dedicated personnel through the Quality Leadership Team to monitor and review customized, differentiated, and products required to meet customers' special needs. Customer complaints are also reviewed during team meetings, and improvement measures are proposed to provide customers with consistent product quality.	**Economic Dimension – Actual Positive Impact** High product quality enables the Company to effectively grasp market trends and maintain its competitiveness. Continuous quality improvement enhances customer satisfaction, strengthens customer loyalty, and creates greater profitability for the Company while supporting its sustainable development.	• Shareholders • Customers	5.5 Customer Service Management
Energy Management, Greenhouse Gas Emissions, and Air Emissions Control	We recognize that the Earth's climate and environment are being affected by increasing greenhouse gas emissions and are gradually deteriorating. As a global citizen, and in order to leave a better living environment for future generations while fulfilling the Company's environmental responsibilities, the Company is committed to the following: 1. Commit to conducting the Company's greenhouse gas inventory. 2. Accurately determine the Company's greenhouse gas emissions. 3. Propose feasible greenhouse gas reduction measures. 4. Implement greenhouse gas reduction action plans.	**Economic Dimension – Actual Positive Impact** As the steel industry is energy-intensive, reducing energy consumption has a positive impact on the overall economy for countries that rely on imported energy. It also helps reduce greenhouse gas emissions and supports sustainable development. **Economic Dimension – Potential Negative Impact** Changes to production processes may make production processes and maintenance more complicated, resulting in increased short-term expenditures for the Company. As regulations governing total greenhouse gas emissions and air pollution become more stringent, steel production and sales volumes may be affected by restrictions imposed by the competent authorities. In addition, the Company must strengthen pollution prevention measures and invest in pollution control equipment, which will increase operating costs. The government will introduce carbon fees, increasing operating costs.	• Shareholders • Government Agencies • Employees • Community Residents • Certification Bodies	2.3 Energy Management 2.4 Greenhouse Gas Management Measures

Material Topics	Organization's Policies or Commitments Related to the Material Topic	Impacts	Key Affected Stakeholders	Corresponding Sections
		Economic Dimension – Actual Positive and Negative Impacts The Company has gradually invested in energy-saving equipment and process improvements, significantly increasing costs. Although these investments reduce energy consumption, the cost amortization period is extended. Environmental Dimension – Actual Positive Impact The Company uses low-energy-consumption products and products that can be recycled and reused to achieve environmental friendliness and sustainable development.		
Raw Materials and Waste Management	To ensure the effective control of waste generated during the Company's production processes, waste is managed and controlled according to its characteristics to prevent environmental pollution and comply with regulations. In accordance with Tang Eng's ISO 14001 Environmental Policy, the Company participates in the circular economy to ensure sustainable development. Compliance: Comply with environmental laws and regulations and implement pollution prevention measures. Environmental Stewardship: Conserve environmental resources and participate in the circular economy. Continuous Improvement: Continuously improve production processes and enhance equipment energy efficiency. Sustainable Development: Respond to climate change and advance toward sustainable operations.	**Economic Dimension – Actual Negative Impact** The limited availability of waste reuse and treatment channels, together with the annual increase in waste treatment costs, has resulted in increased costs for the Company. **Environmental Dimension – Actual Positive Impact** The reuse of stainless steel scrap through circular resource utilization effectively reduces environmental impacts.	• Customers • Community Residents • Shareholders • Employees	2.6 Pollution Prevention Measures
Water Resource Management	Compliance: Comply with environmental laws and regulations and implement pollution prevention measures. Environmental Stewardship: Conserve environmental resources and participate in the circular economy. Continuous Improvement: Pursue continuous improvements in production processes and improve equipment energy efficiency. Sustainable Development: Respond to climate change and advance toward sustainable operations.	**Environmental Dimension – Actual Positive Impact** The control of heavy metals, such as nickel and chromium, in wastewater discharge is beneficial to river environmental protection. **Economic Dimension – Actual Negative Impact** The Company has progressively invested in water-saving and water recycling equipment and improved production processes. Although this reduces raw water consumption and wastewater discharge, it also increases production costs.	• Shareholders • Government Agencies • Employees • Customers • Community Residents • Certification Bodies	2.5Water Resource Management
Occupational Safety and Health Management	The Company's ISO 45001 Occupational Safety and Health Policy is as follows: 1. Regulatory Compliance: Comply with government occupational safety and health regulations and fulfill corporate social responsibility. 2. Occupational Accident Prevention: Implement occupational safety and health regulations to ensure the safety and health of workers. 3. Continuous Improvement: Promote improvements to facilities and the working environment to continuously enhance occupational safety and health performance. 4. Communication and Participation: Strengthen communication, participation, and training to enhance the occupational safety and health awareness of operating personnel. The Company complies with the Occupational Safety and Health Act, the Labor Standards Act, and the international standards of the ISO 45001 Occupational Safety and Health Management System.	**Human Rights Dimension – Potential Negative Impact** Failure to implement occupational safety and health measures may result in major occupational accidents. In addition to causing physical and psychological harm to affected personnel, the Company may be subject to regulatory penalties or be required by the competent authorities to suspend operations, thereby affecting the Company's operating costs and damaging its reputation. **Human Rights Dimension – Actual Positive Impact** Establishing a sound and comprehensive occupational safety and health culture helps provide employees with a safe working environment, safeguards their health and safety, and enhances the Company's image and competitiveness.	• Employees • Contractors • Shareholders	3.5 Workplace Safety and Care

Material Topics	Organization's Policies or Commitments Related to the Material Topic	Impacts	Key Affected Stakeholders	Corresponding Sections
Talent Sustainability	To strengthen labor-management relations and establish a sound human rights protection system, Tang Eng supports and follows the Universal Declaration of Human Rights, the United Nations Global Compact, and other internationally recognized human rights principles, while aligning with global human rights trends. The Company has established a Human Rights Policy to protect and promote the realization of the human rights of all employees. The key principles are as follows and are communicated during new employee orientation training: 1. Maintain a safe working environment and promote employee health and well-being: implement on-site management, equipment inspections, and environmental monitoring to ensure compliance with government occupational safety and health regulations and other applicable requirements. Establish a company-wide occupational injury diagnosis system and conduct individual health risk assessments to enhance the Company's productivity, prevent work-related injuries, and promote employee health. 2. Protect Employees' Rights and Interests: In addition to complying with applicable labor laws and regulations, the Company has established work rules and personnel management policies. The Company has also entered into a collective agreement with the enterprise labor union and regularly convenes labor-management meetings. 3. Gender Equality in Employment: The Company provides equal treatment in compensation, benefits, performance evaluation, and promotion opportunities regardless of gender, marital status, or childbirth. 4. Diverse Employment: The Company complies with applicable legal requirements in recruitment, prohibits child labor, and actively employs persons with disabilities, Indigenous peoples, and other groups.	**Economic Dimension – Potential Negative Impact** Failure to manage human resources and labor-management relations may expose the Company to operational risks and penalties under relevant regulations, and may also affect the Company's employee turnover rate by increasing it. **Economic and Human Rights Dimensions – Actual Positive Impact** Sound human resource management and labor-management relations help retain talent, reduce employee turnover, lower recruitment costs, and advance the organization's sustainable development objectives.	• Employees	3.4 Employee Relations
Supplier Management	To safeguard the rights and interests of stakeholders, the Company will incorporate corporate social responsibility, sustainable operations, human rights, and environmental protection into supplier management. In addition, raw material supplier meetings will be convened on an ad hoc basis. Through the provision of information and practical exchanges, green procurement will be gradually introduced as the basis for supplier management decision-making and implementation.	**Economic Dimension – Actual Negative Impact** Management itself involves costs. Managing suppliers may increase procurement costs, thereby increasing operating costs. **Economic Dimension – Potential Positive Impact** In the highly competitive steel industry, companies must consider industrial upgrading and enhance the added value of their products to improve corporate competitiveness.	• Suppliers	5.1 Supplier Management

1.4 Green Products and Innovative R&D

1.4.1 Green Products

The Company's primary product, stainless steel, has resistance to oxidation, heat, acids, and alkalis, as well as antibacterial properties. The surface of stainless steel products maintains its metallic luster over the long term, and the service life of stainless steel is much longer than that of carbon steel. Discarded stainless steel scrap and offcuts can be recycled as the primary raw materials for steelmaking, making stainless steel a green product with energy conservation and waste reduction functions.

Green Manufacturing Process

More than 90% of the raw materials used by the Company in 2025 consisted of recyclable and reusable scrap materials, including 200 series, 300 series, and 400 series stainless steel scrap, carbon steel scrap, and recovered process scrap. All of the Company's products are stainless steel coils. Because stainless steel is characterized by repeated recycling and reuse, reflecting the principles of a green circular economy, after stainless steel coils are cut, stamped, and processed by downstream customers into stainless steel products, when the products are due for disposal, the discarded stainless steel is collected through the resource recycling system and sold back to steel mills as stainless steel scrap to serve as the primary raw material for electric arc furnace steelmaking. Materials generated during steelmaking, including slag iron, slab head and tail offcuts, and process scrap generated from hot rolling and cold rolling, are also directly returned to the electric arc furnace for remelting. Product packaging materials, such as steel straps, steel clips, and liner paper, are all recyclable and reusable, thereby reducing impacts on the natural environment. To reduce the environmental impacts arising from product manufacturing and use, the Company will continue to improve and develop green products and manufacturing processes, thereby fulfilling its responsibility for environmental sustainability.

Product Packaging Material Recycling and Extended Resource Reuse

Promoting Packaging Material Circularity through Recycling and Reuse

During the steelmaking process, the Company not only focuses on the recycling and remelting of its primary raw materials, but also extends its circular economy governance to the management of product packaging materials. To reduce the environmental impact of products after they enter the consumer market, the Company actively promotes appropriate recycling mechanisms for the packaging materials used for its products. According to statistics, in 2025 the Company successfully recovered 143.64 metric tons of steel strapping used for finished stainless steel coil packaging, accounting for 0.46% of total steelmaking output. Through the effective recycling of packaging materials, the Company effectively reduced the consumption of single-use materials.

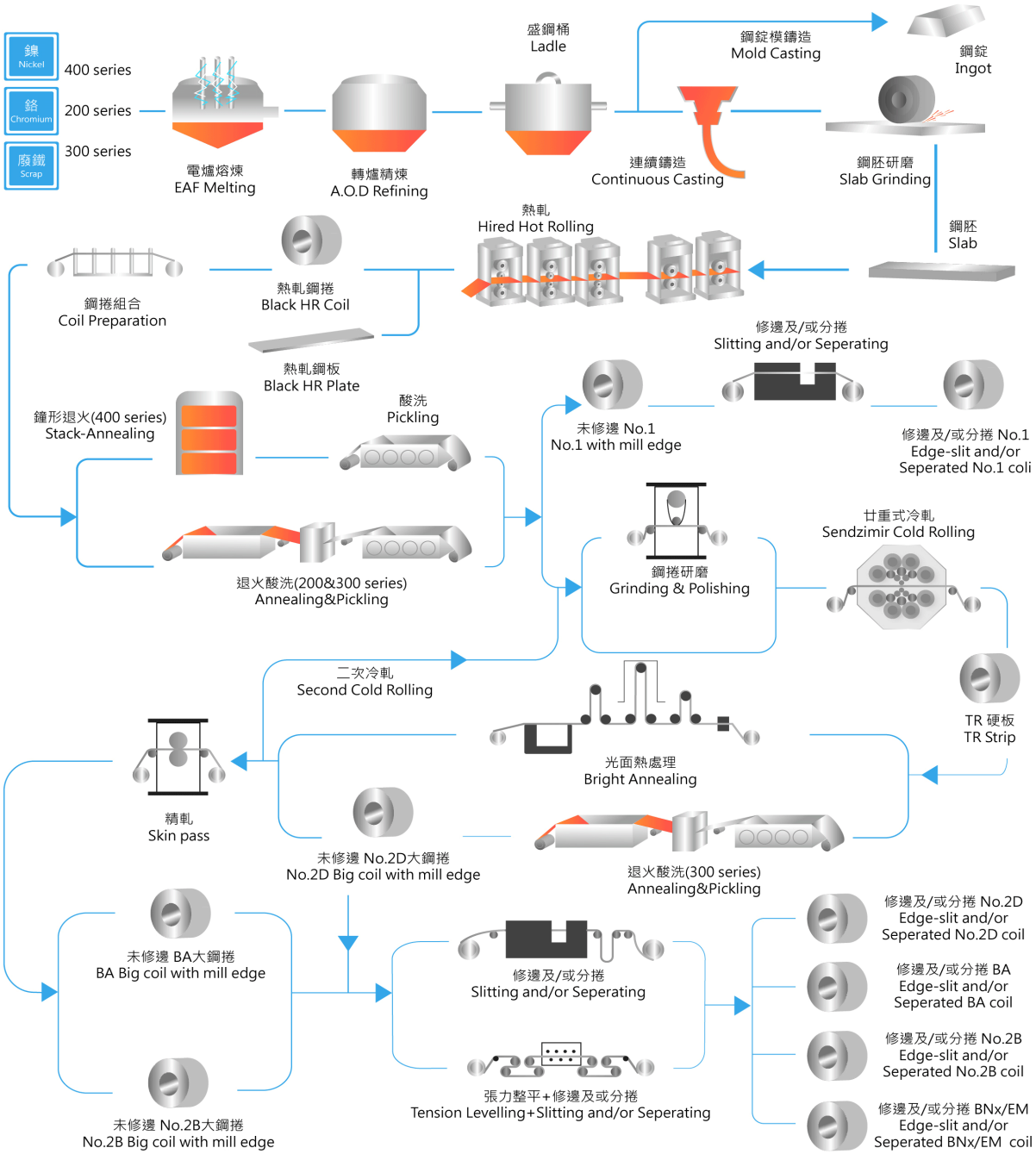
Recycling and Reuse of Spent Refractory Bricks

Under its vision of maximizing resource efficiency, the Company's steelmaking plant also conducts innovative assessments for the reuse of consumable materials replaced during the production process. During steelmaking, the refractory materials used in converters and ladles are primarily dolomite bricks, whose main components are calcium oxide (CaO) and magnesium oxide (MgO). Both are also key components in the slag-forming process during steelmaking and play an important role in improving molten steel quality and extending furnace life. Therefore, if these refractory materials are disposed of as general waste after reaching the end of their service life, not only would the valuable chemical components they contain fail to be recovered, but additional disposal costs could also arise from the waste disposal process.

To promote resource recycling and reuse, the steelmaking plant returns spent dolomite bricks removed from service to the electric arc furnace, where they are remelted on a furnace-by-furnace basis. This reuse practice provides significant environmental benefits. It not only replaces a portion of the lime used in the production process, thereby reducing the demand for virgin ore, but also protects the refractory lining of the electric arc furnace during remelting, forming stable and harmless oxidizing slag. Throughout 2025, the Company successfully recycled and reused 313.54 metric tons of spent dolomite bricks removed from service, demonstrating the Company's achievements in resource recycling and reuse.

1.4.2 Manufacturing Process

Manufacturing Process



Steelmaking Process

Based on the production plan, the required steelmaking raw materials, such as scrap steel, stainless steel scrap, and ferrochrome, are charged into a charging bucket and transported to the electric arc furnace. After the raw materials are melted into molten steel in the electric arc furnace, the molten steel is transferred by ladle to the Argon Oxygen Decarburization (AOD) converter for refining and composition and temperature adjustment.

Slab

When slab products are to be produced, the refined molten steel is transferred in a ladle to the slab continuous casting machine, where it is cast into slabs and cut to the required lengths. The cut slabs are first stacked for cooling. After cooling, the slabs undergo surface inspection. Slabs found to have obvious surface defects are sent to the slab grinder to remove the defects by grinding.

Steel Ingot

When steel ingot products are to be produced, the refined molten steel is poured into a ladle and hoisted to the ingot casting platform, where it is cast into steel ingots in the sizes required by customers.

Hot Rolling Process

Tang Eng does not have hot rolling equipment. Therefore, the hot rolling process is contracted to manufacturers equipped with stainless steel hot rolling facilities, including China Steel Corporation, Dragon Steel Corporation, and Yieh United Steel Corp., for hot rolling.adjustment.

Black Hot-Rolled Steel Coil

After inspection and grinding, the slabs are transported to a contracted hot rolling mill, where they are hot rolled to produce black hot-rolled steel coils.

Black Hot-Rolled Heavy Plate

After inspection and grinding, the slabs are transported to a contracted hot rolling mill, where they are hot rolled to produce black hot-rolled heavy plates.

Cold Rolling Process

Product	Description
No. 1 Steel Coil	After hot rolling, the black hot-rolled stainless steel coils are returned to Tang Eng for the cold rolling process. First, according to production requirements, some 200 series and 300 series black hot-rolled stainless steel coils are sent to the coil joining line, where leader strips are welded onto the coils, before being sent to the Annealing and Pickling Line (APL). Others are sent directly to the Annealing and Pickling Line (APL) without leader strip welding. The annealed and pickled hot-rolled stainless steel coils are commonly known as No. 1 steel coils.
CR Hard Strip Coil	No. 1 steel coils with serious surface defects identified during inspection are first sent to the coil grinder for grinding. Otherwise, they are sent directly to the 20-high Sendzimir cold rolling mill, where they are rolled down to the thickness required by customers. After cold rolling, the steel coils become CR Hard Strip.
No.2D Steel Coil	CR hard steel coils are sent to the APL for annealing and pickling. After annealing and pickling in the APL, the CR hard steel coils become No. 2D steel coils.
No. 2B Steel Coil	No. 2D steel coils are sent to the finishing mill for surface brightening and leveling. After surface brightening and leveling in the finishing mill, the steel coils become No. 2B steel coils.
BA Steel Coil	The production process is the same as that of No. 2B steel coils, except that the steel coils undergo grinding and polishing using a coil grinder, followed by final annealing in the Bright Annealing Line.
EM (Embossed) Steel Coil	The heat-treated steel coils are rolled using specially patterned cold-rolling rolls, thereby creating an embossed pattern on the steel coil surface. After heat treatment in the Bright Annealing Line, followed by processing through the Tension Leveling Line, the steel coils become EM (Embossed) steel coils.
BNx (x = 1–9) Steel Coil	The production process is the same as that of No. 2B steel coils, except that, as required by customers, the steel coils are sent to the coil grinder for grinding and to the 20-high Sendzimir cold rolling mill for rolling using work rolls with the specified roughness, followed by final annealing in the Bright Annealing Line. Some BNx steel coils are further sent to the finishing mill for surface brightening and leveling, where necessary.

Note: No. 1, No. 2D, No. 2B, BA, and BNx steel coils are sent to the Tension Leveling Line or edge trimming and slitting equipment, according to customer requirements, for edge trimming or slitting. Steel coils for export also require export packaging.

1.4.3 Innovative R&D

Tang Eng upholds the spirit of seeking innovation, embracing change, and creating profits, and is committed to the development of new materials, new technologies, and new manufacturing processes. With the rapid advancement of technological innovation across all industrial sectors, it is essential to master new materials and manufacturing processes that are key to innovation in order to enhance new market development and reduce production costs. We will continue to pursue higher-level research and development objectives, enabling Tang Eng to become an outstanding enterprise in premium steel materials.

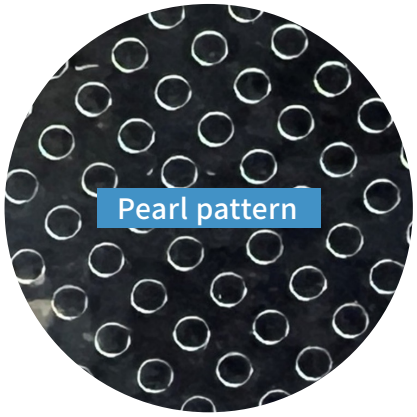
The Company continues to work toward enhancing its differentiated competitive advantages through innovative R&D and maintains a leading position in the field of antibacterial stainless steel. For the development of antibacterial stainless steel, the Company filed an application for an invention patent entitled "Antibacterial Stainless Steel" on December 25, 2018, and officially obtained the patent from the Intellectual Property Office, Ministry of Economic Affairs, on September 8, 2021. As of the end of 2025, the Company had obtained two utility model patents and three invention patents related to antibacterial stainless steel.

For its R&D efforts in 2025, the Company continued to improve manufacturing processes and develop products based on different steel grades and applications:

2205, 305, 630, and 631 steel grades	The Company continued to carry out process improvement projects and improve the hot rolling process through process analysis. By reducing edge cracking and improving surface quality, product yield was increased, thereby enhancing product competitiveness.
Embossed surface products	The Company continued to work with customers to develop new surface patterns. A variety of embossed surface patterns, including leather pattern, pearl pattern, flat pearl pattern, linen pattern, and checker pattern, have been developed for applications such as architectural decoration materials and kitchenware, thereby enhancing the added value of stainless steel coils and creating marketing advantages for high-value-added products.
Thin-gauge steel coils (0.25–0.4 mm)	The Company continued to cooperate with customers in developing thin-gauge steel coils for use in high thermal conductivity heat exchangers, providing new materials for achieving the 2050 net-zero carbon emissions target.

The Company has budgeted NT$15.588 million for R&D expenses in 2026. The key focus areas of its future R&D plans are as follows:

Operation of the CRHard Strip and Customized Quality Team	CR Hard Strip is one of the Company's niche products. However, due to intense market competition, other manufacturers have gradually begun producing and marketing CR Hard Strip products. To maintain the competitive advantage of the Company's CR Hard Strip products, the Company established the CR Hard Strip and Customized Quality Team to monitor and control the manufacturing processes and product quality of CR Hard Strip products.
Promotion and Enhancement of Existing High-Value-Added Steel Materials to Enhance Product Diversification:	1. Embossed Surface Steel Coils: The Company will continue to develop new surface patterns in response to customer requirements and adjust manufacturing processes according to customized order requirements to meet customers' specific needs, thereby enhancing the added value of stainless steel coils and strengthening product advantages. 2. Antibacterial Stainless Steel: To increase the sales of antibacterial stainless steel products, the Company will continue to work with direct users to meet their requirements, increase the use of antibacterial stainless steel coils, accelerate the development of customers' products, and achieve greater economies of scale for antibacterial stainless steel. 3. Thin-Gauge Steel Coils (0.25–0.4 mm): In response to changes in market demand, the Company will continue to promote thin-gauge steel coils for use in high thermal conductivity heat exchangers, providing new materials for achieving the 2050 net-zero carbon emissions target.
Technical Documentation Collection and Management and the Intellectual Property Management System	To support the Company's intellectual property management through the preservation and protection of internal technical documentation, the Company applies the intellectual property management system to protect its technical documentation and other intellectual property, ensuring that its intellectual property management policy achieves the Company's expected objectives. Through the Technical Center's technical documentation preservation and management system, the Company ensures the preservation and transfer of intellectual property and technical documentation, thereby supporting the Company's sustainable operations and enhancing technical training for personnel.







2 E Environmental Responsibility – Low-Carbon and Circular Steelmaking

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Chapter 2

E Environmental Responsibility – Low-Carbon and Circular Steelmaking

Tang Eng operates stainless steel steelmaking and cold rolling production lines. In addition to implementing pollution prevention and control measures within its facilities in accordance with domestic environmental regulations, the Company actively adopts various environmental protection measures to reduce the environmental impacts arising from its production processes. The Company has also established an Environmental Protection Policy as the basis for its environmental strategies and measures.

Based on comprehensive environmental protection planning and management, the Company carries out environmental management in accordance with applicable government environmental regulations, implements pollution prevention and control measures within its facilities, reduces the environmental impacts arising from its production processes, and continues to improve its environmental management performance. The Company officially introduced the ISO 14001 Environmental Management System in 2021 and passed the certification audit, obtaining the certificate in September 2023. The certificate is valid until September 20, 2026.

Environmental Protection Policy

Tang Eng Environmental Protection Policy
• Regulatory Compliance: Comply with environmental regulations and implement pollution prevention and control. • Environmental Stewardship: Conserve environmental resources and participate in the circular economy. • Continuous Improvement: Continuously improve manufacturing processes and enhance equipment energy efficiency. • Sustainable Development: Respond to climate change and advance toward sustainable business operations.

Material Topic 3: Energy, Greenhouse Gas Emissions, and Air Emissions Control

Material Topic	Energy, Greenhouse Gas Emissions, and Air Emissions Control
Reason for Materiality	The impacts of climate change have become increasingly significant worldwide. Persistently high levels of greenhouse gas emissions have resulted in global warming, leading to the melting of polar ice caps, rising sea levels, severe droughts, and the expansion of desert areas, all of which have significant impacts on ecosystems, water and land resources, socioeconomic activities, and human life and safety. Based on the analysis of stakeholder concern and impact significance, greenhouse gas emissions are considered relatively significant to the Company. Failure to manage greenhouse gas emissions may expose the Company to regulatory penalties and adversely affect the market competitiveness of its products.
Positive/ Negative Impacts	Economic Dimension – Actual Positive Impact The steel industry is energy-intensive. For countries that rely on imported energy, reducing energy consumption has a positive impact on the overall economy while reducing greenhouse gas emissions, thereby achieving sustainable operations. Economic Dimension – Potential Negative Impact Changes to manufacturing processes may make production operations and maintenance more complicated, resulting in higher short-term financial expenditures. As regulations governing total greenhouse gas emissions and air pollutant emissions become increasingly stringent under the requirements of the competent authorities, steelmaking production and sales may be affected. The Company must also strengthen various pollution prevention and control measures and invest in pollution prevention and control equipment, thereby increasing operating costs. The government's planned introduction of carbon fees will increase operating costs. Economic Dimension – Actual Positive and Negative Impacts: Continued investment in energy-saving equipment and manufacturing process improvements significantly increases costs. Although these efforts reduce energy consumption, the cost recovery period becomes longer. Environmental Dimension – Actual Positive Impact The use of low-energy-consumption and recyclable products contributes to environmental friendliness and sustainable operations.

Material Topic	Energy, Greenhouse Gas Emissions, and Air Emissions Control
	As the steel industry is energy-intensive, increasingly stringent regulations governing total greenhouse gas emissions and air pollutant emissions imposed by the competent authorities in recent years, together with the government's planned introduction of carbon fees, may affect steelmaking production and sales. The Company must strengthen various pollution prevention and control measures and invest in pollution prevention and control equipment, thereby increasing operating costs. At present, the Company continues to invest in energy-saving equipment and improve manufacturing processes. Although these efforts significantly increase costs, they reduce energy consumption and greenhouse gas emissions. The Company also uses low-energy-consumption and recyclable products, thereby helping achieve environmental friendliness and sustainable operations. ＋：Reduce energy consumption, thereby reducing greenhouse gas emissions. －：Increase operating expenditures. ＋：Reduce environmental impacts. －：Carbon fees may affect production and sales. ＋：Enhance the Company's image. ＋： Positive impacts; –: Negative impacts
Policy	We recognize that the Earth's climate and environment are being increasingly affected by the continued increase in greenhouse gas emissions and are gradually deteriorating. As a member of the global village, and in order to leave a better living environment for future generations while fulfilling the Company's environmental responsibilities, the Company will strive to accomplish the following: 1.Conduct the Company's greenhouse gas inventory. 2.Accurately monitor the Company's greenhouse gas emissions. 3.Propose feasible greenhouse gas reduction measures. 4.Effectively implement greenhouse gas reduction action plans
Proactive Opportunity Management	Electricity-saving measures are planned annually to achieve energy savings, thereby effectively reducing environmental impacts. The Company also periodically reviews electricity consumption and reports electricity consumption data.
Risk Prevention and Management	The Company reviews its overall carbon reduction performance annually and formulates emission reduction strategies while continuously improving manufacturing processes and enhancing operational efficiency. If emission reduction performance does not meet expectations, the Company actively seeks communication and cooperation with relevant organizations and adopts the following measures: 1. Plan and implement energy conservation and carbon reduction measures early to reduce the costs associated with significant short-term equipment modification or replacement. 2. Conduct annual greenhouse gas inventories to ensure that emissions do not exceed the phased control targets. 3. Allocate annual budgets to accelerate the replacement of aging process equipment. 4. Strictly comply with government environmental regulations. 5. Strengthen the maintenance of existing air pollution prevention and monitoring facilities to ensure that no penalties are imposed for air pollution violations. 6. Enhance pollution prevention and control facilities, fulfill inspection responsibilities, and strengthen environmental education and awareness activities to enhance employees' environmental protection awareness. 7. Tang Eng's Environmental Protection Department conducts annual supervision of greenhouse gas reduction measures and greenhouse gas inventories to ensure that energy use and energy conservation and carbon reduction activities comply with applicable regulatory requirements.
Remedial Measures for Negative Impacts	The Company's contact point for grievances is the Environmental Protection Department. The contact telephone number for the Director of the Environmental Protection Department is 07-802-2811 ext. 2610.
Short-, Medium-, and Long-term Objectives	The Company uses 2005 as the base year for greenhouse gas emissions. The short-term target has been achieved, with greenhouse gas emissions reduced by 8% from the base year by 2024 in accordance with the Ministry of Environment's Phase II Control Target. The medium-term target is to reduce greenhouse gas emissions by approximately 49.37% from the base year by 2030. The long-term target is to achieve net-zero emissions by 2050.
Effectiveness Evaluation	In accordance with the internal management review procedures of ISO 14064-1, the Company conducts an annual effectiveness assessment of its emissions management and engages an independent third-party organization to conduct verification. Tang Eng is committed to implementing control measures that achieve high efficiency, high value-added, low emissions, and low consumption. The Company plans annual electricity-saving measures to achieve energy savings, thereby effectively reducing environmental impacts. It also periodically reviews electricity consumption and reports electricity consumption data.

Material Topic	Energy, Greenhouse Gas Emissions, and Air Emissions Control
Performance and Adjustments	Emissions (Greenhouse Gas and Air Emissions Control): 1. The Company set a target of reducing its total greenhouse gas emissions in 2025 by 10% from the base year (2005, with greenhouse gas emissions of 266,000 metric tons of CO_2e). In 2025, the Company's total greenhouse gas emissions were 81,161.880 metric tons of CO_2e, representing a reduction of approximately 67% from the base year, thereby achieving the target. 2. To actively implement its commitment to low-carbon operations and energy transition, the Company invested NT$23.26 million in capital expenditures in 2025 and fully completed three major energy-saving projects: upgrading the central air conditioning system on the first floor of the Rolling Mill Building, replacing the central air conditioning system of the First Administration Building, and upgrading the street lighting and overhead crane lighting systems throughout the plant. These projects achieved a 100% completion rate for improvements in key electricity consumption areas within the plant. The projects not only save 703,435.66 kWh of electricity annually but also reduce greenhouse gas emissions by 333.4285 metric tons of CO_2e per year, effectively reducing the Company's Scope 2 carbon footprint during operations. In line with its sustainability vision of continuous improvement, the Company has also initiated five additional advanced energy-saving projects: upgrading the 350 HP pump, upgrading the cooling tower fan, upgrading the lighting system in the Steelmaking Plant, upgrading the variable-frequency drive of Dust Collector B, and replacing the AOD mobile horizontal preheater with a regenerative preheater. These projects are being actively implemented according to plan and are expected to be fully completed and commissioned by 2026. Through the dual approach of equipment upgrades and process optimization, the Company continues to advance steadily toward its long-term net-zero emissions target.

Material Topic 4:
Raw Material Management and Waste Management

Material Topic	Raw Material Management and Waste Management
Reason for Materiality	The primary raw materials procured and used by the Company include ferronickel, ferrochrome, externally procured recycled scrap materials, and internally generated recycled scrap materials. To reduce the carbon intensity of its products while balancing product quality and production costs, the Company continues planning to increase the proportion of recycled scrap materials used. Through resource reuse under the principles of the circular economy and in accordance with Tang Eng's ISO 9001 procurement and acceptance procedures, the Company continuously monitors raw material prices and inventory, optimizes resource utilization and cost control, promotes the reuse of scrap materials, reduces environmental impacts, and advances its sustainable development objectives.
Positive/ Negative Impacts	Environmental Dimension – Actual Positive Impact The reuse of stainless steel scrap through resource recycling effectively reduces environmental impacts. Economic Dimension – Actual Negative Impact The limited availability of waste reuse and treatment channels, together with the annual increase in waste treatment costs, has resulted in higher operating costs for the Company. ＋：Promote the circular economy and the effective use of resources. －：Insufficient waste reuse and treatment channels. ＋：Reduce environmental impacts －：Waste disposal costs increase year by year, resulting in higher operating costs. ＋：Positive impacts　－：Negative impacts
Policy	To ensure the effective control of waste generated during the Company's production processes, waste is separately managed and controlled according to its characteristics to prevent environmental pollution, comply with applicable regulations, and, in accordance with Tang Eng's ISO 14001 Environmental Policy—Sustainable Development: Participate in the Circular Economy—ensure sustainable development. 1. Regulatory Compliance: Comply with environmental regulations and implement pollution prevention and control. 2. Environmental Stewardship: Conserve environmental resources and participate in the circular economy. 3. Continuous Improvement: Continuously improve manufacturing processes and enhance equipment energy efficiency. 4. Sustainable Development: Respond to climate change and advance toward sustainable business operations.

Material Topic	Raw Material Management and Waste Management
Proactive Opportunity Management	The Company regards raw material and waste management as a core opportunity to drive the circular economy and enhance operational resilience. In response to the potential risks arising from limited external waste reuse and treatment channels and the year-by-year increase in treatment costs, the Company has adopted a strategy of turning passive responses into proactive management and continues to strengthen its internal closed-loop recycling system. Through the continuous improvement of smelting technology and equipment performance, the Company not only returns all process scrap generated in its production processes to the furnace for recycling and reuse, but also innovatively transforms discarded refractory bricks (dolomite bricks) into alternative auxiliary materials with economic value. This resource regeneration strategy not only significantly reduces external waste disposal costs and dependence on the procurement of virgin raw materials, but also effectively mitigates the risks associated with fluctuations in international raw material prices. Tang Eng will continue to explore cross-industry resource symbiosis solutions and steadily increase the proportion of recyclable raw materials used, with the aim of developing green steel with low-carbon advantages. The Company aspires to successfully transform the challenges of environmental governance into a powerful tool for sustainable marketing, enabling it to meet international green supply chain requirements and expand its share of the high-end market.
Risk Prevention and Management	The Company reviews its overall carbon reduction performance annually and formulates emission reduction strategies while continuously improving manufacturing processes and enhancing efficiency. If emission reduction performance does not meet expectations, the Company actively seeks communication and cooperation with relevant organizations and adopts the following measures: 1. Plan and implement energy conservation and carbon reduction measures early to reduce the costs associated with significant short-term equipment modification or replacement. 2. Conduct annual greenhouse gas inventories to ensure that the phased control targets are not exceeded. 3. Allocate budgets annually to accelerate the replacement of aging process equipment. 4. Strictly comply with government environmental regulations. 5. Strengthen the maintenance of existing air pollution control and monitoring facilities to ensure that no penalties are imposed for air pollution violations. 6. Enhance pollution prevention and control equipment, fulfill inspection responsibilities, and strengthen environmental education and awareness activities to enhance employees' environmental protection awareness. 7. The Environmental Protection Department of Tang Eng conducts annual supervision and inspections of greenhouse gas reduction measures to ensure that energy use and energy conservation and carbon reduction activities comply with applicable laws and regulations.
Remedial Measures for Negative Impacts	The Steelmaking Plant Manager supervises the implementation of the project team's action plan and whether its objectives are achieved. If any issues arise, they may also be reported through the Company's grievance mechanism via the Plant Manager's Office. The grievance telephone number is 07-802-2811 ext. 2500.
Short-, Medium-, and Long-term Objectives	1. Provide Declarations of Conformity for Highly Concerning Substances and Declarations of Conformity for Prohibited Materials for individual supply chain procurement projects to reduce the negative environmental impacts of raw materials. 2. The Company is committed to environmental protection, with the objective of achieving zero violations and zero fines. As the scope of environmental protection activities is extensive, the Company adopts an annual KPI target of fewer than three cases for self-management while reasonably estimating the amount of potential future liabilities. The key pollution control measures are as follows: (1) Strengthen the maintenance of pollution prevention and control equipment to ensure normal operation. (2) Strengthen cleaning and water spraying operations in dust-generating areas to prevent dust dispersion. (3) Strengthen waste classification management and promote the reduction and resource utilization of industrial waste. (4) Strengthen inspections of various pollution prevention and control measures. (5) For 2025, the planned target for the Company's in-house steelmaking operations is for purchased recyclable raw materials (stainless steel scrap) to account for 50%. The medium- and long-term target is for purchased recyclable raw materials (stainless steel scrap) to account for at least 60%.
Effectiveness Evaluation	1. To effectively implement environmental management, the Company obtained ISO 14001 Environmental Management System certification in 2023. 2. In accordance with ISO 9001, the Steelmaking Plant compiles annual statistics on the scrap ratio, the reuse volume of spent refractory bricks, and the recycling and reuse volume of finished product packaging materials. The evaluation mechanism is continuously reviewed and refined, and the implementation results are reported at the monthly Production Department Extended Meeting. If the targets are not achieved, the underlying causes are reviewed. 3. Adjustment of the Control and Evaluation Mechanism – At the end of 2021, the Steelmaking Plant reviewed the proportion of process-recycled materials, including scrap steel strapping, iron recovered from slag, slab head and tail offcuts, grinding swarf, and returned 300 Series and 400 Series materials from the Company's Rolling Mill.

Material Topic	Raw Material Management and Waste Management

Performance and Adjustments

1. Reuse ratio of recycled scrap materials: From 2020 to 2025, more than 50% of the raw materials used consisted of recyclable scrap materials, meeting the target established by the Steelmaking Plant. The Steelmaking Plant will continue to monitor and control the ratio.
2. Reuse of spent refractory bricks generated during the production process: In 2025, a total of 313.540 metric tons of spent dolomite bricks removed from service were recycled and reused. The Steelmaking Plant will continue to monitor and control the reuse of spent refractory bricks.
3. Recycling and reuse of finished product packaging materials: In 2025, a total of 143.640 metric tons of steel strapping used for finished steel coils was recovered, accounting for 0.46% of the Company's total steelmaking production.

The Company is an integrated steelmaking plant. More than 90% of the raw materials used in its production processes consist of stainless steel scrap (mainly 300 Series and 400 Series), steel scrap, ferronickel, ferrochrome, and process scrap recycled from the Company's own production processes. The raw material usage in 2025 is shown in the table below. Process scrap generated by the Company is returned to the electric arc furnace for remelting and reuse in accordance with the principles of the circular economy.

Raw Material	Raw Material Usage in 2025
Stainless Steel ScrapSteel	19,194.130 metric tons
Scrap	747.200 metric tons
Ferronickel	1,152.590 metric tons
Ferrochrome	1,757.500 metric tons

In 2025, a total of 10,538.225 metric tons of process scrap was reused, accounting for 33.68% of the Company's total steelmaking production. In addition, stainless steel scrap and steel scrap were procured domestically, while ferronickel and ferrochrome were procured from overseas. To support resource recycling and reuse, Tang Eng returns process scrap (including slab grinding swarf, flame-cut slab head and tail offcuts, iron recovered from slag, hot-rolling returns, and cold-rolling returns) to the electric arc furnace for remelting and reuse. At present, the Company's process scrap is primarily recycled for internal use in accordance with the principles of the circular economy.

Unit：%

Category	2021	2022	2023	2024	2025
Stainless Steel Scrap Ratio	64.33	65.11	70.95	57.89	61.35
Carbon Steel Scrap Ratio	2.37	2.87	2.57	5.34	1.93
Process- Recycled Material Ratio	10.69	16.86	23.93	32.24	33.68
Recyclable Raw Material Ratio	77.39	84.84	97.45	95.48	96.96

Material Topic 5:Water Resource Management

Material Topic	Water Resource Management
Reason for Materiality	In recent years, global climate anomalies have resulted in significant disparities in water availability between the wet and dry seasons. During periods of water shortage, companies are required under national policies to reduce water consumption, which may result in the suspension of certain production lines. Based on stakeholder communication and an analysis of the level of concern and degree of impact, Water Resource Management is considered a relatively important topic for the Company. Failure to implement water resource management may result in regulatory penalties in the future, such as the imposition of water consumption fees.
Positive/ Negative Impacts	Environmental Dimension – Actual Positive Impact Controlling heavy metals, such as nickel and chromium, in wastewater discharge contributes to river environmental protection. Economic Dimension – Actual Negative Impact Continued investment in water-saving and water recycling equipment, as well as manufacturing process improvements, reduces raw water consumption and wastewater discharge but increases production costs. ＋：Reduce the Company's dependence on water during periods of water shortage. －：Investment in water-saving and water recycling equipment is costly, resulting in a longer cost recovery period. +：Positive Impact；-：Negative Impact

Material Topic	Water Resource Management
Policy	egulatory Compliance: Comply with environmental regulations and implement pollution prevention and control. Environmental Stewardship: Conserve environmental resources and participate in the circular economy. Continuous Improvement: Continuously improve manufacturing processes and enhance equipment energy efficiency. Sustainable Development: Respond to climate change and advance toward sustainable business operations.
Proactive Opportunity Management	Flow meters are being gradually installed at water use points to ensure the real-time monitoring of water consumption. The Company also regularly reviews water consumption and reported water consumption data.
Risk Prevention and Management	The Company reviews its overall water use performance annually and formulates water use strategies while continuously increasing the water recycling rate and reducing water consumption. If the water reduction performance does not meet expectations, the Company actively seeks communication and cooperation with relevant organizations.
Remedial Measures for Negative Impacts	Tang Eng maintains daily records of and monitors water consumption to ensure that water consumption and water savings meet the Company's targets and objectives. In addition, the Company has established a grievance mechanism. If necessary, grievances may be submitted to the Director of the Utilities Department. The grievance telephone number is 07-802-2811 ext. 2900.
Short-, Mid-, and Long-Term Objectives	• Short-term Objective: Based on the average annual water consumption of 649,789 m^3 from 2020 to 2024, the Company aims to achieve the following three objectives within five years: reduce average annual total water consumption by at least 3%, achieve a water recycling rate of at least 80%, and maintain water use intensity below that of the previous year (2024 water use intensity: 3.86 m^3/ ton of steel coils). • Medium- and Long-term Objectives: Achieve zero discharge through the recycling and retreatment of effluent and maintain a water recycling rate of at least 90%.
Effectiveness Evaluation	Tang Eng is committed to researching and improving water use, promoting water conservation policies, and formulating water conservation strategies. The Company has installed water-saving facilities, including improving system design, adopting high-efficiency equipment, and recycling and reusing water. It has also strengthened water use management by developing a water balance diagram and installing additional flow meters. In addition, the Company continuously improves manufacturing processes to reduce water use intensity and effluent discharge, thereby reducing its dependence on raw water during periods of water shortage. The Company also regularly reviews water consumption and reported water consumption data.
Performance and Adjustments	2025 Total Water Consumption Control: 649,789 × 0.97 = 630,295 m^3. • The total water consumption in 2025 was 584,869 m^3, achieving the target. • Compared with the total water consumption in 2024, water consumption in 2025 decreased by 136,076 m^3, representing a reduction of 18.87%. • Based on water utility bills and actual water recycling flow meter records, the Company's overall water recycling rate reached 87.23% in 2025, achieving the target. • Based on the total steel coil deliveries of 159,680 tons in 2025 and the total water consumption of 584,869 m^3 recorded on the water utility bills, the water use intensity was 3.66 m^3/ton of steel coils, achieving the target.



Tang Eng's Environmental Footprint

Main Raw Materials	metric tons
Stainless Steel Scrap	19,194.130
Steel Scrap	747.200
Ferronickel	1,152.590
Ferrochrome	1,757.500

Water Resources	metric tons
Tap Water	58.4869
Recycled Water	17.669

Energy	
Electricity(kWh)	102,322,713
Natural Gas(m^3)	13,465,004
Steam(metric tons)	24,145

Transport

Transport

製造階段

Transport

Greenhouse Gas Emissions	t CO_2e
Scope 1	30,494.0010
Scope 2	50,667.8786

Air Pollutant Emissions	tons
TSP	15.473
SOx	1.087
NOx	15.517

Process Waste

Hazardous Industrial Waste

General Industrial Waste

Main Products	metric tons
Food and Chemical Processing Equipment	23,400
Industrial Piping	24,500
Decorative Sheets	31,400
Structural Tubes	40,000
Tableware, Kitchenware, Cutlery Materials	31,000
Electronic Components	9,500

Dust Collector Ash	Waste Filter Bags	Electrolytic Sludge	Oxidizing Slag	Reducing Slag	Waste Refractory Materials	Oily Sludge	Inorganic Sludge	Waste Lubricating Oil	Waste Oil Mixtures	Waste Wood	Waste Plastics	General Waste
683.78 metric tons	6.86 metric tons	52.98 metric tons	2,132.96 metric tons	2,395.02 metric tons	623.915 metric tons	487.28 metric tons	6,968.06 metric tons	136.88 metric tons	65.2 metric tons	86.33 metric tons	14.82 metric tons	148.91 metric tons
Reuse	Solidification Treatment	Solidification Treatment	Reuse	Reuse	Reuse / Physical Treatment	Reuse / Physical Treatment	Physical Treatment	Reuse / Physical Treatment	Physical Treatment	Reuse	Reuse	Incineration

Note: The 2025 air pollutant emission data were calculated by Tang Eng Iron Works Co., Ltd. The actual figures shall be subject to the latest calculations by the competent environmental protection authority.

Raw Materials	metric tons
Stainless Steel Scrap	19,194.130
Carbon Steel Scrap	747.200
Ferronickel	1,152.590
Ferrochrome	1,757.500

Main Products	metric tons
Food and Chemical Processing Equipment	23,400
Industrial Piping	24,500
Decorative Sheets	31,000
Structural Tubes	40,000
Tableware, Kitchenware, Cutlery Materials	31,000
Electronic Components	9,500

Air Pollutant Emissions	metric tons
TSP	15.473
SOX	1.087
NOX	15.517

Greenhouse Gas Emissions	
Scope 1	30,494.0010 t CO_2e
Scope 2	50,667.8786 t CO_2e

Process Waste	metric tons	廢棄物處置方式
Dust Collector Ash	683.78	Reuse
Waste Filter Bags	6.86	Solidification Treatment
Electrolytic Sludge	52.98	Solidification Treatment
Oxidizing Slag	2,132.96	Reuse
Reducing Slag	2,395.02	Reuse
Waste Refractory Materials	623.915	Reuse / Physical Treatment
Oily Sludge	487.28	Reuse / Physical Treatment
Inorganic Sludge	6,968.06	Physical Treatment
Waste Lubricating Oil	136.88	Reuse / Physical Treatment
Waste Oil Mixtures	65.2	Physical Treatment
Waste Wood	86.33	Reuse
Waste Plastics	14.82	Reuse
General Waste	148.91	Incineration

Energy	
Electricity	102,322,713 kWh
Natural	13,465,004 m^3
GasSteam	24,145 metric tons

Water Resources	
Tap Water	58.4869 metric tons
Recycled Water	17.669 metric tons

Environmental Accounting System

Tang Eng regularly compiles environmental accounting cost statistics to track the Company's environmental costs, thereby helping evaluate the Company's resource use efficiency, environmental impact intensity, and environmental benefits.

Category	2023 Environmental Expenditures	2024 Environmental Expenditures	2025 Environmental Expenditures
Air Pollution Control Expenditures	1,855,209	3,366,718	2,799,655
Water Pollution Control Expenditures	3,325,160	3,128,985	1,002,334
Soil Pollution Control Expenditures	-	-	7,008,049
Waste Treatment Expenditures (including hazardous and general waste)	4,894,601	5,856,898	6,705,864
Environmental Management System Certification Expenditures	185,000	480,000	2,704
Environmental Protection Personnel Expenditures	15,671,994	15,929,155	14,468,825
Total	25,931,964	28,761,756	31,987,431

2.1 Material Recycling and Reuse

2.1.1 Material Management

Tang Eng obtained UL 2809 Recycled Content Validation with 90% recycled content for 304U and 301U grades.

As global trends in sustainability and environmental protection continue to gain momentum, together with the growing market demand for green products, many manufacturers have actively developed products made from recycled raw materials to meet customers' requirements for environmentally friendly products, enhance market competitiveness, secure more orders, and achieve the goals of plastic reduction and environmental protection.

To assist customers in evaluating the proportions of post-consumer, pre-consumer, and post-industrial recycled materials, or in verifying the total recycled content of products, Tang Eng applies rigorous scientific analytical methods to ensure the accuracy and credibility of data. This helps companies demonstrate to the market that their products comply with environmental claims, thereby further enhancing their green competitiveness while meeting current market expectations and demands for sustainable development.

To promote recycled products, Tang Eng, in accordance with the UL 2809 Recycled Content Validation Standard, aims to reduce waste generation and environmental pollution. Upholding the principles of protecting the natural environment and implementing sustainable development, the Company is committed to providing the supply chain with more diverse and environmentally friendly material options and advancing toward sustainable business operations.

UL 2809 Recycled Content Validation was developed by UL to evaluate the proportion of recycled material used through supply chain verification and total recycled content control. In response to environmental protection policies, Tang Eng actively applied for UL 2809 Recycled Content Validation with 90% recycled content for its 301 and 304 stainless steel grades and officially obtained the UL 2809 Certificate in February 2024, demonstrating its commitment to green sustainability.

By obtaining UL 2809 Recycled Content Validation, the Company's products have gained broad recognition under industry green procurement policies, further enhancing major customers' confidence in and preference for the Company's products while meeting market demand for green products. Going forward, Tang Eng will continue to uphold its commitment to protecting the environment by actively promoting products with high recycled content, implementing the principles of the circular economy, and contributing to sustainable development.

2.1.2 Recycling and Reuse of Process Scrap

As an integrated steel mill, Tang Eng fully recognizes the steel industry's dependence on natural resources and its environmental responsibilities. The Company actively responds to the global vision of resource recycling and reuse and has incorporated the core principles of the circular economy into its manufacturing processes. At present, more than 90% of the primary raw materials required for production comes from stainless steel scrap (primarily the 300 Series and 400 Series), carbon steel scrap, ferronickel, ferrochrome, and internally generated process scrap.

To maximize resource efficiency, the Company employs a rigorous classification and recycling system under which all process scrap generated during manufacturing—including slab grinding chips, flame-cut head and tail ends, iron recovered from slag, hot-rolled rejects, and cold-rolled rejects—is returned to the electric arc furnace (EAF) for remelting. This closed-loop recycling strategy of "self-generation and self-consumption" not only significantly reduces dependence on virgin raw materials but also effectively reduces industrial waste generation. In terms of its raw material procurement strategy, the Company gives priority to procuring stainless steel scrap and carbon steel scrap domestically to reduce its transportation-related carbon footprint, while ferronickel and ferrochrome are procured from overseas based on production requirements.

During the 2025 reporting period, Tang Eng achieved outstanding results in resource recycling and reuse, with recyclable raw materials accounting for 96.96% of the total raw materials used. Among these, 10,538.225 metric tons of process scrap were reused, accounting for 33.68% of total steel production. The quantities of each key raw material used are presented below:

Raw Materials	Stainless Steel Scrap	Carbon Steel Scrap	Ferronickel	Ferrochrome
Quantity (metric tons)	19,194.13	603.56	1,152.59	1,757.5

Five-Year Trend in the Proportion of Recycled Materials

To present the Company's long-term progress in resource recycling and its commitment to information transparency, the table below fully discloses the percentage of each recycled material relative to the total raw materials used over the past five years. The data show that the overall proportion of recyclable raw materials has exhibited a steady upward trend, demonstrating Tang Eng's commitment to promoting green manufacturing processes.

Year	Stainless Steel Scrap	Carbon Steel Scrap	Process Recycled Materials	Total Recyclable Raw Materials
2021 年	64.33%	2.37%	10.69%	77.39%
2022 年	65.11%	2.87%	16.86%	84.84%
2023 年	70.95%	2.57%	23.93%	97.45%
2024 年	57.89%	5.34%	32.24%	95.48%
2025 年	61.35%	1.93%	33.68%	96.96%

2.1.3 Overview of Major Raw Materials Used

The raw materials currently used by Tang Eng are classified into recycled raw materials and non-recycled raw materials. Recycled raw materials include stainless steel scrap (including the 300 Series and 400 Series), carbon steel scrap (including carbon steel cooling materials and steel scrap), and process-recycled materials (including hot-rolling returns, cold-rolling returns, slab grinding swarf, iron recovered from slag, slab head and tail offcuts, and scrap steel strapping). Non-recycled raw materials include pure nickel, ferronickel, and ferrochrome.

Raw Material	Unit	2023	2024	2025
300 Series Stainless Steel Scrap	metric tons	23186.718	13997.01	16819.23
316 Series Stainless Steel Scrap	metric tons	374.820	369.12	46.94
400 Series Stainless Steel Scrap	metric tons	686.450	987.43	293.86
300 Series Stainless Steel Cold-Rolled Scrap	metric tons	2161.170	1686.40	2034.1
Process Recycled Materials – Hot- and Cold-Rolled Rejects	metric tons	6702.680	8361.92	9066.96
Process Recycled Materials – Slab Grinding Swarf	metric tons	74.775	92.43	49.325
Process Recycled Materials – Iron Recovered from Slag	metric tons	768.080	619.62	773.6
Process Recycled Materials – Slab Head and Tail Ends	metric tons	366.560	199.79	504.7
Process Recycled Materials – Scrap Steel Strip	metric tons	227.620	217.68	143.64
Carbon Steel Scrap – Carbon Steel Cooling Scrap (Rebar Cutting Scrap)	metric tons	859.060	723.04	444.46
Carbon Steel Scrap – Scrap Steel	metric tons	96.240	849.42	159.1
Ferronickel – High-Carbon Ferronickel	metric tons	496.823	0	0
Ferronickel – Low-Carbon Ferronickel	metric tons	826.570	656.32	1152.59
Pure Nickel – BQ	metric tons	5.756	7.02	23.994
Ferrochrome – High-Carbon Ferrochrome	metric tons	2069.160	1974.34	1757.5

Note: All are non-renewable raw materials.

Feature – Implementing Circular Recycling

In 2025, more than 70% of the raw materials used by the Company consisted of recyclable materials, and all of its products were stainless steel coils. Owing to the inherent characteristics of stainless steel, which allow it to be repeatedly recycled and reused, it is well suited to a green circular economy. After stainless steel coils are cut, stamped, and fabricated into stainless steel products by downstream customers, the products are discarded at the end of their service life. The discarded stainless steel is collected through the resource recycling system and sold back to steel mills as stainless steel scrap, where it is used as the primary raw material for remelting in the electric arc furnace (EAF). Iron recovered from slag, slab head and tail ends, and process scrap generated during hot rolling and cold rolling are also returned directly to the EAF for remelting. Product packaging materials, such as steel strapping, steel seals, and interleaving paper, can all be recycled and reused.

Accordingly, the Company has established an ISO 9001 management system and formulated operating standards for the inspection and acceptance of carbon steel scrap and mixed stainless steel scrap deliveries, as well as for furnace charging and melting operations. Based on its monthly production and sales plans, the Company increases the procurement volume of domestic stainless steel scrap and the proportion of scrap used, has established a dedicated stainless steel scrap receiving yard, and continuously improves its melting process to enhance the metal recovery rate of raw materials. These measures reduce the consumption of raw materials and energy, thereby reducing impacts on the natural environment. To further reduce the environmental impacts associated with product manufacturing and use, Tang Eng will continue to improve and develop green products and manufacturing processes, thereby fulfilling its responsibility for environmental sustainability.

1. Reducing downstream processing scrap: Enhance steel coil width control and improve steel sheet rolling thickness control to reduce variations in overall coil width and edge thickness, thereby minimizing trimming scrap generated by downstream customers and improving the utilization of stainless steel sheets.
2. Enhancing the value of scrap recycling and reuse: Tang Eng directly purchases stainless steel scrap generated from downstream customers' processing operations and returns it to the EAF for remelting into stainless steel products.
3. Continuing the development and production of green products: Continue to develop and manufacture antibacterial stainless steel products and promote their application in tableware, sanitary ware, medical equipment, and plant factories.
4. Promoting the development of the green energy industry: Plan the installation of solar photovoltaic systems on factory buildings and building rooftops.

2.2 Climate Change Risks, Opportunities, and Response Strategies

As the impacts of climate change become increasingly evident around the world, persistently high greenhouse gas (GHG) emissions have led to global warming, resulting in the melting of polar ice sheets, rising sea levels, unusual droughts, and the expansion of desertified areas. These changes have significant impacts on ecosystems, water and land resources, socioeconomic activities, and human life and safety. For Tang Eng, climate change may also have the following impacts: (1) regulatory controls on greenhouse gas emissions may restrict production and sales; (2) the imposition of energy taxes and carbon fees may increase operating costs; and (3) government requirements for major carbon dioxide emitters to regularly report corporate greenhouse gas inventory data and implement emission reduction measures may result in indirect economic impacts.

To leave a better living environment for future generations, we have both the responsibility and the willingness to implement measures that are conducive to environmental sustainability in response to climate change. With reference to the IFRS S2 framework, information relating to the Company's climate-related governance, strategy, risk management, metrics, and targets is presented as follows:

Reporting Boundary: The reporting entity is the Company

<table>
<tr><th>Aspect</th><th>IFRS S2
Climate-related Disclosures</th><th colspan="3">The Company's Response Measures</th></tr>
<tr><td rowspan="2">Governance</td><td>A. The Role of the Governing Body in the Oversight of Climate-related Risks and Opportunities</td><td colspan="3">The Company's Board of Directors consists of 11 members, including 3 independent directors, representing 27.27% of the Board. The Board is chaired by the Chairperson and serves as the Company's highest governing body for responding to climate change. Its oversight responsibilities include assessing and responding to the potential risks and opportunities arising from climate change, as well as strengthening the effectiveness of the Company's climate-related risk management mechanism. In addition, the Audit Committee is responsible for overseeing certain climate-related matters. Specifically, beginning in 2025, the Company established an internal control system for the "Management of Sustainability Information" in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies and incorporated it into its internal audit plan. The relevant audits are conducted by the internal audit function at the end of each year and are overseen by the governing body (the Audit Committee).</td></tr>
<tr><td>B. The Role of Management in the Oversight of Climate-related Risks and Opportunities</td><td colspan="3">The Company has established a Sustainability Development Committee as the central coordinating body responsible for overseeing the implementation of its corporate governance initiatives. The Committee is convened by the Chairperson, with the General Manager serving as Deputy Convener and the Corporate Governance Officer serving as Executive Secretary. The Sustainability Development Committee comprises four task forces: Corporate Governance and Business Integrity, Environmental Sustainability, Social Responsibility and Employee Care, and Risk Management and Control. Under the direction of the Chairperson, each task force is supervised by the responsible Vice President (or Assistant Vice President), who oversees the operation and implementation of relevant matters and the execution of related resolutions. The Corporate Governance Officer reports the annual implementation plan and implementation results to the Board of Directors by the end of February of the following year.
Among the four task forces, the Environmental Sustainability Task Force is primarily responsible for climate change–related matters. Its principal responsibilities include: (1) planning and promoting policies, objectives, and strategies for energy conservation, carbon reduction, and carbon neutrality in accordance with environmental and climate change–related laws, regulations, policies, and standards; and (2) assessing the potential risks and opportunities arising from climate change and the corresponding response measures. Each task force convenes meetings at least once every quarter to review the implementation status of its responsibilities and future directions. Each task force also reports its implementation status to the Sustainability Development Committee at least semi-annually and submits its implementation plan for the following year before the end of each year.</td></tr>
<tr><td rowspan="2">Strategy</td><td>A. Climate-related Risks and Opportunities That Could Reasonably Be Expected to Affect the Entity's Prospects</td><td>Short Term
Transition Risk: The imposition of carbon fees increases the Company's operating costs.
Climate Risk: Extreme weather events, such as typhoons, torrential rainfall, and flooding.
External Opportunity: Submit a voluntary greenhouse gas reduction plan to the Ministry of Environment to seek eligibility for preferential carbon fee rates.</td><td>Medium Term
Transition Risk: Changes in customer behavior increase the difficulty of the Company's transition.
Climate Risk: Extreme weather events, such as typhoons, torrential rainfall, and flooding.
External Opportunity: Continue to promote voluntary greenhouse gas emission reduction efforts in line with the Government's phased regulatory targets.</td><td>Long Term
Transition Risk: Achieving the net-zero emissions target in response to climate change is highly challenging, resulting in a substantial increase in transition investment costs.
Climate Risk: Extreme weather events, such as typhoons, torrential rainfall, and flooding.
External Opportunity: Plan and regularly review carbon reduction pathways and strive to achieve the established targets.</td></tr>
<tr><td>B. Information on the Current and Anticipated Impacts of Climate-related Risks and Opportunities on the Entity's Business Model and Value Chain</td><td>Description of Risks and Opportunities
Extreme weather events, including typhoons, torrential rainfall, and flooding.</td><td>Impact on the Business Model
• Current:No impact.
• Anticipated: Typhoons, torrential rainfall, or flooding may damage plant buildings and process equipment, resulting in prolonged shutdowns.</td><td>Impact on the Value Chain
• Current: No impact.
• Anticipated: Extreme weather events may result in production shutdowns, making it impossible to produce slabs or steel coils and thereby affecting the production capacity of midstream and downstream processed products.</td></tr>
</table>

Aspect	IFRS S2 Climate-related Disclosures	The Company's Response Measures		
		Description of Risks and Opportunities	**Impact on the Business Model**	**Impact on the Value Chain**
Strategy		Imposition of Carbon Fees	• Current: Increased production costs. • Anticipated: The Company will increase the variety of its low-carbon products, raise the proportion of recycled scrap, and continue to implement greenhouse gas emission reduction measures.	• Current: Increased production costs affect the selling prices of downstream products in the value chain. • Anticipated: Midstream and downstream customers will upgrade their equipment, adjust their manufacturing processes, begin implementing energy conservation and carbon reduction measures, and develop new low-carbon products.
		Changes in Customer Behavior	• Current: No impact. • Anticipated: Customers will begin to seek low-carbon products, and the Company will need to continue developing low-carbon steel grades incorporating low-carbon materials to enhance its competitiveness.	• Current: No impact. • Anticipated: End users will begin to seek low-carbon products, and midstream and downstream customers will also need to continue developing low-carbon products incorporating low-carbon materials.
		Improving Energy Efficiency	• Current: Utility equipment and auxiliary production equipment continue to be replaced and upgraded. The amortization of capital investment increases production costs in the short term. • Anticipated: The Company will continue to invest in and adopt emerging energy-saving and carbon reduction technologies and improve production equipment, thereby reducing production costs over the medium and long term.	• Current: No impact. • Anticipated: Some end users will prefer low-carbon products, increasing sales opportunities for the Company.
		Deployment of Renewable Energy	• Current: A 3,001.5 kWp solar photovoltaic power plant has been completed, and another 3,105 kWp solar photovoltaic power plant is under construction. • Anticipated: The Company will complete the construction of solar photovoltaic power plants with a capacity of more than 8 MWp and continue to evaluate various renewable energy facilities.	• Current: No impact. • Anticipated: Some end users will prefer low-carbon products, thereby increasing sales opportunities for the Company.

Aspect	IFRS S2 Climate-related Disclosures	The Company's Response Measures			
		Risk/Opportunity Category	Risk Description	Changes in the Business Model and Resource Allocation	
				Current	Anticipated
Strategy	C. Information on the Impacts of Climate-related Risks and Opportunities on the Entity's Strategy and Decision-making	Climate Risk	Extreme weather events, including typhoons, torrential rainfall, and flooding	Implement typhoon preparedness measures, keep plant drainage ditches unobstructed, and establish an emergency response plan.	Strengthen facility protection and operational resilience mechanisms, including conducting risk reassessments for facility areas and implementing operational resilience enhancement projects. reassessments for facility areas and implementing operational resilience enhancement projects.
		Transition Risk	Carbon Fee Imposition	Current: Continue to conduct annual greenhouse gas inventory and verification and formulate energy conservation and carbon reduction plans.	Anticipated: Strengthen the greenhouse gas management system, including allocating resources to conduct Scope 3 inventories and product carbon footprint assessments to achieve comprehensive greenhouse gas management.
			Changes in Customer Behavior	Current: A target has been established to achieve a recycled raw material usage ratio of more than 80% in steelmaking, including internally generated recycled materials.	Anticipated: Continue to assess the total installable capacity for solar photovoltaic power systems at the Company's plant buildings and parking areas, and plan to expand the installation of solar photovoltaic power systems.

<table>
<tr><th>Aspect</th><th>IFRS S2
Climate-related Disclosures</th><th>The Company's Response Measures</th></tr>
<tr><td rowspan="2">Strategy</td><td></td><td>
<table>
<tr><th>Risk/Opportunity Category</th><th>Risk Description</th><th>Changes in the Business Model and Resource Allocation</th></tr>
<tr><td rowspan="2">Opportunity</td><td>Energy Efficiency Improvement</td><td>Current
The Energy Management System (EMS) is currently under planning and being implemented in phases to monitor the energy consumption status of each production line.

Anticipated
Monitor the energy consumption of each production line in a timely manner, optimize production scheduling, and reduce production costs.</td></tr>
<tr><td>Renewable Energy Deployment</td><td>Current
An investment of NT$248 million has been made in solar photovoltaic power plants, and the Company will continue to evaluate potential sites for future installation.

Anticipated
Continue to evaluate the feasibility of other renewable energy systems and low-carbon electricity to enhance market competitiveness.</td></tr>
</table>
</td></tr>
<tr><td>D. Information on the Effects of Climate-related Risks and Opportunities on the Entity's Current and Anticipated Financial Position, Financial Performance, and Cash Flows</td><td>Based on its strategy for managing climate-related risks and opportunities, including extreme weather events such as typhoons, torrential rainfall, and flooding, the imposition of carbon fees, changes in customer behavior, energy efficiency improvement, and renewable energy deployment, the Company expects the following impacts on its financial performance and cash flows over the short, medium, and long term:

1. Short Term
(1) To address the implementation of carbon fee and water consumption fee policies, the Company's annual production costs are expected to increase by approximately NT$1.56 million and NT$0.6 million, respectively, resulting in corresponding cash outflows.
(2) To promote energy conservation and carbon reduction measures, the Company plans to invest approximately NT$20 million annually.

2. Medium Term
(1) The Company's available sites for solar photovoltaic installations are expected to support a total installed capacity of more than 8 MWp, with a total investment of approximately NT$434 million. Annual renewable electricity generation is expected to reach approximately 9.1396 million kWh per year, reducing annual electricity costs by approximately NT$34.4562 million.
(2) The Company plans to install behind-the-meter energy storage systems with a capacity of more than 10 MWh, with an estimated investment of approximately NT$130 million. Annual electricity costs are expected to be reduced by approximately NT$20 million.

3. Long Term
(1) The Company will evaluate the installation of a furnace door oxygen lance system based on the capacity of the electric arc furnace at the steelmaking plant. The installation cost is estimated at approximately NT$50 million, with a payback period of approximately seven years based solely on savings in electricity costs and labor expenses.
(2) The rolling mill plans to implement comprehensive measures, including the partial or full replacement of the burner system in the furnace area, the installation of a high-efficiency air preheating system, optimization of the flue gas recovery system, and improvements to furnace sealing performance. These measures are expected to effectively reduce energy consumption. The total investment is estimated at approximately NT$25 million to NT$70 million, with an estimated payback period of approximately two to three years.</td></tr>
</table>

Aspect	IFRS S2 Climate-related Disclosures	The Company's Response Measures			
		Risk/Opportunity Category	Risk Description	Changes in the Business Model and Resource Allocation	
				Current	Anticipated
Strategy	E. Climate-related Scenario Analysis and Assessment of the Entity's Climate Resilience	Climate Risk	Extreme weather events, including typhoons, torrential rainfall, and flooding	Implement typhoon preparedness measures, keep plant drainage ditches unobstructed, and establish an emergency response plan.	Strengthen facility protection and operational resilience mechanisms, including conducting risk reassessments for facility areas and implementing operational resilience enhancement projects. reassessments for facility areas and implementing operational resilience enhancement projects.
		Transition Risk	Carbon Fee Imposition	Current: Continue to conduct annual greenhouse gas inventory and verification and formulate energy conservation and carbon reduction plans.	Anticipated: Strengthen the greenhouse gas management system, including allocating resources to conduct Scope 3 inventories and product carbon footprint assessments to achieve comprehensive greenhouse gas management.
			Changes in Customer Behavior	Current: A target has been established to achieve a recycled raw material usage ratio of more than 80% in steelmaking, including internally generated recycled materials.	Anticipated: Continue to assess the total installable capacity for solar photovoltaic power systems at the Company's plant buildings and parking areas, and plan to expand the installation of solar photovoltaic power systems.

<table>
<tr><th>Aspect</th><th>IFRS S2
Climate-related Disclosures</th><th colspan="4">The Company's Response Measures</th></tr>
<tr><td rowspan="3">Strategy</td><td rowspan="3"></td><td>Type</td><td>Key Assumptions</td><td>Selected Scenario</td><td>Assessment of Impacts and Resilience</td></tr>
<tr><td>Extreme Weather Events Including Typhoons, Torrential Rainfall, and Flooding</td><td rowspan="3">Continued investment in the AI industry and data centers is expected to increase electricity demand, resulting in a 5% increase in electricity costs in the short term and a further 10% increase over the medium to long term. The proportion of renewable electricity used by the Company is expected to increase to 6% in the short term and to 10% over the medium to long term.</td><td>1.SSP2-4.5
2.SSP5-8.5</td><td>1. Assessment of Impacts: Based on the results of the scenario analysis, under the very high emissions scenario (SSP5-8.5), the Company is exposed to moderate to high levels of both acute and chronic physical risks over the medium and long term. Under the medium emissions scenario (SSP2-4.5), the Company is likely to experience acute climate-related risks, such as typhoons, flooding, and power rationing, over the long term.
2. Resilience: The Company incorporates the results of the scenario analysis into its regular reviews of relevant plans and has formulated appropriate response measures accordingly.</td></tr>
<tr><td>Imposition of Carbon Fees</td><td rowspan="2">Net Zero Emissions by 2050 (NZE)</td><td rowspan="2">1. Assessment of Impacts: Based on the results of the scenario analysis, under the Net Zero Emissions by 2050 (NZE) scenario, the Company is highly likely to face the risk of carbon fees being imposed in the short, medium, and long term. As for changes in customer behavior, the associated risks may gradually decline over the medium to long term as consumers' environmental awareness continues to increase.
2. Resilience: The Company will strengthen its greenhouse gas management system, including allocating resources to cover product carbon footprints and comprehensive greenhouse gas management, and will reallocate capital expenditures to low-carbon product production lines.</td></tr>
<tr><td>Changes in Customer Behavior</td></tr>
<tr><td>Risk Management</td><td>Process for Identifying, Assessing, Prioritizing, and Monitoring Climate-Related Risks and Opportunities</td><td colspan="4">Risk Management Organizational Structure:
The Company's risk management organizational structure comprises the Board of Directors, the Sustainability Development Committee (ESG Task Force), the Risk Management Subgroup, the Internal Audit Office, and all operating units. Among these, the Risk Management Subgroup serves as the unit responsible for risk management and is responsible for the Company's risk management affairs, including preparing risk management reports, integrating and coordinating common cross-departmental risk management issues, and disseminating and communicating significant risk management matters. The Subgroup regularly reports the implementation status to the Sustainability Development Committee, and the Corporate Governance Officer reports the implementation status of risk management to the Board of Directors annually.

Risk Management Process (Including the Processes for Identifying, Assessing, Prioritizing, and Monitoring, with Climate-Related Risks and Opportunities Integrated into the Company's Overall Risk Management Process):
To strengthen the Company's vision for corporate governance and sustainable development and establish an effective risk management mechanism, the Company has adopted the Risk Management Policy and Procedures as the basis for implementing risk management at all organizational levels. The Risk Management Policy and Procedures stipulate that the scope of risk management covers strategic and operational risks, financial risks, information risks, legal and regulatory compliance risks, integrity risks, and climate change-related risks (including other emerging risks). Each operating unit is responsible for identifying, analyzing, and assessing risks and implementing appropriate risk response measures.</td></tr>
</table>

Aspect	IFRS S2 Climate-related Disclosures	The Company's Response Measures
Risk Management		Significant risks identified as being related to the Company's operations (including climate-related risks and opportunities) are submitted to the Risk Management Subgroup for discussion, prioritization, and formulation, and are subsequently reviewed and approved by the Sustainability Development Committee. Following approval, each operating unit implements risk management strategies or response measures for the significant risks. The implementation status is compiled and reviewed on a monthly basis, monitored and supervised by the Risk Management Subgroup on a quarterly basis, and regularly submitted to the Sustainability Development Committee for review. In the risk assessment process, the Company uses a risk matrix analysis method to identify and manage risks (including climate-related risks) and formulates corresponding risk management strategies based on the severity and likelihood of each risk. In addition to the Risk Management Subgroup, the Company has also established an Environmental Sustainability Subgroup under the Sustainability Development Committee. This subgroup participates in climate risk monitoring activities through cross-departmental coordination, progress tracking, and performance review mechanisms, and strengthens the Company's oversight and management of climate risks through horizontal communication among the subgroups. Following approval, each operating unit implements risk management strategies or response measures for the significant risks. The implementation status is compiled and reviewed on a monthly basis, monitored and supervised by the Risk Management Subgroup on a quarterly basis, and regularly submitted to the Sustainability Development Committee for review. In the risk assessment process, the Company uses a risk matrix analysis method to identify and manage risks (including climate-related risks) and formulates corresponding risk management strategies based on the severity and likelihood of each risk. In addition to the Risk Management Subgroup, the Company has also established an Environmental Sustainability Subgroup under the Sustainability Development Committee. This subgroup participates in climate risk monitoring activities through cross-departmental coordination, progress tracking, and performance review mechanisms, and strengthens the Company's oversight and management of climate risks through horizontal communication among the subgroups.
Metrics and Targets	A. Information Relevant to Cross-Industry Metric Categories (Climate-Related Metrics) – (1) Climate-Related Metrics Related to Greenhouse Gases	The Company's greenhouse gas (GHG) emissions are calculated in accordance with the methods prescribed in ISO 14064-1 and the Guidelines for Greenhouse Gas Emissions Inventory, taking into consideration the Greenhouse Gas Emission Factors announced by the Ministry of Environment. The Company adopts the operational control approach to calculate its greenhouse gas emissions. The Company has selected this measurement approach because it accurately reflects the Company's operational control and ensures that its greenhouse gas emissions data comprehensively and consistently reflect the actual impacts of its operations, enabling users to gain a full understanding of its performance related to climate-related risks and opportunities. The Company's Scope 1, Scope 2, and Scope 3 greenhouse gas emissions for 2025 (not externally verified) are presented below: **Scope 1: 30,494.0010 Scope 2: 50,667.8786 Scope 3: 24,345.8820**
	A. Information Relevant to Cross-Industry Metric Categories (Climate-Related Metrics) – (2) Remuneration	To strengthen senior executives' emphasis on sustainability governance (including the climate-related governance objectives established by the Environmental Sustainability Subgroup described above) and align their performance evaluation with the Company's sustainability governance objectives, the Company has incorporated sustainability governance into the performance evaluation and remuneration assessment of senior executives to assess the implementation of its sustainability governance objectives. For example, in accordance with the Company's Regulations Governing Annual Performance Evaluation, Salary Adjustments, and Bonus Awards for the Chairperson and Appointed Managers, the annual performance evaluation objectives for the Chairperson and Appointed Managers include sustainability performance indicators, which are linked to annual performance bonuses and post-evaluation salary adjustments. The annual performance evaluation is weighted as follows: 30% for the Company's operating performance, 50% for the individual management performance of the Chairperson and Appointed Managers, and 20% for the Company's sustainability governance.

<table>
<tr><th>Aspect</th><th>IFRS S2
Climate-related Disclosures</th><th colspan="4">The Company's Response Measures</th></tr>
<tr><td rowspan="3">Strategy</td><td rowspan="2">B. Information Related to Industry-Based Metrics</td><td>Topic</td><td>Code</td><td>Metric</td><td>Description</td></tr>
<tr><td>Greenhouse Gas Emissions</td><td>EM-IS-110a.1.</td><td>Scope 1 Greenhouse Gas Emissions (t CO_2e) and Percentage (%) Covered by Emission Limitation Regulations</td><td>1. Scope 1 greenhouse gas emissions were 30,494.0010 t CO_2e.
2. Scope 1 greenhouse gas emissions are currently not subject to emission limitation regulations.</td></tr>
<tr><td>Greenhouse Gas Emissions</td><td>EM-IS-110a.2.</td><td>Describe the Company's long-term and short-term targets or plans for managing Scope 1 greenhouse gas emissions, and provide a performance analysis against these targets.</td><td>Short-Term Target: Reduce greenhouse gas emissions by 10% compared with the 2005 baseline year.
Performance: In 2025, the Company's emissions reduction plans resulted in a reduction of 333.429 t CO_2e, achieving the target of a 10% reduction compared with the 2005 baseline year.
Long-Term Target: Achieve net-zero emissions by 2050.
Plan: Continue conducting annual greenhouse gas emissions inventories and verification, establish emissions reduction targets and review the effectiveness of emissions reduction efforts, continue planning the development of green electricity and the installation of renewable energy facilities, and increase the proportion of self-generated electricity.</td></tr>
<tr><td>C. Information Related to Climate-Related Targets for Climate-Related Risks and Opportunities</td><td colspan="4">The Company uses 2005 as the baseline year for greenhouse gas emissions, with baseline emissions of 266,134 t CO_2e. Its short-term target is to meet the Ministry of Environment's Phase II emission reduction target of reducing greenhouse gas emissions by 10% from the 2005 baseline year by 2025. Its medium-term target is to reduce greenhouse gas emissions by approximately 49.37% from the baseline year by 2030. Its long-term target is to achieve net-zero emissions by 2050.</td></tr>
</table>

Tang Eng analyzes climate-related risks and opportunities from three perspectives: regulatory, policy, and operational. The corresponding response strategies and implementation outcomes are presented below:

<table>
<tr><th>Aspect</th><th>Issue</th><th colspan="2">Risk / Opportunity</th><th>Response Strategy</th><th>Implementation Results</th></tr>
<tr><td rowspan="2">Regulatory</td><td rowspan="2">Government Requirement for Greenhouse Gas Emissions Caps</td><td>Risk</td><td>1. Greenhouse gas emissions are subject to regulatory emissions caps, which may affect steelmaking production and sales volumes.
2. The imposition of carbon fees by the government increases operating costs.</td><td rowspan="2">1. Conduct an annual greenhouse gas inventory to ensure that greenhouse gas emissions do not exceed the emissions caps for each regulatory phase.
2. Allocate budgets annually to accelerate the replacement of aging process equipment.
3. Strictly comply with government environmental regulations.</td><td rowspan="2">In 2025, Tang Eng implemented three voluntary emissions reduction initiatives, all of which focused on improving electricity use. These initiatives reduced electricity consumption by 703,436 kWh and greenhouse gas emissions by 333.429 tons of CO_2e.</td></tr>
<tr><td>Opportunity</td><td>Strengthen process controls and continue upgrading aging process equipment, thereby improving production efficiency and reducing production costs.</td></tr>
</table>

Aspect	Issue	Risk / Opportunity		Response Strategy	Implementation Results
Regulatory	Government Requirement for Mandatory Renewable Energy Capacity (10% of Contracted Capacity)	Risk	The Company was required to complete the installation of renewable energy facilities with a total installed capacity of at least 3,000 kW by 2023, resulting in increased equipment investment costs.	1. Allocate budget to install solar photovoltaic (PV) facilities at suitable locations within the Company's premises. 2. Reduce the contracted capacity with Taiwan Power Company (Taipower).	The installation of the solar photovoltaic (PV) power plant fulfilled the mandatory capacity requirement through the completion of a 3,000 kWp solar PV power plant in July 2023. In 2025, the solar PV power plant generated a total of 3.22708 million kWh of renewable electricity, all of which was consumed on-site to reduce purchased electricity consumption.
		Opportunity	Increase the proportion of self-generated electricity and reduce dependence on Taiwan Power Company (Taipower).		
Policy	Circular Economy / Green Products	Risk	The Company's steelmaking process already uses substantial quantities of recycled stainless steel scrap and carbon steel scrap. However, because domestic supply is insufficient to meet demand, the Company must procure overseas scrap at higher prices, resulting in increased operating costs.	1 .Strengthen the flexibility and proactiveness of procurement to ensure an adequate supply of scrap for steelmaking. 2. Strengthen sales channels while reducing costs to steadily increase the Company's stainless steel production and sales.	In 2025, the quantities of raw materials used were 19,194.130 metric tons of stainless steel scrap, 603.560 metric tons of carbon steel scrap, 1,152.590 metric tons of ferronickel, and 1,757.500 metric tons of ferrochromium. Scrap generated from the Company's own operations was returned to the electric arc furnace (EAF) for remelting in accordance with the principles of the circular economy. In 2025, a total of 10,538.225 metric tons of process recycled materials were used, accounting for 33.68% of the Company's total steelmaking output.
		Opportunity	Market demand for the Company's green stainless steel products continues to grow steadily.		
Physical Risk	Water Shortage Crisis	Risk	Insufficient water supply may force the Company to reduce production, affecting operating revenue.	1. Implement various water conservation measures, including improving system design, adopting high-efficiency equipment, and recycling and reusing water. 2. Closely monitor the water supply status and adjust production schedules accordingly.	1. In 2025, Tang Eng achieved water savings of 307,250 tons. A total of 176,690 tons of water was recycled and reused during the year, and the estimated plant-wide water recovery rate was 87.23%. 2. In 2025, total water consumption was 584,900 tons, and the overall water use intensity was 3.66 m^3 per ton of steel coils.
		Opportunity	Improve water use efficiency and reduce production costs.		
Regulatory	Government Requirement for Greenhouse Gas Emissions Caps	Risk	1. Greenhouse gas emissions are subject to regulatory emissions caps, which may affect steelmaking production and sales volumes. 2. The imposition of carbon fees by the government increases operating costs.	1. Conduct an annual greenhouse gas inventory to ensure that greenhouse gas emissions do not exceed the emissions caps for each regulatory phase. 2. Allocate budgets annually to accelerate the replacement of aging process equipment. 3. Strictly comply with government environmental regulations.	In 2025, Tang Eng implemented three voluntary emissions reduction initiatives, all of which focused on improving electricity use. These initiatives reduced electricity consumption by 703,436 kWh and greenhouse gas emissions by 333.429 tons of CO_2e.
		Opportunity	Strengthen process controls and continue upgrading aging process equipment, thereby improving production efficiency and reducing production costs.		

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		Opportunity	Improve water use efficiency and reduce production costs.		
	Power Shortage Crisis	Risk	Insufficient power supply may force the Company to reduce production, affecting operating revenue.	1. Implement various energy-saving measures, including converting on-site motors, pumps, and air-conditioning systems to variable-frequency control and replacing all lighting fixtures with energy-efficient ones. 2. Closely monitor the power supply status and adjust production schedules accordingly.	In 2025, the Company implemented demand response load management measures and related energy-saving measures, achieving an electricity savings rate of 14.31%.
		Opportunity	Improve energy and resource use efficiency and reduce production costs.		
	Air Pollution / Acid Rain	Risk	As government regulations on air pollution become more stringent, the Company must strengthen various pollution prevention measures and invest in pollution control equipment, resulting in increased operating costs.	Strengthen the maintenance of existing air pollution control and monitoring facilities to ensure that no penalties are imposed for air pollution violations.	In 2025, emission stacks P001–P003 associated with Process M01 at the Steelmaking Plant underwent particulate matter and NOx testing twice a year and dioxin testing once a year. In addition, emission stack P012 associated with Process M02 and emission stack P027 associated with Process M04 at the Rolling Mill each underwent NOx testing once a year.
		Opportunity	The use of stainless steel as a roofing material is increasing.	Leverage the corrosion and oxidation resistance of stainless steel to expand the applications of stainless steel products and increase revenue.	

Greenhouse Gas Inventory Plan and Basis for Carbon Pricing

Tang Eng submits the previous year's greenhouse gas (GHG) emission reduction performance and the current year's greenhouse gas (GHG) emission reduction plan and targets by the end of February each year and completes third-party verification of its greenhouse gas inventory by the end of July of the same year. In recent years, the Company has commissioned BSI to conduct the verification and has uploaded the required information to the Ministry of Environment Greenhouse Gas Emissions Information Platform for reporting. As carbon pricing policies are still under discussion, the Company is actively evaluating and developing a plan that supports environmental sustainability.

2.3 Energy Management

2.3.1 Energy Consumption Statistics

In 2025, 96.94% of the electricity used in Tang Eng's steelmaking, rolling, and other production processes was purchased electricity, while the remaining electricity was supplied by the Company's solar photovoltaic power plants as renewable electricity. Other energy sources included natural gas, steam, oxygen, argon, and nitrogen. In 2025, electricity consumption for production processes totaled 105.54 million kWh (including renewable electricity generated from solar power), natural gas consumption totaled approximately 13.465 million m^3, and steam consumption totaled approximately 24,140 tons. The unit electricity consumption per metric ton of steel coils produced increased slightly, with an electricity intensity of 669.62 kWh per metric ton, representing an increase of approximately 7.56% compared with 2024. The intensity of other energy sources, including natural gas and steam, decreased by 0.28% and 0.51%, respectively. Electricity consumption for steel coil production is directly related to production capacity and production scheduling. The Company will continue to seek further opportunities for energy conservation and strive for continuous improvement.

Tang Eng recognizes that effective energy management is a key cornerstone for achieving net-zero carbon emissions. Although the Company has not yet fully implemented the ISO 50001 Energy Management System, it has embedded energy use optimization into its daily operations and medium- and long-term development strategy. To fulfill its commitment to green manufacturing, the Company actively responds to the Ministry of Economic Affairs' Energy Users' Energy Conservation Target and Action Plan by establishing an average annual electricity savings rate of at least 1.5% for the entire plant as a core management indicator.

At the implementation level, the Company adopts a diversified energy management plan that integrates energy conservation, smart manufacturing, and the development of new energy resources. In terms of operational scheduling, the Company closely coordinates with Taiwan Power Company (Taipower) in implementing demand response load management measures to help maintain the stability of the regional power grid. In terms of hardware optimization, the Company continues to replace aging, energy-intensive equipment and comprehensively adopts high-efficiency equipment and variable-frequency drive (VFD) technology. The Company also strictly implements the interlocked shutdown of auxiliary equipment during scheduled maintenance outages to eliminate energy waste through meticulous operational management.

Under its forward-looking governance approach, the Company is actively preparing to develop a smart grid and a digital Energy Management System (EMS). This digital transformation project will first be launched on a trial basis at the Steelmaking Plant and will gradually be expanded across the Company, with the aim of achieving precise carbon emissions management through real-time data monitoring. To increase the proportion of renewable energy use, the Company has established a clear deployment target and plans to achieve a total installed solar photovoltaic (PV) capacity of more than 8 MWp across the plant site by 2029. Through the steady implementation of these short-, medium-, and long-term plans, Tang Eng is gradually building a green production base with high climate resilience.

Region: Taiwan

Quantitative Indicators	Unit	2023	2024	2025
Purchased Electricity (A)	kWh/year	105,126,400	112,972,800	102,322,713
	GJ	378,455.04	406,702.08	368,361.7668
Natural Gas (LNG) Consumption (B)	m^3	13,032,460	15,986,709	13,465,004
	GJ	436,514.4282	535,465.2259	451,002.2299
Contract Capacity	kW	37,000	37,000	37,000
Steam Consumption (C)	tons/year	23,190	28,733	24,145
	GJ	64.0377	79.3444	66.6749
Steam Calorific Value Factor	kcal/kg	710	710	710
Steam Emission Factor	kg CO_2e/ton	310	310	310
Renewable Energy (D)	kWh/year	1,279,320.45	3,179,778.77	3,227,085.5
	GJ	4,605.5536	11,447.2035	11,617.5078
Direct Energy (E) = (B) + (C)	GJ	436,578.4659	535,544.5704	451,068.9049
Non-renewable Energy (F) = (A) + (E)	GJ	815,033.5059	942,246.6503	819,430.6716
Total Energy (G) = (D) + (F)	GJ	819,639.0595	953,693.8538	831,048.1794
Renewable Energy Share (D)/(G)	%	0.5619	1.2003	1.3979
Organization-specific Metric	Unit	tons of steel coils	tons of steel coils	tons of steel coils
Organization-specific Metric Value		147,199	186,616	159,680

Notes:
1. The data presented in this table cover the Company's plant located in the Linhai Industrial Park, Xiaogang District, Kaohsiung City.
2. The steam calorific value factor and steam emission factor are 710 kcal/kg and 310 kg CO_2e/ton, respectively.
3. The electricity conversion factor is 1 kWh = 0.0036 GJ.

2.3.2 Energy Conservation and Carbon Reduction Measures and Achievements

Tang Eng is committed to implementing control measures that promote high efficiency, high productivity, low emissions, and low resource consumption to achieve energy conservation while effectively reducing environmental burdens. From 2025 to 2028, in accordance with the Ministry of Economic Affairs' Energy Users' Energy Conservation Targets and Implementation Plan, the Company shall achieve an average annual electricity saving rate of at least 1.5% over the implementation period. In addition, the Company demonstrates its corporate social responsibility by actively supporting Taiwan Power Company's Demand Response Load Management Measures. Through precise plant-wide energy scheduling, the Company successfully reduced annual electricity consumption by 16,356,096 kWh, which not only effectively alleviated peak demand on the national power grid but also ensured a high degree of flexibility and stability in the Company's energy supply. .

In 2025, Tang Eng implemented the "Demand Response Load Management Measures," the replacement of energy-intensive equipment, and other energy-saving measures (including those recognized in 2024), reducing annual electricity consumption by approximately 17.62814 million kWh. In 2025, the Company's solar photovoltaic (PV) power plant generated a total of 3.22708 million kWh of green electricity, obtained 3,209 Renewable Energy Certificates (RECs), all of which were used for self-consumption to reduce purchased electricity. The Company's overall electricity saving rate reached 14.31% in 2025, meeting the target specified in the Ministry of Economic Affairs' "Energy Users' Energy Conservation Targets and Implementation Plan." Electricity consumption for production processes totaled 105.54 million kWh (including renewable energy such as solar power), natural gas consumption totaled approximately 13.465 million m^3, and steam consumption totaled approximately 24,140 metric tons. Due to production capacity, electricity consumption intensity per metric ton of steel coils produced increased slightly. Electricity intensity was 669.62 kWh per metric

ton, representing an increase of approximately 7.56% compared with 2024. The intensity of other energy sources, including natural gas and steam, decreased by 0.28% and 0.51%, respectively. Electricity consumption for steel coil production is directly related to production capacity and production scheduling. Tang Eng continues to seek opportunities for energy conservation and strives to achieve continuous improvements in energy conservation performance.

In 2025, the Company completed three energy-saving projects: the replacement of the central air-conditioning systems in the First Administration Building and the Rolling Mill Building, the upgrade of the central air-conditioning system on the first floor of the Rolling Mill Building, and the replacement of plant-wide street lighting and overhead crane lighting.

The equipment replacement and improvements involved a total investment of NT$23.26 million, resulting in annual electricity savings of 703,435.66 kWh and a reduction in greenhouse gas emissions of 333.4285 metric tons CO_2e. In addition, five additional energy-saving measures have been planned and are currently being implemented, including the replacement of a 350-hp pump, the replacement of cooling tower cooling fans, the upgrade of lighting in the Steelmaking Plant, the replacement of the Variable Frequency Drive (VFD) for Dust Collection System B, and the replacement of the AOD mobile horizontal preheater with a regenerative preheater. All five measures are expected to be completed by the end of 2026.

Improvement Project	Description	Benefits
Replacement of the Central Air-conditioning Systems in the First Administration Building and the Rolling Mill Building	he outdated, energy-intensive air-conditioning systems were replaced with high-efficiency chillers equipped with variable-frequency drives (VFDs).	Annual electricity savings of approximately 222,308 kWh/year
Upgrade of the Central Air-conditioning System on the First Floor of the Rolling Mill Building	The outdated, energy-intensive air-conditioning system was replaced with a high-efficiency Variable Refrigerant Flow (VRF) multi-split air-conditioning system.	Annual electricity savings of approximately 200,099.66 kWh/year
Upgrade of Plant-wide Street Lighting and Overhead Crane Lighting	Upgrade of Plant-wide Street Lighting and Overhead Crane Lighting The outdated, energy-intensive lighting fixtures were replaced with high-efficiency LED lighting fixtures.	Annual electricity savings of approximately 281,028 kWh/year

Tang Eng achieved a 100% implementation rate for its electricity-use improvement measures, resulting in electricity savings of 703,436 kWh and a reduction in greenhouse gas emissions of 333.429 metric tons CO_2e.

2.4 Greenhouse Gas Management Measures

To more effectively manage product greenhouse gas emissions, Tang Eng conducts greenhouse gas identification and inventories across its plant site to understand the status of greenhouse gas emissions and provide a basis for developing greenhouse gas reduction measures. The inventory includes emission source identification, data collection, and emission calculation. The Company conducts annual company-wide greenhouse gas inventories in accordance with applicable laws and regulations. The inventory results are verified by a third-party verification body, after which the greenhouse gas inventory and verification results are registered on the Greenhouse Gas Emissions Information Platform for Enterprises and disclosed in the Sustainability Report.

The Company's greenhouse gas emissions primarily consist of Scope 1 (Direct GHG Emissions), including greenhouse gas emissions from raw materials and products; Scope 2 (Energy Indirect GHG Emissions), including greenhouse gas emissions from purchased electricity, purchased steam, and other fossil fuel-derived energy; and Scope 3 (Other Indirect GHG Emissions), including greenhouse gas emissions from employee commuting, business travel, upstream energy, waste treatment, and transportation. The relevant data are presented in the table below.

Item / Year		2023	2024	2025
Scope 1: Direct Greenhouse Gas (GHG) Emissions (metric tons CO_2e)		29,842.3861	36,080.5163	30,494.0010
Scope 2: Indirect Greenhouse Gas (GHG) Emissions (metric tons CO_2e)		56,537.8815	59,364.1677	50,667.8786
Total Greenhouse Gas (GHG) Emissions (Scope 1 + Scope 2) (metric tons CO_2e)		86,380.268	95,444.684	81,161.880
GHG Emissions Intensity (t CO_2e/t slab)		0.68	0.82	0.73
TGHG Emissions Intensity (t CO_2e/t steel coils)		0.41	0.38	0.36
GHG Emissions Intensity (t CO_2e/revenue)		0.0081	0.0078	0.0085
Scope 3: Other Indirect Greenhouse Gas (GHG) Emissions (metric tons CO_2e)		—	21,406.9554	12,097.1465
Transportation-related Indirect Emissions (metric tons CO_2e)	Employee Commuting	—	454.6727	748.8564
	Business Travel	—	11.3122	10.5794
Indirect Emissions from the Use of the Company's Products (metric tons CO_2e)	Employee Commuting	—	19,465.3394	10,107.1834
	Business Travel	—	1,475.6311	1,230.5273

Notes:

1. The greenhouse gas (GHG) inventory boundary (Scopes 1–3) covers all managed processes and facilities at the Company's Linhai Industrial Park site, located at No. 4, Yanhai 2nd Road, Shanming Village, Xiaogang District, Kaohsiung City.
2. 2. The Company's 2025 annual greenhouse gas (GHG) emissions were inventoried and internally verified in March 2026. External verification of Scope 1 and Scope 2 emissions was completed in May by BSI, the third-party verification body. A verification statement in accordance with the relevant requirements of the Ministry of Environment was obtained in July, and the inventory results were registered on the Enterprise Greenhouse Gas Emissions Information Platform to complete online reporting. External verification of Scope 3 emissions was completed in June by BSI, and an ISO 14064-1:2018 verification statement was obtained in July.
3. 3. Scope 1 refers to direct emissions from sources owned or controlled by the Company, including stationary combustion sources, process emissions, mobile combustion sources from transportation, and fugitive emissions. The emission factors are based on the latest greenhouse gas emission factors published by the Ministry of Environment (February 5, 2024).
4. 4. Scope 2 refers to energy indirect emissions, such as purchased electricity. The electricity emission factor is calculated based on the latest electricity emission factor published by the Energy Administration, Ministry of Economic Affairs.
5. 5. Scope 3 refers to other indirect emissions, including employee commuting, business travel, upstream energy, waste treatment, and transportation. The emission factors are calculated based on the Carbon Footprint Database of the Product Carbon Footprint Information Platform.
6. 6. Greenhouse gas (GHG) emissions include carbon dioxide (CO_2), methane (CH_2), and nitrous oxide (N_2O).
7. 7. The emission factor for purchased electricity is based on the electricity emission factor published by the Energy Administration, Ministry of Economic Affairs. The electricity emission factors were 0.495 kg CO_2e in 2022, 0.494 kg CO_2e in 2023, 0.474 kg CO_2e in 2024 , and 0.466 kg CO_2e in 2025.
8. 8. The GHG emissions intensity for slabs and steel coils is calculated by identifying the emission sources generated from the steelmaking and rolling processes from among all Company emission sources and converting them into the corresponding emissions intensity values. The GHG emissions intensity per unit of revenue is calculated based on the total GHG emissions of the entire facility. (Scope 3 emissions are excluded from all emissions intensity calculations.)

Voluntary Greenhouse Gas Emissions Reduction Plan

Since the promulgation of the Climate Change Response Act, the Company has continuously aligned with the regulatory targets established for each phase. The regulatory program is currently implemented in five-year phases. The target for the first phase (2016–2020) was to reduce greenhouse gas (GHG) emissions by 2% compared with the 2005 baseline emissions, while the target for the second phase (2021–2025) is to reduce greenhouse gas (GHG) emissions by 10% compared with the 2005 baseline emissions, with the ultimate goal of achieving net-zero emissions by 2050.

To achieve the emission reduction targets under the Climate Change Response Act, the Company annually implements the Voluntary Greenhouse Gas Emissions Reduction Plan in coordination with the Industrial Development Administration, Ministry of Economic Affairs. Each year, the Company upgrades and replaces aging energy-consuming equipment and submits its annual energy-saving plan together with the previous year's energy-saving performance through the Industrial Voluntary Greenhouse Gas Emissions Reduction Platform of the Industrial Development Administration, Ministry of Economic Affairs.The Company achieved all regulatory targets for the first implementation phase under the Climate Change Response Act, and the second-phase regulatory target is currently under implementation. The Company will continue its efforts to enhance its energy-saving initiatives and continue to meet the regulatory targets.

Feature: Renewable Energy Installation Plan

To align with the government's green energy policy and the potential revision of the Large Electricity Consumer Requirements in 2026, and in accordance with the Company's energy conservation and carbon reduction roadmap to achieve its energy-saving and carbon reduction objectives, Tang Eng allocates annual capital expenditure for energy-saving improvements and equipment replacement and implements them accordingly.

To actively promote renewable energy installation, the Company has planned the Solar Power Installation Plan, which will be implemented in two phases.

The second phase was approved by the Board of Directors on February 24, 2025, and will be implemented in two areas. Area 1 is located on the eastern side of the Company's Rolling Mill plant and completed the tendering process in mid-August 2025. The project involves an investment of NT$109.88 million to construct a solar power plant with an installed capacity of 3,105 kW, which is scheduled to be completed and commence grid-connected power generation by the end of 2027. Upon completion, the solar power plant is expected to generate approximately 3.5118 million kWh of green electricity annually under a self-generation and self-consumption model and reduce carbon emissions by approximately 1,794.5472 metric tons CO_2e annually. Area 2 is planned to be installed on the rooftops of the Company's Steelmaking Plant, Raw Material Warehouse, and other plant buildings and is scheduled to commence grid-connected power generation by the end of 2029.

Based on the above plans, the Company will continue to promote energy conservation, carbon reduction, and renewable energy (or low-carbon electricity) installation. By 2030, the Company plans to complete the installation of solar power plants or other renewable energy facilities with a total installed capacity of at least 8 MWp (including the mandatory installation capacity), adopting a self-generation and self-consumption model to increase the share of renewable energy in the Company's total electricity consumption to at least 8%, with the ultimate goal of achieving net-zero emissions (or carbon neutrality) by 2050.

2.5 Water Resource Management

Tang Eng recognizes the importance of water resources to both steel manufacturing and the natural environment. Based on an assessment conducted using the internationally recognized WRI Aqueduct water risk assessment tool, the Company's operational site is located in a low water-risk area. The primary water source for the Company's plant is Fengshan Reservoir in Kaohsiung, which has a daily industrial water supply capacity of 300,000 tons. During the 2025 reporting period, Tang Eng's total annual water withdrawal amounted to 584,869 tons, with an average daily raw water withdrawal of 1,602.38 tons. This represented an 18.87% decrease compared with the previous year and accounted for only 0.534% of the reservoir's total water output. Given the Company's very low proportion of water withdrawal and its use of water strictly within the allocation approved by the water utility, its operations did not have a significant impact on the local water supply.

In addition, Tang Eng attaches great importance to biodiversity in its water withdrawal area. Fengshan Reservoir, designated as a National Important Wetland, is an important habitat for numerous migratory and resident bird species. According to surveys conducted by the Kaohsiung Wild Bird Society, the area is home to a rich diversity of species, including up to 3,000 great cormorants during the winter season, as well as ospreys, Taiwan hwameis, emerald doves, brown shrikes, lesser white-fronted geese, and Malayan night herons. The Company's production site is located within the Linhai Industrial Park. Through stringent closed-loop water resource management within the plant and its strategically selected location away from sensitive habitats, the Company ensures that its production operations coexist in harmony with the valuable local wetland ecosystem.

Item/Year	2023	2024	2025
Water Withdrawal (ML)	513.660	720.945	584.869
Water Discharge (ML)	377.972	554.435	535.063
Water Consumption (ML)	135.688	166.510	49.806
On-site Water Recirculation Volume (ML)	3,566.845	3,201.521	3,995.697
Water Recovery and Reuse Rate (%)	87.51	81.47	87.2315
Organization-specific Metric (Unit)	metric tons of steel coils	metric tons of steel coils	metric tons of steel coils
Organization-specific Metric Value	147,199	186,616	159,680
Water Use Intensity	0.0035	0.0039	0.0037

Notes:

1.The data cover the Company's plant located in the Linhai Industrial Park, Xiaogang District, Kaohsiung City.
2.Water Consumption = Water Withdrawal − Water Discharge.
3.Water Recovery and Reuse Rate = On-site Water Recirculation Volume / (Water Withdrawal + On-site Water Recirculation Volume) × 100%.
4.Water Use Intensity = Water Withdrawal / Organization-specific Metric Value.

2025 Water Conservation Performance and External Verification

Through the continuous enhancement of its water conservation and recycling strategies, Tang Eng achieved outstanding water conservation results in 2025. During the year, the Company saved a total of 307,250 tons of water, while the volume of recycled and reused water reached 176,690 tons. The estimated water recovery and reuse rate for the entire plant reached 87.23%, significantly exceeding the established target.

To ensure the transparency and credibility of its environmental data, the Company has also actively adopted a third-party verification mechanism.For 2024, the plant's total water withdrawal amounted to 727.906 thousand tons and was externally verified by the Metal Industries Research and Development Center (MIRDC) in September 2025, confirming a water recovery and reuse rate of 81.47% for that year. Maintaining the same rigorous approach, the Company also plans to complete external verification of its 2025 total water withdrawal (584.869 thousand tons) and water recovery and reuse performance by the same verification body by the end of September 2026, continuing to demonstrate Tang Eng's outstanding achievements in water resource governance to its stakeholders.

2.5.1 Water Conservation Measures and Performance

In response to the water-intensive nature of the steel industry, Tang Eng has actively promoted the transformation of its water resource management and established rigorous medium- and long-term water reduction targets. Using the average annual water withdrawal for the period from 2020 to 2024 (649,789 tons) as the baseline, the Company has committed to reducing its average annual total water withdrawal by at least 3% within five years, achieving a plant-wide water recovery and reuse rate of at least 80%, and ensuring that annual water intensity remains lower than that of the previous year (the 2024 baseline water intensity was 3.86 m^3/ metric ton of steel coils).

To put these targets into practice, the Company has established a comprehensive water resource management strategy. In plant operations, a precise water balance diagram has been developed, and digital flow meters have been installed to strengthen monitoring and control at key points. For the cooling water used in the water-intensive rolling and steelmaking processes, the Company has implemented an efficient water recirculation system. Cooling wastewater is treated through sedimentation, settling, and fine filtration before being fully recycled back into the production process. Together with the regular monitoring of cooling water conductivity, the Company has significantly reduced the final discharge of cooling water, thereby lowering process water intensity and reducing reliance on raw water during periods of water shortage.

Water Conservation Item	Water Conservation Measures	Benefitsem
Recycling and Reuse of Cooling Circulating Water and CCM Spray Water from the Rolling and Steelmaking Processes	Cooling circulating water from the rolling and steelmaking processes is filtered through sand filters and recycled for reuse. In addition, three sedimentation ponds have been installed to recover backwash water from the sand filters that would otherwise be discharged. After sedimentation, the clarified supernatant is filtered again through the sand filters and recycled for reuse.	Approximately 176.69 thousand tons of water were recycled in 2025.
Replacement of the Belt Filter Press with a Plate-and-Frame Filter Press for Sludge Dewatering	The plate-and-frame filter press requires less filter cloth cleaning than the previous belt filter press, thereby significantly reducing water consumption during the sludge dewatering process.	Approximately 109.12 thousand tons of water were saved in 2025.
Use of Cooling Water from the Cooling Water Basin for Wastewater Treatment	The water source for wastewater treatment was changed from industrial water to cooling water drawn from the cooling water basin, allowing cooling water with higher cycles of concentration to be fully utilized rather than discharged.	Approximately 21.44 thousand tons of water were reused in 2025.

2.6 Pollution Prevention Measures

Tang Eng regards zero violations and zero penalties as the highest objective of its environmental governance. Given the broad scope and complexity of environmental management, the associated potential financial risks cannot be readily quantified through a single estimate. Accordingly, the Company has established a rigorous preventive management mechanism, strictly maintaining its annual key performance indicator (KPI) for environment-related incidents at no more than three cases, which serves as the benchmark for continuous improvement. To minimize the environmental impacts of its operations, Tang Eng's core pollution prevention strategy focuses on the following:

1. Strengthen the maintenance of pollution control equipment to ensure its proper operation.
2. Strengthen housekeeping and water spraying at areas susceptible to dust emissions to prevent fugitive dust emissions.
3. Strengthen waste segregation management and promote the reduction and resource recovery of industrial waste.
4. Strengthen inspections of all pollution prevention measures.

2.6.1 Air Pollution Control

Air pollutants are generated during iron and steelmaking processes in the steel industry, including gaseous pollutants, particulate matter, and greenhouse gases (GHGs). To prevent environmental pollution, Tang Eng not only complies with applicable environmental regulations but also implements air pollution control measures, with a focus on the following:

1. Ensure that air pollutant emissions comply with applicable environmental regulatory standards.
2. Continuously monitor air pollutant emissions from stacks on a 24-hour basis.
3. Provide monitoring data to the competent authorities as reference for the formulation of environmental policies.
4. Connect the monitoring system to the Environmental Protection Bureau through an online network, enabling the environmental authorities to monitor the plant's operating status in real time.

Air Pollutant Emissions Over the Past Three Years			
Item / Year	2023	2024	2025
Volatile Organic Compounds (VOCs) (tons)	0.556	0.873	0.603
Total Suspended Particulates (TSP) (tons)	17.308	15.170	15.473
Sulfur Oxides (SOx) (tons)	1.302	1.037	1.087
Nitrogen Oxides (NOx) (tons)	14.350	16.299	15.517

Note: If an increasing trend in air pollutant emissions is observed, it is mainly due to increased slab production, which leads to an increase in air pollutant emissions. In addition, the above figures represent Tang Eng's preliminary calculation results. The final figures shall be based on the results of the annual verification conducted by the competent environmental authority.

Centralized Joss Paper Burning

While respecting traditional worship practices and balancing environmental sustainability, Tang Eng recognizes that burning joss paper in traditional furnaces or by open burning may generate air pollutants, such as suspended particulate matter, carbon monoxide, and dust fall, due to incomplete combustion. To put its corporate social responsibility for improving local air quality into practice, the Company actively supports the Centralized Joss Paper Burning Policy promoted by the Kaohsiung City Government Environmental Protection Bureau during major worship activities, such as the Ghost Festival. By delivering joss paper to a resource recovery facility equipped with comprehensive pollution control equipment for centralized treatment, Tang Eng not only substantially reduces the impact of traditional burning on air quality but also helps safeguard the living environment and public health of neighboring communities through practical action.

2.6.2 Water Pollution Control

Wastewater Discharge

Tang Eng recognizes that sound wastewater management is essential to protecting regional aquatic ecosystems and fulfilling its environmental responsibilities. The Company's principal production site is located in the Linhai Industrial Park, Xiaogang District, Kaohsiung City. For wastewater generated from plant operations and production processes, the Company adopts a comprehensive management strategy based on source reduction, high-level recycling, and stringent end-of-pipe control. All wastewater is properly treated through the Company's on-site wastewater treatment facilities to ensure that all water quality parameters comply with the statutory discharge standards before being safely discharged.

To ensure the transparency of environmental information and facilitate stakeholders' review of the Company's environmental footprint, the table below presents detailed wastewater discharge data for Tang Eng's operating site from 2023 to 2025.

Operating Site	2023	2024	2025
Plant located in the Linhai Industrial Park, Xiaogang District, Kaohsiung City	377.97megaliters	554.43megaliters	535.06megaliters

The Company's wastewater treatment plant is equipped with wastewater treatment facilities with a total treatment capacity of 1,800 tons per day for heavy metal-containing pickling wastewater. Process pickling wastewater is treated to meet the applicable effluent discharge standards before being discharged to the Joint Wastewater Treatment Plant for the Kaohsiung Linhai, Linyuan, and Dafa Industrial Parks under the Ministry of Economic Affairs. Wastewater discharge volumes are monitored using flow meters. In 2025, the cumulative wastewater discharge totaled 535,063 tons, with an average daily wastewater treatment and discharge volume of 1,465.93 tons. The quality of the discharged wastewater is sampled and tested periodically in accordance with applicable regulations and tested by a third-party testing laboratory. The results showed a chemical oxygen demand (COD) of 25.2 mg/L, suspended solids (SS) of 7.1 mg/L, total chromium of 0.05 mg/L, and a nickel concentration of 0.058 mg/L, while the concentrations of all other heavy metals were at trace levels, ensuring that no significant environmental burden is imposed on the surrounding environment. No special habitat-related requirements apply.

In 2025, the average daily make-up water amounted to 1,602.38 tons, while the average daily wastewater discharge was 1,465.93 tons. Water losses averaged approximately 136.45 tons per day due to evaporation and splashing during the rolling and steelmaking processes, water spraying operations, and cooling tower operation. The Rolling Mill plant consumed 126.44 tons of water per day, while the Steelmaking Plant consumed 10.01 tons of water per day.

Test Parameter	Unit	2023		2024		2025	
		Discharge Standard	Annual Average Monitoring Value	Discharge Standard	Annual Average Monitoring Value	Discharge Standard	Annual Average Monitoring Value
Hydrogen Ion Concentration (pH)	mg/L	9.0	7.6	9.0	7.7	9.0	8.0
Water Temperature	0C	35	29.0	35	28.1	35	33.7
Suspended Solids (SS)	mg/L	30	2.7	30	8.2	30	7.1
Chemical Oxygen Demand (COD)	mg/L	100	22.4	100	18.35	100	25.2
Total Chromium	mg/L	1.5	0.04	1.5	0.06	1.5	0.05
Hexavalent Chromium	mg/L	0.35	0.01	0.35	0.09	0.35	0.035
Dissolved Iron	mg/L	10.0	0.21	10.0	0.09	10.0	0.231
Dissolved Manganese	mg/L	10.0	0.01	10.0	0.08	10.0	0.0125
Nickel	mg/L	0.7	0.03	0.7	0.03	0.7	0.058
Copper	mg/L	2.0	0.02	2.0	0.02	2.0	0.062
Cadmium	mg/L	0.02	ND	0.02	ND	0.02	-
Total Mercury	mg/L	0.001	ND	0.001	ND	0.001	0.002
Lead	mg/L	0.5	ND	0.5	ND	0.5	-
Zinc	mg/L	3.5	0.01	3.5	0.02	3.5	0.017

Note: The data presented in the table cover the Company's plant in the Linhai Industrial Park, Xiaogang District, Kaohsiung City.

2.6.3 Soil and Groundwater Pollution Prevention

Tang Eng regards the protection of soil and groundwater as an important line of defense in its environmental governance. To prevent pollution resulting from leaks, the Company implements the following protection mechanisms across three key areas:

- Facility Protection and Inspection: All oil tanks and chemical storage tanks are designed with impermeable structures and containment dikes. Together with regular maintenance and inspections, these measures help prevent the leakage and seepage of pollutants.
- Regulatory Compliance and Advocacy: The Company actively aligns with government environmental policies by reporting and paying the Soil and Groundwater Pollution Remediation Fee in accordance with applicable regulations, thereby supporting national environmental remediation efforts through concrete actions.
- Asset Revitalization and Monitoring: Prior to land leasing and other related activities, the Company strictly conducts soil testing to ensure that land quality complies with applicable regulatory standards and to maintain a clean and uncontaminated local environment.

2.6.4 Waste Management

Tang Eng recognizes that waste management is the final mile in the Company's implementation of the circular economy and environmental governance. The waste generated by the Company primarily consists of hazardous industrial waste and general industrial waste, with the steelmaking and rolling processes serving as the principal sources of waste generation. According to the reported data for 2025 (covering the Company's plant in the Linhai Industrial Park, Xiaogang District, Kaohsiung City), the total quantity of waste reported amounted to 13,802.995 metric tons. Of this total, general industrial waste accounted for 94.61%, while hazardous industrial waste was strictly controlled at 5.39%.

For industrial waste generated from each production process, including dust collector ash and slag generated from the steelmaking process, inorganic sludge generated by the wastewater treatment facilities, and sludge generated from the annealing and pickling process, the Company entrusts all waste to qualified waste collection, treatment, and recycling organizations for subsequent handling in accordance with the highest regulatory standards. To ensure the complete transparency and safety of waste flows, Tang Eng requires all contracted third-party waste transport vehicles to be fully equipped with GPS satellite positioning systems. Through digital tracking, the Company is able to accurately monitor the real-time movement of waste, thereby completely eliminating the risk of illegal dumping and demonstrating its commitment to rigorous environmental governance.

In addition to properly managing the industrial waste generated during the reporting year, Tang Eng has also actively addressed and managed industrial waste that had previously been temporarily stored on-site. The Company has identified steelmaking slag and inorganic sludge as the core resource recovery projects and, through technology adoption and regulatory breakthroughs, has achieved remarkable resource recovery results in recent years.

・Steelmaking Slag Reduction Project: The total quantity of temporarily stored steelmaking slag reached a peak of approximately 130,000 metric tons in 2018. To accelerate its reduction, Tang Eng invested in dedicated slag stabilization facilities within the plant and actively applied to the Ministry of Economic Affairs for reuse approval. By diversifying reuse channels, the remaining quantity of temporarily stored slag had been substantially reduced to 7,724.8 metric tons as of December 31, 2025, successfully transforming a large waste inventory into reusable resources.

・Inorganic Sludge Reduction Project: The total quantity of temporarily stored inorganic sludge reached 6,323.72 metric tons in December 2019. Through active coordination and continued efforts to expand legally compliant treatment channels, particularly following the successful addition of a case-by-case reuse channel in 2020, significant progress was made in sludge reduction. As of December 31, 2025, the remaining quantity of inorganic sludge stored on-site had been reduced to only 79.14 metric tons.

The achievements of these two projects have not only substantially freed up space within the plant but also demonstrated Tang Eng's long-term commitment to transforming waste into circular economy value.

To realize the vision of the circular economy and maximize resource utilization, Tang Eng Iron Works has established a rigorous waste classification and destination tracking mechanism for all types of waste generated on-site. The table below provides detailed information on the total quantity of each waste category and its respective off-site treatment method.

Waste Declaration Statistics Over the Past Three Years

Waste Classification	Waste Type	2023 Declared Quantity (metric tons)	2024 Declared Quantity (metric tons)	2025 Declared Quantity (metric tons)	Off-site Treatment Method
Hazardous Industrial Waste	Dust Collector Ash	690.7	575.4	683.78	Reuse
	Waste Filter Bags	-	-	6.86	Solidification Treatment
	Electrolytic Sludge	35.36	29.44	52.98	Solidification Treatment
General Industrial Waste	Oily Sludge	393.08	422.56	487.28	Reuse / Physical Treatment
	Waste Lubricating Oil	124.1	44.56	136.88	Reuse / Physical Treatment
	Waste Oil Mixtures	-	-	65.2	Physical Treatment
	Oxidizing Slag	2,233.78	3,326.14	2,132.96	Reuse
	Reducing Slag	8,114.98	12,737.22	2,395.02	Reuse
	Waste Refractory Materials	644.305	664.665	623.915	Reuse / Physical Treatment
	General Waste	157.65	139.78	148.91	Incineration
	Inorganic Sludge	6,406.6	8,456.12	6,968.06	Physical Treatment
	Waste Wood Mixtures	68.63	-	-	Reuse
	Waste Electric Wires and Cables	-	3.06	-	Reuse
	Waste Plastics	-	9.74	14.82	Reuse
	Waste Wood	-	148.36	86.33	Reuse

Notes:
1.The total declared waste quantity in 2023 was 18,869.185 metric tons, of which hazardous industrial waste accounted for 3.85% and general industrial waste accounted for 96.15%.
2.The total declared waste quantity in 2024 was 26,557.045 metric tons, of which hazardous industrial waste accounted for 2.28% and general industrial waste accounted for 97.72%.
3.The total declared waste quantity in 2025 was 13,802.995 metric tons, of which hazardous industrial waste accounted for 5.39% and general industrial waste accounted for 94.61%.
4.The data cover the Company's production site located in the Linhai Industrial Park, Xiaogang District, Kaohsiung City.



3 S People-Centered Sustainability – Diverse and Inclusive Workplace

3.1 Human Rights Policy under the Sustainability Commitment 076
3.2 Talent Recruitment and Retention 078
3.3 Education, Training and Performance Evaluation 082
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Chapter 3

S People-Centered Sustainability – Diverse and Inclusive Workplace

Material Topic 6: Talent Sustainability (Labor-Management Relations and Communication, Talent Recruitment, and Training)

Material Topic	Talent Sustainability (Labor-Management Relations and Communication, Talent Recruitment, and Training)
Reason for Materiality	The Company's labor-management policy is founded on the belief that employees are the Company's most valuable asset. The Company places great importance on employee compensation and benefits, respects the harmonious relationship between the labor union and the Company, and regards employee care as one of its fundamental responsibilities. Only by doing so can Tang Eng strengthen the foundation for its sustainable development.
Positive/ Negative Impacts	Economic Aspect – Potential / Negative Impact: If human resource management and labor-management relations management are not effectively implemented, the Company may face operational risks and penalties for non-compliance with applicable regulations in the future, and may also experience an increase in employee turnover. Economic and Human Rights Aspects – Actual / Positive Impact: Effective human resource management and labor-management relations management can improve employee retention and reduce employee turnover, thereby lowering recruitment costs and supporting the organization's sustainable development goals. +：Effective Talent Retention　　-：Operational Risks +：Reduced Employee Turnover　　-：Regulatory Penalties +：Enhanced Corporate Image +：Positive Impact；-：Negative Impact
Policy	To strengthen labor-management relations and establish a sound human rights protection framework, Tang Eng supports and complies with the United Nations Universal Declaration of Human Rights and the United Nations Global Compact, while keeping pace with global human rights trends. The Company has therefore established a Human Rights Policy to protect and promote the human rights of all employees. The key principles are set out below and are communicated during new employee orientation training: 1. Maintain a Safe Working Environment and Promote Employee Health and Well-being: Implement on-site management, equipment inspections, and environmental monitoring to ensure compliance with government occupational safety and health regulations and other applicable requirements. Establish a company-wide occupational injury diagnosis system and conduct individual health risk assessments to enhance the Company's productivity, prevent work-related injuries, and promote employee health. 4. Fully Protect Employee Rights and Interests: In addition to complying with labor-related laws and regulations, the Company has established work rules and various personnel management regulations. It has also entered into a collective agreement with the enterprise labor union and regularly convenes labor-management meetings. 3. Ensure Equality in Employment Rights Regardless of Gender: The Company provides equal treatment in compensation, benefits, performance evaluation, and promotion opportunities regardless of gender, marital status, or childbirth. 4. Promote Diverse Employment: The Company conducts recruitment in strict compliance with applicable regulations, prohibits child labor, and actively employs persons with disabilities and Indigenous peoples.
Proactive Opportunity Management	The Company's Employee Welfare Committee holds regular meetings every two months to review the employee welfare policies established by the Committee and the employee activities planned and organized by the Committee.
Risk Prevention and Management	he Company convenes one labor-management meeting every month to provide regular and open communication channels. Employees may also express their opinions at any time through the enterprise labor union.
Remedial Measures for Negative Impacts	▪Operational Risks: If employees' lawful rights and interests are infringed, they may follow the procedures set out under the Company's reporting system. ▪Regulatory Penalties: If the Company is subject to penalties imposed by the competent authority, it will follow the administrative appeal procedures in accordance with applicable regulations.

Material Topic	Talent Sustainability (Labor-Management Relations and Communication, Talent Recruitment, and Training)
Short-, Medium-, and Long-term Objectives	Short Term (within 3 years): The short-term objective for employee training is to ensure that employees master the knowledge and skills required in the workplace, thereby ensuring sound corporate governance and preventing violations of laws and regulations. The short-term objective for labor-management relations is to maintain the voluntary turnover rate below 3%. Medium to Long-term (3–7 years): The medium- to long-term objective for employee training is to ensure that employees master professional knowledge and receive training in leadership and communication skills, thereby enabling employees to demonstrate their capabilities in leadership, management, and crisis management, while developing future management personnel for the Company. The medium- to long-term objective for labor-management relations is to maintain a stable workforce and ensure that employees are assigned to positions that best match their abilities.
Effectiveness Evaluation	In accordance with the Guidelines for Employee Recruitment and the Guidelines for Employee Promotion, Transfer, Demotion, Position Adjustment, and Personnel Review, the Company conducts annual voluntary turnover rate statistics and implements long-term, comprehensive talent development programs. To ensure the timely recruitment of an adequate workforce, recruitment schedules are planned according to the retirement schedule of employees expected to retire in the following year, and recruitment is conducted regularly according to staffing needs. In principle, professional-level employees are recruited once a year, while staff-level employees are recruited once every six months.
Performance and Adjustments	The voluntary turnover rate was 2.1% in 2025, which met the target. Accordingly, the current management policy will be maintained.

Material Topic 7: Occupational Safety and Health Management

Material Topic	Occupational Safety and Health Management
Reason for Materiality	Following an analysis of stakeholder concern and the significance of impacts, the topic of occupational safety and health is relatively important to the Company. To effectively manage risks, the Company continues to improve workplaces, manufacturing equipment, and work methods to effectively prevent work-related injuries and promote health, thereby reducing the Company's cost-related risks and enhancing the competitiveness of the Company's products in sustainability-related issues.
Positive/ Negative Impact	**Human Rights Aspect – Potential / Negative Impact:** If occupational safety and health are not effectively implemented and a major occupational accident occurs, in addition to causing physical and psychological harm to the affected employees, the Company may be subject to penalties imposed by the competent authority or may be required to suspend operations, thereby affecting the Company's operating costs and damaging its reputation. **Human Rights Aspect – Actual / Positive Impact:** Establishing a sound and comprehensive occupational safety and health culture in the workplace provides employees with a safe working environment, safeguards their health and safety, and enhances the Company's image and competitiveness. +：Safeguarding the Safety of All Employees and Workers　-：Employee Injuries +：Enhancing the Company's Image and Competitiveness　-：Regulatory Penalties Resulting in Reputational Damage +：Positive Impact；-：Negative Impact
Policy	The Company's ISO 45001 Occupational Safety and Health Policy is as follows: 1. 1. Regulatory Compliance: Comply with government occupational safety and health laws and regulations and fulfill the Company's corporate social responsibilities. 6. 2. Prevention of Occupational Accidents: Implement occupational safety and health regulations to ensure the safety and health of workers. 5. 3. Continual Improvement: Commit to improving facilities and the working environment, and continuously enhance occupational safety and health performance. 4. 4. Communication and Participation: Strengthen communication, participation, and training to enhance workers' awareness of occupational safety and health. The Company complies with the Occupational Safety and Health Act, the Labor Standards Act, and the international requirements of the ISO 45001 occupational safety and health management system.
Proactive Opportunity Management	In accordance with the internal management review procedures of the ISO 45001 occupational safety and health management system, the Company conducts an annual evaluation of the effectiveness of the PDCA in ensuring compliance with occupational safety and health regulatory requirements.

Material Topic	Occupational Safety and Health Management
Risk Prevention and Management	1. The objective is to ensure that corrective and preventive actions arising from accidents or non-conformities are effectively implemented and continuously monitored. 2. If a disabling injury accident occurs, the responsible unit shall first conduct its own investigation. The Occupational Safety and Health Management Representative shall then determine, based on the severity of the accident, whether a dedicated accident investigation shall be convened. 3. For accidents requiring a dedicated accident investigation meeting, the corrective actions adopted shall be followed up and verified by the Occupational Safety and Health Department, which will also conduct unscheduled inspections to assess their effectiveness. 4. For major non-injury incidents and injury accidents, the responsible units shall implement the committed improvement actions, while the Occupational Safety and Health Department will continue to monitor the continuity and effectiveness of their implementation and report them on a regular basis. 5. Employees may submit recommendations or complaints regarding workplace occupational safety and health through the Company's enterprise labor union, the Occupational Safety and Health Committee, or labor-management meetings to request improvements.
Remedial Measures for Negative Impacts	1. The objective is to ensure that corrective and preventive actions arising from accidents or non-conformities are effectively implemented and continuously monitored. 2. If a disabling injury accident occurs, the responsible unit shall first conduct its own investigation. The Occupational Safety and Health Management Representative shall then determine, based on the severity of the accident, whether a dedicated accident investigation shall be convened. 3. For accidents requiring a dedicated accident investigation meeting, the corrective actions adopted shall be followed up and verified by the Occupational Safety and Health Department, which will also conduct unscheduled inspections to assess their effectiveness. 4. For major non-injury incidents and injury accidents, the responsible units shall implement the committed improvement actions, while the Occupational Safety and Health Department will continue to monitor the continuity and effectiveness of their implementation and report them on a regular basis. 5. Employees may submit recommendations or complaints regarding workplace occupational safety and health through the Company's enterprise labor union, the Occupational Safety and Health Committee, or labor-management meetings to request improvements.
Policy	The Company's ISO 45001 Occupational Safety and Health Policy is as follows: 1. 1. Regulatory Compliance: Comply with government occupational safety and health laws and regulations and fulfill the Company's corporate social responsibilities. 6. 2. Prevention of Occupational Accidents: Implement occupational safety and health regulations to ensure the safety and health of workers. 5. 3. Continual Improvement: Commit to improving facilities and the working environment, and continuously enhance occupational safety and health performance. 4. 4. Communication and Participation: Strengthen communication, participation, and training to enhance workers' awareness of occupational safety and health. The Company complies with the Occupational Safety and Health Act, the Labor Standards Act, and the international requirements of the ISO 45001 occupational safety and health management system.
Short-, Medium-, and Long-term Objectives	The Company is committed to promoting occupational safety and health, preventing accidents, improving the working environment, and safeguarding employee health, with the goal of achieving "Zero Accidents, Zero Disasters, and Zero Occupational Injuries and Illnesses." Zero Major (Fatal) Occupational Accidents = 0. Employee Disabling Injury Cases = 0 cases/year. Contractor Disabling Injury Cases = 0 cases/year.
Effectiveness Evaluation	In accordance with the internal management review procedures of the ISO 45001 occupational safety and health management system, the Company conducts an annual evaluation of the effectiveness of the PDCA in ensuring compliance with occupational safety and health regulatory requirements.Occupational Safety Fines = 0/year.
Performance and Adjustments	1. To effectively manage risks and continuously improve workplaces, manufacturing equipment, and work methods to effectively prevent work-related injuries and promote health, the Company established seven occupational safety and health objective management plans in 2025. Of these, six objective management plans were achieved, while one plan, due to the longer project construction schedule, has been extended and is scheduled for completion by the end of 2026. The progress of this plan will continue to be tracked at the quarterly Occupational Safety and Health Committee meetings. 2. No major occupational accidents or occupational disease cases occurred among the Company's e ployees, including contractors. However, there were three disabling injury cases (involving three persons): one case involved a fall while using the stairs, one case involved a fractured finger resulting from a fall while crossing the steel coil transfer car track, and one case involved a bicycle accident. The total number of lost days due to disabling injuries was 220 days, with a Disabling Injury Frequency Rate (FR) of 2.56 and a Disabling Injury Severity Rate (SR) of 187. For the stair-fall accident, the corrective and preventive measures included modifying the structure at the bottom of the cage ladder by extending the ladder steps to the support leg of the CE2 overhead crane travel mechanism and installing a sufficiently wide footplate.

and installing a sufficiently wide footplate.
For the accident involving a fractured finger resulting from a fall while crossing the steel coil transfer car track, the corrective and preventive measures included: (1) installing pedestrian crossovers at the steel coil storage stands or planning appropriate pedestrian walkways to prevent personnel from falling while crossing the steel coil storage stands; (2) installing safety barriers around the steel coil storage stands to prevent personnel from crossing them; and (3) incorporating this case into future awareness and education training materials. All of the above corrective measures have been completed.

3.1 Human Rights Policy under the Sustainability Commitment

Compliance with the Human Rights Policy

To strengthen labor-management relations and establish a sound human rights protection framework, Tang Eng supports and complies with the United Nations Universal Declaration of Human Rights and the United Nations Global Compact, while keeping pace with global human rights trends. The Company has therefore established a Human Rights Policy to protect and promote the human rights of all employees. All of the Company's management processes are conducted in accordance with this Policy. The key principles are as follows:

1. Maintain a Safe Working Environment and Promote Employee Health and Well-being: Implement on-site management, equipment inspections, and environmental monitoring to ensure compliance with government occupational safety and health laws and regulations and other applicable requirements. Establish a company-wide occupational injury diagnosis system and conduct individual health risk assessments to enhance the Company's productivity, prevent work-related injuries, and promote health.
2. Fully Protect Employee Rights and Interests: In addition to complying with labor-related laws and regulations, the Company has established work rules and various personnel management regulations. The Company has also entered into a collective agreement with the enterprise labor union and regularly convenes labor-management meetings.
3. Ensure Equality in Employment Rights Regardless of Gender: The Company provides equal treatment in compensation, benefits, performance evaluation, and promotion opportunities regardless of gender, marital status, or childbirth.
4. Promote Diverse Employment: The Company conducts recruitment in strict compliance with applicable regulations, prohibits child labor, and actively employs persons with disabilities and Indigenous peoples.
5. Human Rights Protection and Management for Suppliers/Contractors: The Company's Contractor Safety and Health Management Regulations stipulate that contractors shall not employ workers under the age of 15 who are not eligible for labor insurance, nor assign persons under the age of 18 to hazardous or harmful work, thereby safeguarding the employment rights of minors. Going forward, the Company will continue to review and optimize the application of its Human Rights Policy within the supplier/contractor evaluation mechanism.

To ensure the implementation of labor rights and compliance with the Labor Standards Act and the Act of Gender Equality in Employment of the Republic of China (Taiwan), the Company conducted irregular reviews in 2025, based on customer requirements, of the implementation of measures related to child labor, underage workers, forced labor, sexual harassment, labor-management communication, and freedom of expression. To safeguard equality in employment rights regardless of gender, the Company established the Measures for the Prevention of Sexual Harassment and the Guidelines for Complaint and Investigation Procedures. During 2025, employees also participated in training related to the Company's human rights policy. For example, in 2025, the Company organized workplace bullying and sexual harassment prevention courses to promote equality in employment rights regardless of gender. In addition, to promote and safeguard employee rights and interests, the Company organized awareness courses on personnel-related systems and regularly convened labor-management meetings.

Tang Eng upholds the belief that employees are the Company's most valuable asset. The Company places great importance on employee compensation and benefits, respects the harmonious relationship between the labor union and the Company, and regards employee care as one of its fundamental responsibilities. Only by doing so can Tang Eng strengthen the foundation for its sustainable development. To safeguard employee rights and meet the operational and management needs of employees, the Company has established the Employee Work Rules in accordance with the Labor Standards Act. The Rules clearly specify matters relating to employment, compensation, attendance, leave, rewards and disciplinary actions, promotion, welfare

measures, and occupational safety and health. The Rules have been submitted to the competent authority for approval and have been duly approved, and 100% of employees are covered by them. In addition, the Company has established work-related rules and various personnel management regulations. It has also entered into a collective agreement with the enterprise labor union and regularly convenes labor-management meetings to fully safeguard the lawful rights and interests of its employees.

The Company regularly reviews its operations, value chain, and other relevant activities to identify potential human rights risks. It also assesses the likelihood and potential impact of each human rights issue, establishes processes for monitoring, tracking, and improving human rights issues, and promptly reviews and adjusts the relevant actions. In 2025, there were no violations of human rights laws or regulations or incidents of discrimination. In 2025, a total of 21 hours of human rights-related training was conducted, with 153 participants, representing approximately 25% of the Company's total employees. The training covered labor rights and equality in employment rights regardless of gender. Among these, 3 hours of training on the prevention of sexual harassment and the prevention of unlawful infringement in the workplace were conducted, with 86 participants attending. In 2025, 100% of the Company's operating activities were covered by human rights audits conducted through internal audits.

3.1.1 Human Rights Protection and a Diverse and Inclusive Workplace

Promoting Equal Opportunity and Local Talent Development

Tang Eng recognizes that talent is the foundation of the Company's sustainable development. The Company employs only Taiwanese nationals as permanent employees and actively implements a local hiring strategy, with the aim of creating local employment opportunities and promoting the economic development of the communities surrounding its production sites. In 2025, all 64 newly hired employees (100%) were recruited from southern Taiwan, and 92% were registered residents of Kaohsiung City. With respect to workplace equality, although safety considerations associated with on-site manufacturing operations in the steel industry result in a higher proportion of male employees, Tang Eng adheres to the principle of equal treatment. Compensation, benefits, performance evaluation, and promotion opportunities are not subject to any differential treatment based on gender, marital status, or childbirth. The Company strictly complies with domestic labor laws and regulations, international human rights standards, and its internal Human Rights Policy. The Company strictly prohibits and has never employed child labor, nor does it force or coerce any person to perform work against their wil

Human Rights Due Diligence and Human Rights Capacity Building

To eliminate potential risks such as forced labor and excessive working hours, Tang Eng has established a comprehensive human rights due diligence mechanism. The Company assesses the likelihood and potential impact of each human rights issue and has implemented dynamic monitoring and tracking processes. In 2025, the Company completed human rights audits covering 100% of its operating activities through internal audits and maintained a record of zero violations of human rights laws and regulations and zero incidents of discrimination throughout the year. At the same time, to strengthen human rights awareness from the top down, the Company conducted 21 hours of human rights-related training in 2025, covering labor rights and equality in employment rights regardless of gender, with a total of 153 participants (representing approximately 25% of the Company's total employees). In addition, the Company conducted 3 hours of training on the prevention of sexual harassment and the prevention of unlawful infringement in the workplace, with 86 participants completing the training, thereby contributing to the creation of a workplace with a high level of psychological safety.

Building a Human Rights-Resilient Sustainable Supply Chain

Tang Eng not only holds itself to rigorous standards but also extends its human rights protection standards throughout its supply chain and to its contractors, thereby demonstrating the positive influence of an industry leader.

• Supplier Management: For raw material procurement, the Company stipulates that all suppliers shall sign procurement contracts requiring compliance with local labor and human rights laws and regulations. Based on audit results, none of its suppliers were found to have employed child labor or engaged in forced labor during 2025.

・Contractor and Labor Service Procurement: The Company's Contractor Safety and Health Management Regulations expressly prohibit the employment of workers under the age of 15 who are not eligible for labor insurance and prohibit persons under the age of 18 from performing hazardous or harmful work. Upon contract execution, contractors are strictly required to comply with the Labor Standards Act, the Occupational Safety and Health Act, and other applicable regulations. Any contractor found to have violated the relevant requirements will be disqualified from serving as a contractor of the Company.

3.2 Talent Recruitment and Retention

3.2.1 Employee Profile

2025 Workforce Overview

・As of the end of 2025, Tang Eng had a total of 620 employees, comprising 563 male employees and 57 female employees, with an average age of 47 and an average length of service of 17 years. All permanent employees were hired from Taiwan, and the Company did not employ any foreign employees. Due to the characteristics of the steel industry, the Company has a higher proportion of male employees than female employees. During 2025, seven employees applied for unpaid parental leave. As of the end of December 2025, the Company employed 12 persons with disabilities, representing 2% of the Company's total employees, exceeding the 1% employment ratio required under the People with Disabilities Rights Protection Act.

Category	Under 30		31–50		51 and Above	
	Male	Female	Male	Female	Male	Female
Permanent Employees	46	4	291	31	226	22

Note: Permanent employees refer to full-time or part-time employees employed under indefinite-term employment contracts.

Information on Non-Employee Workers

Non-employee workers are individuals who are not employees of the Company and include dispatched personnel and contractors. As of December 31, 2025, the Company had 8 dispatched personnel (2 male and 6 female), who were engaged through contracts with dispatch agencies and were primarily responsible for cleaning services, switchboard services, and driving Company vehicles. The Company's contractors had approximately 50 on-site personnel (45 male and 5 female). In recent years, the Company has experienced a gradual increase in employee retirements. To ensure the transfer of technical expertise, it has continued to recruit new employees. In addition, due to the overall market environment, steel product prices could not be increased and continued to decline. As a result, the Company focused on reducing raw material costs. Accordingly, many maintenance service projects were brought back in-house instead of being performed by contractors. As a result, the number of contractor personnel across the Company declined compared with 2024.

Worker Type	Contractual Relationship with the Company	Total Number of Workers
Dispatched Personnel	No Contractual Relationship with the Company	8
Contractor Personnel by Department	Labor Service Contract	50

Distribution of Supervisory and Non-supervisory Personnel by Gender over the Past Three Years

Tang Eng's principal operating site is located in Kaohsiung. The distribution of supervisory and non-supervisory personnel in 2025 is shown below. Personnel serving as second-level department heads and above are classified as supervisory personnel, for a total of 49, including 43 male supervisors and 6 female supervisors. Female supervisory personnel accounted for approximately 12%, and 100% were local residents of Taiwan.

Year			2023	2024	2025
Category	Gender	Age Group			
Supervisory Personnel	Male	Under 30	0	0	0
		31–50	14	17	19
		51 and Above	26	27	24
	Female	Under 30	0	0	0
		31–50	2	5	4
		51 and Above	1	1	2
Total Supervisory Personnel			43	50	49
Non-supervisory Personnel	Male	Under 30	14	27	46
		31–50	201	252	272
		51 and Above	289	252	202
	Female	Under 30	1	1	4
		31–50	31	29	27
		51 and Above	22	23	20
Total Non-supervisory Personnel			558	584	571
Total Permanent Employees			601	634	620

Note: Personnel serving as section-level department heads and above are classified as supervisory personnel.

3.2.2 Diverse Talent Recruitment

All permanent employees of Tang Eng are hired in Taiwan, and the Company does not employ any foreign employees. Recruitment is conducted in compliance with applicable laws and regulations, and the Company has never employed child labor. In addition, as Tang Eng operates a steel plant and its operations are primarily manufacturing-based, the proportion of male employees is higher because of safety considerations. However, the Company provides equal treatment in compensation, benefits, performance evaluation, and promotion opportunities regardless of gender, marital status, or childbirth. The Company also strictly complies with labor laws and regulations, international human rights standards, and the Tang Eng Iron Works Co., Ltd. Human Rights Policy, and does not force or coerce any person to perform work against his or her will.

Tang Eng's overall new employee hiring rate was 10.32% in 2025, with a total of 64 new employees hired.

Employee Turnover, Trends, and Reasons: Tang Eng's overall employee turnover rate was 12.58% in 2025. Reasons for employee turnover included resignation, dismissal, retirement, and death while employed. Employees on unpaid leave were not included in the turnover statistics. The turnover rate in 2025 was slightly higher than that in 2023 and 2024 because the Company implemented a special voluntary retirement incentive program in 2025. In 2025, the turnover rate for male employees was 11.77%, while that for female employees was 0.8%. By age group, the turnover rate was 0.16% for employees under 30, 1.77% for employees aged 31–50, and 10.65% for employees aged 51 and above. Most employee turnover in the 51 and above age group was due to retirement upon reaching retirement age.

Total Number and Percentage of New Hire Rate over the Past Three Years

Year	2023				2024				2025			
Gender	Male		Female		Male		Female		Male		Female	
Age Group /Category	Number	New Hire Rate (%)	Number	New Hire Rate (%)	Number	New Hire Rate (%)	Number	New Hire Rate (%)	Number	New Hire Rate (%)	Number	New Hire Rate (%)
Under 30	3	0.49	1	0.16	18	2.83	0	0	20	3.22	3	0.48
31–50	25	4.15	1	0.16	67	10.56	5	0.78	41	6.61	0	0
51 and Above	0	0	0	0	1	0.15	0	0	0	0	0	0
Total Number of New Employees	30				91				64			
Total Number of Employees	601				634				620			
Overall New Hire Rate (%)	4.99				14.35				10.32			

Total Number of Employee Departures and Turnover Rate over the Past Three Years

Year	2023				2024				2025			
Gender	Male		Female		Male		Female		Male		Female	
Age Group /Category	Number	New Hire Rate (%)	Number	New Hire Rate (%)	Number	New Hire Rate (%)	Number	New Hire Rate (%)	Number	New Hire Rate (%)	Number	New Hire Rate (%)
Under 30	0	0	0	0	1	0.15	0	0	1	0.16	0	0
31–50	12	1.99	1	0.16	11	1.73	2	0.31	11	1.77	0	0
51 and Above	28	4.65	5	0.83	43	6.78	1	0.15	61	9.83	5	0.80
Total Number of New Employees	46				58				78			
Total Number of Employees	601				634				620			
Overall New Hire Rate (%)	7.65				9.14				12.58			

Employment of a Diverse Workforce

Tang Eng actively employs persons with disabilities, Indigenous Peoples, and other disadvantaged groups, demonstrating the Company's commitment to caring for disadvantaged groups. Currently, the Company employs one Indigenous employee. The employee has performed well during employment, maintains harmonious working relationships with colleagues, and receives the same compensation and benefits as other employees. In 2025, Tang Eng had no incidents involving the infringement of Indigenous Peoples' rights. In addition, the Company employs 12 persons with disabilities. Their employment conditions are consistent with those of other employees, and they maintain harmonious working relationships with their colleagues.

Year			2023	2024	2025
Category	Gender	Age Group			
Minority or Vulnerable Groups	Male	Under 30	0	0	0
		31–50	3	3	3
		51 and Above	11	10	8
	Female	Under 30	0	0	0
		31–50	0	0	0
		51 and Above	1	2	1

Notes

1. Minority or Vulnerable Groups: Groups with certain characteristics or conditions (e.g., economic, physical, political, or social) that may experience more severe negative impacts resulting from the organization's activities than the general population.

3.2.3 Employee Promotion, Transfer, and Retirement

Employee Retirement System and Implementation

In accordance with the Company's Employee Work Rules, employees who meet the requirements set forth in Article 53 of the Labor Standards Act may apply for retirement under any of the following circumstances:

(1) Having completed 15 years of service and attained the age of 55.

(2) Having completed 25 years of service.

(3) Having completed 10 years of service and attained the age of 60.

Employees who meet the requirements set forth in Article 54 of the Labor Standards Act shall be subject to mandatory retirement under either of the following circumstances:

(1) Having attained the age of 65.

(2) Being unable to perform their duties due to physical or mental disabilities.

Following the implementation of the Labor Pension Act, employees hired after the Company's privatization on July 5, 2006 are subject to the new pension system. Under this system, the Company contributes an amount equivalent to 6% of each employee's monthly salary to the employee's individual pension account maintained by the Bureau of Labor Insurance.

For employees covered by the retirement system under the Labor Standards Act, the Company has also established a Labor Retirement Reserve Fund Supervisory Committee, which is responsible for the management of the labor retirement reserve fund and the implementation of the retirement regulations. The Company contributes an amount equivalent to 12% of employees' monthly salaries, in accordance with the prescribed rate, to a dedicated retirement reserve fund account with the Bank of Taiwan. The relevant provisions are as follows:

(1) Retirement benefits for the Company's employees are calculated based on their years of service and the average salary for the six months preceding the approved retirement date.

(2) As of December 31, 2025, the balance of the Company's labor retirement reserve fund was NT$803,598 thousand.

(3) A total of 107 employees retired under the Labor Standards Act during the most recent two years, and retirement benefits totaling NT$410,012 thousand were paid. It is estimated that 45 employees will reach retirement age during the next two years (through December 31, 2027).

Advance Notice Mechanism for Significant Operational Changes and Protection of Employees' Rights

Tang Eng believes that stable labor-management relations and a transparent communication mechanism are an important cornerstone of sustainable business operations. If the Company, in response to changes in the market environment, encounters significant operational changes in the future (such as organizational restructuring, business transformation, or downsizing) that may materially affect employees' rights and interests or require the lawful termination of employment contracts, the Company is committed to giving the highest priority to the protection of employees' rights and interests.

To ensure that employees have sufficient time to obtain relevant information, respond to such changes, and prepare for a career transition, Tang Eng strictly complies with the relevant provisions of the Labor Standards Act and has established the following minimum advance notice periods for the termination of employment.

・Employees with more than three months but less than one year of continuous service: Advance notice shall be given at least 10 days in advance.

・Employees with more than one year but less than three years of continuous service: Advance notice shall be given at least 20 days in advance.

・Employees with more than three years of continuous service: Advance notice shall be given at least 30 days in advance.

The Company not only complies with the above statutory minimum advance notice periods but also upholds the principle of integrity by proactively communicating and consulting with affected employees (and the enterprise labor union) before any significant operational changes occur, thereby minimizing the impact of such changes on employees' livelihoods.

Implementation of the Unpaid Parental Leave Program

When employees enter the stage of welcoming a new child and fulfilling family caregiving responsibilities, meaningful corporate support serves as the strongest support for workforce stability. To put its commitment to DEI (Diversity, Equity, and Inclusion) into practice and strengthen its employer brand competitiveness, the Company has established a comprehensive and supportive unpaid parental leave program, encouraging employees to achieve a balance between career development and family life.

An analysis of the statistics for the past three years demonstrates Tang Eng's outstanding performance in fostering a family-friendly workplace. The Company not only achieved a 100% return-to-work rate following unpaid parental leave in both 2024 and 2025, but also recorded a 100% retention rate after returning to work in 2025. These two 100% indicators fully demonstrate that Tang Eng has successfully established a workplace with a high level of psychological safety, enabling employees to return to work without concerns. The Company is also pleased to see male employees actively making use of this benefit to participate in family caregiving. In 2025, two male employees applied for unpaid parental leave. This not only helps break the traditional gender stereotypes of the steel industry but also demonstrates the Company's commitment to promoting gender equality in the workplace.

3.3 Education, Training, and Performance Evaluation

Tang Eng provides diverse training programs for both current employees and newly hired employees. These programs include new employee training programs, various technical and professional training programs, and training programs for professional employees. These programs are intended to cultivate outstanding middle and senior management talent, enhance employees' professional capabilities, and achieve the transfer of technical expertise, management knowledge, and experience. In 2025, the Company's total expenditure on education and training amounted to NT$1,622,608.

3.3.1 Implementation of Education and Training

The education and training implemented in 2025 is presented below:

Training Method	
In-house Training	Training organized by individual organizational units in response to operational needs.
In-house Training Externally Commissioned Training	Employees are sent to attend training programs provided by professional training institutions in response to operational needs.

Implementation
A total of 2,129 participants attended in-house training, with total expenditures amounting to NT$806,598.
A total of 105 participants attended externally commissioned training, with total expenditures amounting to NT$345,720.
The Company conducted the 2025 recruitment examinations for newly hired professional- and staff-level employees. A total of 64 employees were hired, with total expenditures amounting to NT$470,290.

Tang Eng places great importance on employees' career development by encouraging employees to pursue self-improvement and implementing various management training systems. The Company actively offers competency development and continuing education courses to support employee learning. For example, to enhance product quality, the Company conducted training on the JIS MARK Standard Operating Instructions and related training courses in 2025, including Chemical Laboratory Standard Operating Procedure Training, Physical Laboratory Standard Operating Procedure Training, and Spectroscopy Laboratory Standard Operating Procedure Training. A total of 12 employees attended the training, and all passed the relevant assessments. To implement its talent development mechanism and ensure the quality of talent development, the Company is committed to enhancing employees' professional knowledge, skills, and proper work attitudes to achieve the effective utilization of human resources. In response to the Company's business policies and strategic needs, the Company researches and develops training activities, promotes related projects, plans and implements the Company's training system, coordinates company-wide training operations, and assists departments in implementing specialized training.

Category / Gender		2023			2024			2025			
		Total Number	Total Training Hours	Average Training Hours	Total Number	Total Training Hours	Average Training Hours	Total Number	Total Training Hours	Average Training Hours	Training Expenditure
Managerial Employees	Male	40	282	7.05	44	535	12.15	43	1,371	31.88	489,350
	Female	3	44	14.67	6	71	11.83	6	182	30.33	39,814
Non-managerial Employees	Male	504	10,374	20.58	531	9,398	17.7	520	10,561.2	20.31	531,974
	Female	54	832	15.41	53	453	8.55	51	1,001	19.63	91,179

Note: Calculation formula—Average training hours for the male category in the reporting year = Total training hours for the male category in the reporting year ÷ Total number of employees in the male category in the reporting year.



ESG Training – Prevention of Sexual Harassment and Workplace Violence



ESG Training – Challenges and Opportunities Facing the Industry in Relation to Tariffs, Exchange Rates, and the Net-Zero Transition

New Employee Education and Training

The Company's new employee education and training program includes courses on Personnel Management Regulations, Occupational Safety and Health Awareness and Occupational Safety Education, Quality Management, and Environmental Protection. Through comprehensive knowledge transfer, the program helps newly hired employees adapt to the work environment as early as possible. In 2025, all 64 newly hired employees participated in the program, achieving a 100% participation rate. The program comprised a total of 45 training hours, with training expenditures amounting to NT$12,200.

Education and Training for Second-Level and Above Supervisors

To enhance the Company's business operations, management strategies, production operations, and technical capabilities, the Company organized a full-day education and training program for second-level and above supervisors. The program included courses such as "Habits Create Competitiveness, Service Builds Cohesion," "Factory Automation Management," and "Corporate Sustainability." By enhancing managerial decision-making capabilities and strengthening team communication and motivation, the program aims to strengthen supervisors' sense of commitment to the Company. In 2025, 44 second-level and above supervisors participated in the program, representing a 90% participation rate. The program was conducted over two days, for a total of 16 hours, with training expenditures amounting to NT$467,981.

Competency Empowerment and Advanced Professional Certification Management

Comprehensive Training System and Lifelong Learning

Tang Eng regards employees' career development as a core driver of the Company's transformation. To implement its talent development mechanism and ensure the effective utilization of human resources, the Company plans and coordinates a comprehensive annual training system aligned with its business policies and medium- to long-term strategies. We actively encourage employees to continuously develop their competencies, enroll in continuing education courses, and pursue lifelong learning. In 2025, for example, to continuously enhance and ensure product quality, the Company conducted an in-depth project training program on the JIS MARK Standard Operating Procedure (SOP) for personnel from the Quality Assurance Department and the Chemical, Physical, and Spectroscopy Laboratories. The training covered advanced operating procedures

for these laboratories. A total of 12 professionals participated in the program, and all participants passed the assessment, achieving a 100% pass rate, demonstrating Tang Eng's tangible achievements in enhancing employees' professional knowledge and upgrading their skills.

In accordance with Article 19 of the Occupational Safety and Health Education and Training Regulations, the Company's Safety and Health Department develops a comprehensive annual education and training plan at the beginning of each year. To ensure that on-site personnel keep their protective skills up to date, the Company implements mandatory on-the-job recurrent training for both its employees and contractor personnel. High-risk operations currently requiring mandatory certification and periodic retraining include crane and forklift operation, crane signaling and rigging, scaffolding assembly, oxygen-deficient operations, operations involving dust and designated chemical substances, radiation protection, and first aid personnel. In addition, to promote the physical and mental well-being of employees, the Company implements annual health promotion activities under the guidance of occupational health nurses and on-site physicians. Through rigorous tracking of certification validity periods, the Company builds a comprehensive zero-hazard production environment.

Workforce Structure, Turnover, and Workforce Renewal

With respect to workforce assessment and turnover management, Tang Eng's overall turnover rate in 2025 was 12.58%. This figure includes all forms of natural workforce turnover, including retirement upon reaching retirement age, voluntary resignation, dismissal, and death during employment (excluding employees on unpaid leave). In response to the inevitable wave of retirements in the traditional steel industry, the Company will continue to strengthen its core talent pipeline through comprehensive career training and competitive compensation and benefits. At the same time, the Company actively plans knowledge transfer initiatives for employees approaching retirement to ensure the seamless transfer of critical technologies and the continuity of business operations.

Security Personnel Management

The Company contracts China Steel Security Co., Ltd. to provide on-site security services. In accordance with Article 10-2 of the Security Services Act, "security companies shall provide newly employed security personnel with at least one week of pre-employment professional training. Incumbent security personnel shall receive at least four hours of in-service training each month." In addition to ensuring that all security personnel fully comply with these requirements, China Steel Security also provides training on human rights-related policies and procedures that incorporate human rights considerations.

3.3.2 Performance Evaluation System

Fair Performance Management System

The purpose of Tang Eng's performance management and development is to enhance the performance of individuals, departments, and the Company as a whole. Accordingly, all employees are required to undergo regular performance evaluations and career development reviews. To ensure objective and fair evaluations of employee performance, the Company has established the Guidelines for Employee Performance Evaluation, which serves as the basis for salary adjustments, bonus awards, appointments, dismissals, transfers, and training and development. In 2025, the employee performance evaluation pass rate was 100%. A total of 636 employees underwent performance evaluations, including employees who had been employed for at least six months but less than one year during the evaluation year, but excluding appointed managerial personnel and employees whose length of service during the evaluation year was less than six months.

Item	Managerial Employees	Non-Managerial Employees	Direct Employees	Indirect Employees
Percentage of Male Employees Receiving Performance Evaluations	6.13	84.60	51.42	39.31
Percentage of Female Employees Receiving Performance Evaluations	0.94	8.33	0.16	9.12

Note:
1.Employees included in the performance evaluation include those whose employment period during the evaluation year was at least six months but less than one year, including those who left the Company on or before December 31, 2025. Appointed managerial personnel and employees who joined the Company during the year but whose employment period during the evaluation year was less than six months are excluded.

3.4 Employee Compensation and Benefits

Tang Eng provides equal compensation, benefits, performance evaluations, and promotion opportunities regardless of gender, marital status, or childbirth, and offers a competitive compensation and benefits system. The Company places strong emphasis on teamwork, recognizing that only through team consensus can employees work together toward the Company's vision and objectives. Accordingly, based on the Company's profitability and future outlook, the compensation and benefits provided are aligned with the level expected by society. Each year, the Company conducts salary analyses based on individual performance, job responsibilities, and external salary survey reports as the basis for salary adjustments, thereby ensuring that employee compensation remains competitive in the market. The Company conducts regular, objective, and fair evaluations of employee performance. The evaluation results serve as the basis for salary adjustments, bonus awards, appointments, dismissals, transfers, and training and development. This performance evaluation system applies to all employees of the Company.

3.4.1 Employee Compensation

Unit: NT$ thousand

Average and Median Compensation of Tang Eng's Full-Time Non-Managerial Employees				
Item	2023	2024	2025	Difference from the Previous Year (%)
Number of Full-Time Non-Managerial Employees	617	584	619	+6%
Total Compensation of Full-Time Non-Managerial Employees	709,311	684,887	638,203	-7%
Average Compensation of Full-Time Non-Managerial Employees	1,150	1,173	1,031	-12%
Median Compensation of Full-Time Non-Managerial Employees	1,299	1,299	870	-29%

Note 1: Percentage difference from the previous year.
Note 2: Formula: (2025 − 2024) / 2024.

The Company determines employee compensation with reference to industry compensation benchmarks, its organizational structure, and its operating and financial conditions. The Company has also established the Regulations Governing Employee Salary Administration to set the starting salary standards for new employees. The Company provides a base salary that exceeds the statutory minimum wage and does not vary by gender. Male and female employees holding the same position and job grade receive the same base salary, resulting in a 1:1 ratio. Accordingly, in 2025, the average starting base salary for both male and female entry-level employees was NT$31,590, which remained higher than Taiwan's statutory minimum wage and was equivalent to 1.1 times the statutory minimum wage.

Item	Description
Base Salary	A salary range system is adopted. Base salaries are paid according to employees' job grades in accordance with the Company's Salary Range and Pay Scale.
Allowances	Includes managerial allowance, meal allowance, and environmental allowance. The managerial allowance and environmental allowance are adjusted or discontinued in accordance with changes in position or job assignment.
Perfect Attendance Allowance	To encourage regular attendance, an attendance incentive is provided based on each employee's monthly attendance record. The maximum annual allowance is equivalent to 14 days of the employee's base salary.
Business Performance Incentive Bonus	To promote corporate management, motivate employees to realize their work potential, increase productivity, and enhance overall business performance, the Company grants profit-based incentive bonuses based on the Company's profitability for the year, in accordance with the Guidelines for Business Performance Incentive Bonuses.
Year-End Bonus	To recognize the hard work of the Company's employees throughout the year, the Company grants a year-end bonus at the end of each year. Employees who join the Company during the year, retire (including voluntary retirement), are laid off, return to work following unpaid leave, or pass away while employed are eligible to receive a prorated year-end bonus based on the number of complete months of employment during the year.

Salary Adjustment System

The Company implements annual salary adjustments based on its operating performance, the Consumer Price Index (CPI), and salary adjustment practices adopted by industry peers. In addition, the Company has established an annual performance-based salary adjustment mechanism.

2025 Compensation Ratios by Job Level and Gender

Compensation Ratio by Job Category	Number of Employees		Compensation Ratio	
	Female	Male	Female	Male
Managerial Employees	6	43	1.00	1.32
Non-Managerial Employees	51	520	1.00	1.07
Direct Employees	1	321	1.00	0.75
Indirect Employees	56	242	1.00	1.11

Notes:
1.The male-to-female compensation ratio (annual compensation ratio) is calculated by dividing the average annual compensation of male employees in each category by that of female employees in the same category.
2.The data are based on the total annual compensation of 620 employees who were employed as of December 31, 2025.
3.The total annual salary of the 620 employees does not necessarily represent 12 months of salary in 2025, as some employees joined or left the Company during the year or experienced changes in department or position.
4.The number of managerial employees includes second-level supervisors and above.

Year	2024				2025			
Job Category	Number of Emplyees		Average Compensation	Median Compensation	Number of Emplyees		Average Compensation	Median Compensation
	Male	Female			Male	Female		
Non-Managerial Employees	532	53	1,173	1,229	520	51	1,031	870

There is no significant difference in the base salary ratio between male and female employees. In addition, all base salaries exceed the statutory minimum wage. As of the end of 2025, the base salary was NT$33,990 for employee-level personnel (Technicians) and NT$41,098 for professional-level personnel, both including a NT$2,400 meal allowance.

2025 Base Salary Ratios by Job Category and Gender

Compensation Ratio by Job Category	Number of Employees		Base Salary (NT$)		Compensation Ratio	
	Female	Male	Female	Male	Female	Male
Managerial Employees	6	43	479,876	4,524,079	1.00	1.32
Non-Managerial Employees	51	520	2,736,189	29,859,062	1.00	1.07
Direct Employees	1	321	80,944	19,386,477	1.00	0.75
Indirect Employees	56	242	3,135,121	14,996,664	1.00	1.11

Notes:
1.The male-to-female annual salary ratio is calculated by dividing the average annual salary of male employees in each job category by the average annual salary of female employees in the same job category.
2.The data are based on the total annual salary of the 620 employees who were employed as of December 31, 2025.

Country/Region	Ratio of the Annual Total Compensation of the Highest-Paid Individual to the Median Annual Total Compensation of Employees (Excluding the Highest-Paid Individual)	Ratio of the Annual Increase in the Total Compensation of the Highest-Paid Individual to the Median Annual Increase in the Total Compensation of Employees (Excluding the Highest-Paid Individual)
Taiwan / Kaohsiung	4.70	3.13

Notes:
1.The Chairperson is not considered the highest-paid individual unless he or she concurrently serves as the General Manager/ Chief Executive Officer (CEO).
2.Formula for calculating the annual total compensation median ratio: Annual total compensation of the highest-paid individual for the year ÷ Annual total compensation of the individual whose annual total compensation is the median for the year.
3.Formula for calculating the annual total compensation increase ratio: Percentage increase in the annual total compensation of the highest-paid individual for the year ÷ Percentage increase in the annual total compensation of the individual whose annual total compensation is the median for the year.

3.4.2 Employee Benefit

· Employee Benefit Programs

To provide comprehensive care for employees, safeguard their living conditions, provide favorable working conditions, and meet employees' needs, the Company not only provides the basic protections required by law but also offers or subsidizes various employee benefit programs. The Company offers a total of 13 employee benefit programs, as follows:

- Injury, Illness, and Hospitalization Condolence Payments
- Scholarships for Employees' Children
- Year-End Banquet
- Meal Allowance
- Subsidies for Company Outings, Travel, and Other Employee Social Activities
- Provision of Employee Uniforms
- Provision of Employee Meals and Dormitory Accommodation
- Annual Recognition of Model Employees with Medals, Awards, and Overseas Travel Subsidies
- Retirement Commemorative Plaques
- Annual Health Examinations for Employees
- Employee Stock Ownership Trust
- Collective Agreement
- Employee-Friendly Leave Policy: The Company has established a leave system that exceeds statutory requirements to support employees during important life events and family caregiving needs. In addition to providing 14 days of marriage leave and 1 day of principal wedding host leave, the Company also provides a bereavement leave system that exceeds statutory requirements, helping employees balance their work and family responsibilities.

Type of Leave		Number of Days	Description	Number of Employees Approved for Leave in 2025
Leave for Serving as the Principal Wedding Host		1	Not specifically stipulated under current laws and regulations.	3
Marriage Leave		14	8 days more than required under the Ministry of Labor's Rules of Leave-Taking of Workers.	8
Bereavement Leave	Parents, Adoptive Parents, Step-Parents, and Spouse	21	8 days more than required under the Ministry of Labor's Rules of Leave-Taking of Workers.	98
	Spouse's Parents (Including Adoptive and Step-Parents)	14	6 days more than required under the Ministry of Labor's Rules of Leave-Taking of Workers.	
	Grandparents (Including Great-Grandparents and Maternal Grandparents), Grandparents-in-Law, and Children	7	3–6 days more than required under the Ministry of Labor's Rules of Leave-Taking of Workers.	
	Brothers and Sisters	5	3 days more than required under the Ministry of Labor's Rules of Leave-Taking of Workers.	

· Employee Welfare Committee

In addition to establishing an Employee Welfare Committee and allocating employee welfare funds to administer various employee welfare matters in accordance with applicable laws, Tang Eng has established the Tang Eng Iron Works Co., Ltd. Employee Welfare Committee in accordance with applicable laws to care for employees' well-being, maintain harmonious labor-management relations, foster camaraderie among employees, promote employees' physical and mental well-being, and encourage participation in appropriate recreational and leisure activities. The Employee Welfare Committee consists of 10 members. The Company's departments are divided into four major regions, with two representatives selected from each region, together with two representatives from the enterprise union. Committee members are selected through nomination or election. The Committee holds regular meetings every two months, during which it exercises its functions and powers and adopts resolutions on employee welfare policies formulated by the Tang Eng Iron Works Co., Ltd. Employee Welfare Committee, as well as plans for various employee activities. Following the Committee's resolutions, the Tang Eng Iron Works Co., Ltd. Employee Welfare Committee implements and promotes employee welfare programs. In addition to the 13 employee benefit programs described above, it also provides personal welfare subsidies, including festival cash gifts, senior citizen appreciation payments, marriage subsidies, funeral subsidies, and medical subsidies, as well as organizes club activities, employee recreational activities, and Company anniversary celebrations.

【Employee Welfare Committee Benefit Programs】

Group Insurance for All Employees	Cash Gifts for Employees During the Three Major Festivals	Holiday Appreciation Gifts for Employees	Birthday Gift Vouchers
Hospitalization Subsidies for Serious Illness	Subsidies for Occupational Injuries, Illnesses, and Death	Senior Citizen Appreciation Payments	Childbirth Congratulatory Cash Gifts
Marriage Cash Gifts	Festival Activities	Subsidies for Employee Recreational Activities	Subsidies for Employee Clubs (e.g., Running Club and Mountaineering Club)

· Employee Stock Ownership Trust Committee

To strengthen employees' commitment to Tang Eng, foster employees' awareness of being shareholder-partners in the Company's operations, align employees' work performance with the Company's growth, and provide employees with better financial security after retirement, the Company has established the Tang Eng Iron Works Co., Ltd. Employee Stock Ownership Trust Committee. The Company contributes an incentive amount equivalent to 20% of each member's total monthly basic and additional contributions.





2025 Year-End Banquet





Overseas Visit Program for Model Employees

· Parental Leave

In accordance with the Act of Gender Equality in Employment, the Regulations for Implementing Unpaid Parental Leave, and Tang Eng's internal regulations governing unpaid leave, employees who have completed six months of service and have childcare needs before their child reaches three years of age may apply for unpaid parental leave. The leave period may continue until the child reaches three years of age, but shall not exceed two years. However, where an employee is simultaneously raising two or more children, the periods of unpaid parental leave shall be combined, and the total leave period shall be limited to two years, ending upon the expiration of the unpaid parental leave for the youngest child. In 2025, seven employees applied for unpaid parental leave.

To support and actively respond to the Gender Equality Promotion Plan promoted by the Ministry of Labor, Tang Eng actively builds a female-friendly work environment by providing comfortable and well-equipped lactation rooms and preferential childcare services. The Company is committed to implementing the Act of Gender Equality in Employment and safeguarding the employment rights and interests of female employees.

Year	2023			2024			2025		
Category / Gender	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of Employees Eligible to Apply for Unpaid Parental Leave (A)	7	2	9	11	5	16	7	5	12
Number of Employees Who Applied for Unpaid Parental Leave During the Year (B)	0	2	2	0	5	5	2	5	7
Number of Employees Scheduled to Return from Unpaid Parental Leave During the Year (C)	0	0	0	0	3	3	1	3	4
Number of Employees Who Returned from Unpaid Parental Leave During the Year (D)	0	0	0	0	3	3	1	3	4
Number of Employees Who Returned from Unpaid Parental Leave in the Previous Year (E)	2	0	2	0	0	0	0	3	3
Number of Employees Who Returned from Unpaid Parental Leave in the Previous Year and Remained Employed for One Year (F)	1	0	1	0	2	2	0	3	3
Return-to-Work Rate Following Unpaid Parental Leave (%) (D/C)	-	-	-	-	100	100	100	100	100
One-Year Retention Rate Following Return from Unpaid Parental Leave (%) (F/E)	50	-	50	-	-	-	-	100	100

Tang Eng places great importance on employees' rights relating to marriage, childbearing, and family caregiving, and is committed to creating a family-friendly workplace. In accordance with applicable laws and regulations, the Company has established comprehensive support measures, as described below:

1. Leave Support Measures

(1) 14 days of marriage leave: Supporting employees in reaching an important milestone in their lives.

(2) Maternity leave, prenatal examination leave, and leave for accompanying a spouse to prenatal examinations and childbirth: Supporting employees in balancing their health and family caregiving responsibilities during pregnancy and childbirth.

(3) Family care leave: Enabling employees to address the caregiving needs of their family members while balancing their work and family responsibilities.

2. Childbirth Support Measures

The Company provides a childbirth congratulatory cash gift of NT$6,000 per child to express its congratulations and care for employees on the birth of a child and to help ease the financial burden of early childcare. In 2025, six employees applied for this benefit.

3. Family-Friendly Workplace and Health Care Support Measures

(1) Lactation rooms: Providing a safe, private, and family-friendly maternal care space.

(2) Childcare support measures: Providing preferential childcare services through an entrusted arrangement with the China Steel Preschool in Kaohsiung City to help reduce employees' childcare burden.

(3) On-site physician consultation services: Assisting employees in obtaining professional health advice in a timely manner.

(4) Health care and follow-up by on-site occupational health nurses: Providing health care and follow-up services while continuously monitoring employees' physical and mental health.

3.5 Employee Relations

3.5.1 Employee Participation and Communication

Tang Eng values employee communication and has established a number of specialized committees, including the Occupational Safety and Health Committee, Employee Welfare Committee, Employee Rewards and Disciplinary Review Committee, Labor Pension Reserve Supervisory Committee, Employee Stock Trust Committee, and the Enterprise Union, to ensure that employees' rights and interests are fully protected while facilitating the smooth exchange of opinions and effective coordination throughout the organization.

Communication Channel	Description	Results
Occupational Safety and Health Committee	An Occupational Safety and Health Committee has been established to review, coordinate, and make recommendations on occupational safety and health-related matters.	A total of 4 Occupational Safety and Health Committee meetings were held.
Labor-Management Meetings	Labor-management meetings are held once every month. In accordance with the Labor Standards Act, representatives designated by both labor and management hold regular labor-management meetings to strengthen communication and the exchange of opinions and promote harmonious labor-management relations.	A total of 12 labor-management meetings were held, during which 26 proposals were submitted. All proposals reached consensus, and the corresponding resolutions were adopted.
Employee Welfare Committee	The Employee Welfare Committee meets once every two months. Committee members representing both labor and management regularly discuss matters relating to employee welfare.	A total of 6 Employee Welfare Committee meetings were held, during which 26 proposals were submitted. All proposals reached consensus, and the corresponding resolutions were adopted.
Sexual Harassment Complaint Handling	The Company has established the Guidelines for Sexual Harassment Prevention Measures, Complaint Handling, and Investigation Procedures and a Sexual Harassment Complaint Handling Committee to safeguard gender equality in the workplace, provide employees and service recipients with a work and service environment free from sexual harassment, prevent the occurrence of sexual harassment incidents, establish complaint channels for sexual harassment cases, and protect the rights and interests of the parties concerned.	0 cases.
Employee Rewards and Disciplinary Review Committee	An Employee Rewards and Disciplinary Review Committee has been established and is composed of representatives of labor and management to review employee reward and disciplinary cases.	2 cases.
Labor Pension Reserve Supervisory Committee	A Labor Pension Reserve Supervisory Committee has been established and is composed of representatives of labor and management to oversee the administration of the labor pension reserve.	A total of 1 Labor Pension Reserve Supervisory Committee meeting was held.
Employee Stock Trust Committee	An Employee Stock Trust Committee has been established and is composed of representatives of labor and management to review matters related to the employee stock trust.	A total of 3 Employee Stock Trust Committee meetings were held.
Labor Union	All employees may voice their opinions through the Labor Union at any time.	Member Representatives General Assembly: 2 meetings Labor Education and Training for Member Representatives: 1 session Board of Directors Meetings: 8 meetings Board of Supervisors Meetings: 6 meetings

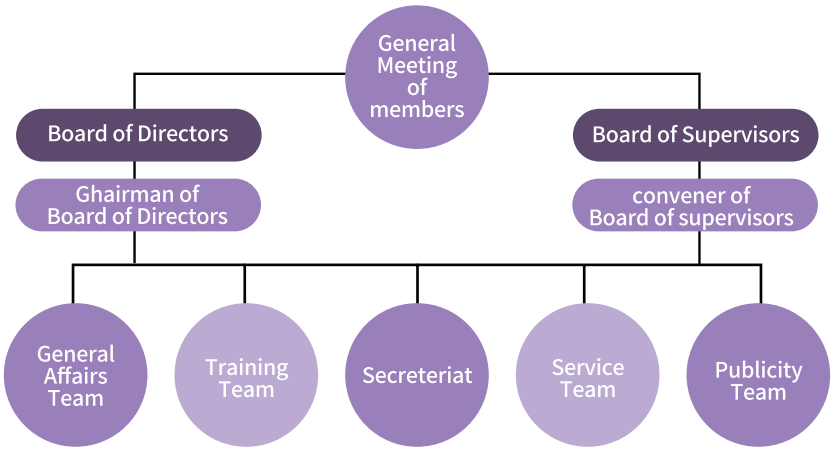
3.5.2 Tang Eng Labor Union

The Tang Eng Labor Union represents employees in expressing their views and suggestions, strives for a reasonable working environment and the protection of employees' rights and interests, and contributes to corporate operations while fostering a positive image of harmonious labor-management relations in society. Following its reorganization on May 12, 2011, the Labor Union has been dedicated to safeguarding the rights and interests of its members, enhancing members' knowledge and capabilities, promoting industrial development, improving members' lives, and strengthening member solidarity.

▶ Organizational Structure

The General Assembly of Member Representatives is the highest governing body of the Labor Union. A total of 72 member representatives are elected from the first- and second-level organizational units in accordance with the Rules Governing Member Representative Electoral Districts. During the recess of the General Assembly, the Board of Directors is responsible for the Union's affairs. The Board consists of eight directors elected by the member representatives and is headed by one Chairperson, who is elected directly by the members and represents the Union in handling its day-to-day affairs. Under the Chairperson are the Secretariat and four functional task groups, which are responsible for supporting the Union's day-to-day operations. In addition, a Board of Supervisors has been established to oversee the operation of the Board of Directors. Except for the Chairman of the Board and the General Manager, who serve as management representatives, all Tang Eng employees have the right and obligation to join the Labor Union. The Labor Union's membership includes all eligible employees.

Union Representation on Committees	Union Participation in External Organizations
Labor-Management Meetings – 6 seats	Kaohsiung City Federation of Labor – 1 seat
Labor Pension Reserve Supervisory Committee – 6 seats	Kaohsiung City Federation of Industrial Labor Unions – 3 seats
Occupational Safety and Health Committee – 8 seats	Kaohsiung City Federation of Mechanical Labor Unions – 3 seats
Employee Stock Trust Committee – 4 seats	New Kaohsiung Federation of Industrial Labor Unions – 3 seats
Employee Representative Director – 1 seat	
Employee Welfare Committee – 10 seats	
Employee Rewards and Disciplinary Review Committee – 4 seats	



Tang Eng Labor Union Organizational Chart

▶ Participation in Corporate Governance

In addition to holding regular labor-management meetings, Tang Eng has established the position of Employee Representative Director on the Board of Directors, enabling employees' suggestions to be communicated directly to the Board of Directors, thereby fully realizing industrial democracy.

▶ Safeguarding Employees' Rights and Interests

The Tang Eng Labor Union spares no effort in safeguarding employees' rights and interests and conducts its activities in a rational and peaceful manner. For example, it safeguards employees' rights and interests through labor-management consultation, including labor-management meetings, communication meetings between the Union's Board of Directors and the Company's management, and collective bargaining.

▶ Engagement with External Organizations

In recent years, in addition to safeguarding employees' rights and interests and enhancing services for its members, the Tang Eng Labor Union has also participated in various activities organized by external labor federations to jointly address labor-related issues, speak on behalf of workers, and safeguard their rights and interests.

▶ Collective Agreement

To safeguard employees' rights and interests, in addition to complying with applicable labor laws and regulations, Tang Eng has established work-related rules and various personnel management regulations. The Company has also entered into a collective agreement with the Tang Eng Labor Union (covering 100% of employees eligible for Labor Union membership) and regularly holds Labor-Management Meetings, thereby fully safeguarding employees' legitimate rights and interests.

▶ Collective Agreement

To safeguard employees' rights and interests, in addition to complying with applicable labor laws and regulations, Tang Eng has established work-related rules and various personnel management regulations. The Company has also entered into a collective agreement with the Tang Eng Labor Union (covering 100% of employees eligible for Labor Union membership) and regularly holds Labor-Management Meetings, thereby fully safeguarding employees' legitimate rights and interests.

Following privatization, Tang Eng and the Stainless Steel Plant Industrial Union signed their first collective agreement on July 3, 2006. Collective bargaining for the collective agreement is conducted every three years, and the contents of the agreement are established in accordance with the Collective Agreement Act and other applicable regulations, with the aim of promoting the development of the enterprise and enhancing the welfare of workers. The collective agreement signed on October 30, 2015 comprises nine chapters and 56 articles, covering General Provisions, Employment Contracts, Working Hours, Union Activities, Remuneration, Employee Benefits and Occupational Safety and Health, Retirement, Severance, Survivor Benefits, Labor-Management Meetings and Labor Disputes, and Supplementary Provisions. In addition, the Company recognizes that corporate profits should be shared with employees. Accordingly, the collective agreement includes a profit-sharing provision, which states: "Where, upon settlement of the operating year and after offsetting accumulated losses, Party A has a profit, Party A shall allocate a fixed amount or a specified percentage of such profit as employee compensation or bonuses. The fixed amount or percentage shall be determined through consultation between Party A and Party B and handled in accordance with Party A's Articles of Incorporation."

On June 9, 2022, Tang Eng and the Tang Eng Enterprise Union commenced negotiations on the draft of the revised Collective Agreement. Following seven rounds of negotiations over a period of two years and four months, the draft was submitted to the Board of Directors for a second review in 2024 and is currently under discussion. The revision of the Collective Agreement is expected to establish more equitable and reasonable working conditions, thereby providing more comprehensive protection for employees' rights and interests.

3.6 Workplace Safety and Care

Tang Eng has implemented the ISO 45001 occupational safety and health management system and obtained certification to systematically manage and control risks. To comply with the ISO 45001:2018/CNS 45001:2018 management system standard, the Company revised its existing occupational safety and health management regulations and completed the transition to ISO 45001:2018 in December 2019. In May 2020, the Company underwent an external ISO 45001 certification audit conducted by the Metal Industries Research & Development Centre and passed the certification audit and obtained accredited registration. The transition certification process was completed in July 2020. In addition, the Company underwent an external recertification audit at the end of April 2024, successfully passed the assessment, and obtained a renewed certificate valid until July 2, 2026.

Furthermore, Tang Eng follows the ISO 45001 occupational safety and health management system to systematically manage and control risks. The Company conducts occupational safety and health hazard identification and risk assessments, implements corresponding management, supervision, and improvement measures, and establishes safe operating standards to reduce the occurrence of related risks and prevent occupational accidents. In addition, the Company has established a work environment monitoring plan and regularly commissions work environment monitoring institutions approved by the Ministry of Labor to conduct monitoring. All monitoring results met the required standards. Personnel required to perform special operations must apply for a permit from the responsible unit and may commence work only after obtaining approval. The

Company also conducts regular emergency response drills to ensure that employees are familiar with various emergency response measures, enabling them to mitigate incidents as quickly as possible and minimize the impacts and losses caused by such incidents.

Tang Eng complies with the requirements of the Ministry of Labor's Occupational Safety and Health Education and Training Regulations by providing employees with regular occupational safety and health education and training. The Company's occupational safety and health management system covers the entire plant site, all departments, and all employees, representing 100% of the workforce.

3.6.1 Occupational Safety and Health Committee

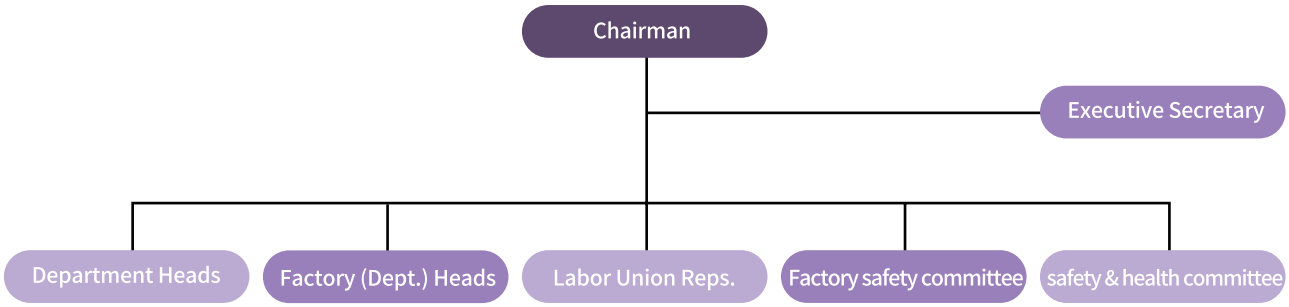
To prevent occupational accidents, safeguard employees' safety and health, and create a healthy working environment, Tang Eng has established an Occupational Safety and Health Committee. Through committee meetings, the Company communicates its occupational safety and health policy, objectives, and management measures, while facilitating the exchange of views between labor and management representatives.

To strengthen occupational safety and health management, foster a proactive safety culture with the participation of all employees, and achieve the objective of risk reduction, the Company has established occupational safety and health performance indicators. Through the regular monitoring and measurement of potential hazards and risks associated with its operations and workplaces, the Company identifies opportunities for improvement under the PDCA system, thereby reducing risks and preventing occupational accidents.

Occupational Safety and Health Committee	
Purpose	• Promote occupational safety and health. • Prevent accidents. • Improve the working environment and safeguard employees' health.
Policy	• Compliance with Laws and Regulations: Comply with occupational safety and health laws and regulations and fulfill corporate social responsibility. • Prevention of Occupational Accidents: Implement occupational safety and health requirements to ensure the safety and health of workers. • Continual Improvement: Commit to improving facilities and the working environment and continually enhance occupational safety and health performance. • Communication and Participation: Strengthen communication, participation, and training to enhance workers' occupational safety and health awareness.
Organization	• The Committee is composed of representatives of labor and management, with the General Manager serving as the Chairperson. • The Committee consists of 24 members. • Management representatives comprise 16 members, including the Chairperson (General Manager), the Executive Secretary (Director of the Occupational Safety and Health Department), and committee members, including the Assistant Vice President, first- and second-level supervisors, personnel of the Occupational Safety and Health Department, personnel responsible for relevant affairs, and the occupational health nurse. • Labor representatives comprise eight members elected by the Enterprise Union, accounting for one-third of the Committee membership in accordance with applicable regulations. • The Occupational Safety and Health Committee convenes once every three months to discuss occupational safety and health issues and occupational safety and health management performance. Together with the management team, the Committee deliberates, coordinates, plans, and makes decisions on occupational safety and health matters, ensures employee participation, consultation, and communication, and reports the Company's annual occupational safety and health management performance in the Company's annual report for public review.

Responsibilities	• Review and approve the 2025 Occupational Safety and Health Management Plan and oversee its implementation. • Review and approve the 2025 Management by Objectives Program and its implementation. • Review and approve the 2025 Occupational Safety and Health Education and Training Implementation Plan. • Review and approve the 2025 Work Environment Monitoring Plan, and review the monitoring results and the measures adopted. • Review and approve the 2025 employee health examination items, and review matters relating to health management, occupational disease prevention, and health promotion. • Review proposals relating to occupational safety and health. • Review the implementation of self-inspections by each unit and the status of improvements made following occupational safety and health audits. • Review preventive measures adopted by each unit against hazards associated with machinery, equipment, raw materials, and materials. • Review occupational accident investigation reports. • Evaluate the occupational safety and health management performance of the four major operational units. • Review occupational safety and health management matters relating to contracted operations. • Review other matters relating to occupational safety and health management.

Occupational Safety and Health Committee Organizational Structure



3.6.2 Occupational Safety and Health Management Measures

The Occupational Safety and Health Department is responsible for compiling deficiencies identified in the occupational safety and health management system and tracking the implementation of corrective actions to maintain the normal operation of the management system. The Company has established the Regulations for Accident Reporting, Handling, and Investigation and the Regulations for the Management of Nonconformities and Corrective Actions. When an accident or nonconformity occurs, a comprehensive investigation procedure is followed to improve the efficiency of accident investigations, verify the facts and circumstances, identify the causes, and determine corrective actions, thereby reducing the likelihood of accident recurrence.

Any person who discovers an incident, or the supervisor of the unit where the incident occurs, shall report the incident in accordance with the Tang Eng Procedures for Reporting Various Types of Disasters and Emergency Incidents. The unit where the incident occurs shall complete the Tang Eng Accident Report Form within 24 hours. For traffic accidents, near-miss incidents, and minor injuries, the report shall be submitted to the Occupational Safety and Health Department after approval by the responsible Assistant Vice President or Vice President. All other incidents shall be reported to the General Manager. In 2025, neither Tang Eng employees nor contractors were involved in any major occupational accidents (with no fatalities), and no occupational disease cases were reported. However, there were three lost-time injury cases involving three individuals. One case involved a fall while using the stairs, one involved a finger injury sustained after falling while crossing the rail track of a steel coil transfer cart, and one involved a fall while riding a bicycle. These incidents resulted in a total of 220 lost workdays. In addition, there were three traffic accidents involving three individuals and three minor injury/near-miss incidents involving three individuals. Each incident involved one individual. Following the reporting of each incident, potential hazards were reviewed and corrective actions were implemented to prevent injury incidents. In 2025, the Company's FR was 2.56 and its SR was 187.

2025 Employee Occupational Accident Statistics

Category	Item	2023	2024	2025
Total Working Hours	Female Working Hours	117,712	112,840	112,480
	Male Working Hours	1,020,191	1,023,068	1,058,691
	Total Working Hours	1,137,903	1,135,908	1,171,171
Number of Work-Related Fatalities	Female Fatalities (Cases)	0	0	0
	Male Fatalities (Cases)	0	0	0
	Total Fatalities (Cases)	0	0	0
Number of High-Consequence Work-Related Injuries (Excluding Fatalities)	Female (Cases)	0	0	0
	Male (Cases)	0	0	0
	Total (Cases)	0	0	0
Number of Recordable Work-Related Injuries (Including Fatalities and High-Consequence Work-Related Injuries)	Female (Cases)	1	0	0
	Male (Cases)	1	3	3
	Total (Cases)	2	3	3
Work-Related Fatality Rate		0	0	0
High-Consequence Work-Related Injury Rate		0	0	0
Recordable Work-Related Injury Rate		1.75	2.64	2.56

Notes
1.Work-Related Fatality Rate = (Number of work-related fatalities ÷ Total working hours) × 1,000,000
2.High-Consequence Work-Related Injury Rate = (Number of high-consequence work-related injuries (excluding fatalities) ÷ Total working hours) × 1,000,000
3.Recordable Work-Related Injury Rate = (Number of recordable work-related injuries (including fatalities and high-consequence work-related injuries) ÷ Total working hours) × 1,000,000
4.A high-consequence work-related injury refers to a work-related injury from which the injured person is unable to recover within six months.
5.Recordable work-related injuries do not include work-related injuries resulting from commuting to and from work.

2025 Non-Employee Occupational Accident Statistics

Category	Item	2023	2024	2025
Total Working Hours	Female Working Hours	9,850	9,680	7,800
	Male Working Hours	217,102	210,743	156,497
	Total Working Hours	226,952	220,423	164,297
Number of Work-Related Fatalities	Female Fatalities (Cases)	0	0	0
	Male Fatalities (Cases)	0	0	0
	Total Fatalities (Cases)	0	0	0
Number of High-Consequence Work-Related Injuries (Excluding Fatalities)	Female (Cases)	0	0	0
	Male (Cases)	0	0	0
	Total (Cases)	0	0	0
Number of Recordable Work-Related Injuries (Including Fatalities and High-Consequence Work-Related Injuries)	Female (Cases)	0	0	0
	Male (Cases)	0	0	0
	Total (Cases)	0	0	0
Work-Related Fatality Rate		0	0	0
High-Consequence Work-Related Injury Rate		0	0	0
Recordable Work-Related Injury Rate		0	0	0

Notes
1.Work-Related Fatality Rate = (Number of work-related fatalities ÷ Total working hours) × 1,000,000
2.High-Consequence Work-Related Injury Rate = (Number of high-consequence work-related injuries (excluding fatalities) ÷ Total working hours) × 1,000,000
3.Recordable Work-Related Injury Rate = (Number of recordable work-related injuries (including fatalities and high-consequence work-related injuries) ÷ Total working hours) × 1,000,000
4.A high-consequence work-related injury refers to a work-related injury from which the injured person is unable to recover within six months.
5.Recordable work-related injuries do not include work-related injuries resulting from commuting to and from work.

The Company's Disabling Injury Frequency Rate (FR) was 2.56, and its Severity Rate (SR) was 187.

Category	Disabling Injury Frequency Rate (FR)				
Year	2021	2022	2023	2024	2025
Tang Eng	2.51	0	1.75	2.64	2.56
Basic Metal Manufacturing – Iron and Steel Manufacturing	3.25	2.07	2.22	1.9	2.06

Note:
Disabling Injury Frequency Rate (FR) = (Total number of disabling injury cases × 1,000,000) ÷ Total Working Hours
This formula is used to calculate the number of disabling injury cases per one million working hours.

Category	Disabling Injury Severity Rate (SR)				
Year	2021	2022	2023	2024	2025
Tang Eng	53	0	10	105	187
Basic Metal Manufacturing – Iron and Steel Manufacturing	214	300	350	410	295

Note:
Disabling Injury Frequency Rate (FR) = (Total number of disabling injury cases × 1,000,000) ÷ Total Working Hours
This formula is used to calculate the number of disabling injury cases per one million working hours.

3.6.3 Occupational Safety and Health Management Operations

To effectively manage risks and continuously improve workplaces, production equipment, and work methods, thereby preventing work-related injuries and promoting health, Tang Eng established seven Occupational Safety and Health Management by Objectives Programs in 2025, all of which were scheduled for completion by the end of 2025. The implementation and improvement status of each program is reviewed and tracked at the quarterly meetings of the Occupational Safety and Health Committee.

No.	Objectives	Management by Objectives Program
1	Reduce the likelihood of flame-cutting operators sustaining injuries while cutting the head and tail ends of hot slabs.	Install heat-resistant barriers to reduce the risk of injury to personnel.
2	Procedure No. W34-010-06-002 – Slag Removal Operation: Replace the clouded protective glass to reduce the risk of personnel being struck or coming into contact with high-temperature slag. (Likelihood reduced from P2 to P1; risk level reduced from 3 to 2.)	Replace the clouded protective glass on the brick crusher to prevent personnel from being struck or coming into contact with high-temperature slag.
3	Procedure No. W432-020-02-007 – Equipment Maintenance/Contact Roll Replacement Operation. (Likelihood reduced from P2 to P1; risk level: 3.)	Increase the guardrail height at the entry end of the operating platform of GPL #2 Grinder from 50 cm to 110 cm.
4	Procedure No. W41/010/07/013 – Annealing Furnace Operation. (Likelihood reduced from P2 to P1; Risk level: 3.)	Replace the surrounding partitions of furnaces, chimneys, and heating equipment that may present a fire hazard with fire-resistant partitions.
5	Improve the corrugated roof panels of the Rolling Mill Building.	Replace the corrugated roof panels of the Rolling Mill Building (BAL).
6	Replace the aging water treatment pumps without mechanical shaft seals in the Steelmaking Plant expansion area to prevent circulating cooling water overflow from causing slippery road surfaces.	Replace the existing pumps with new pumps equipped with mechanical shaft seals.
7	Reduce the risk of occupational accidents during gantry crane lifting operations at Finished Goods Warehouse CE2 and ensure compliance with applicable regulations. (Likelihood reduced from P2 to P1; Risk level: 2.)	Replace the gantry crane trolley at Finished Goods Warehouse CE2.

To continuously and proactively identify hazards arising from the Company's routine and non-routine activities and conditions, Tang Eng has established the Regulations for Hazard Identification and Risk Assessment to evaluate hazard risks and to plan and determine appropriate risk control measures, ensuring that risks are controlled at an acceptable level. As a general principle, each department conducts a comprehensive review every three years and completes a periodic review and assessment by the end of November each year. Where revisions are necessary, the hazard identification and risk assessment documentation is updated accordingly. Unacceptable risks are then identified as the basis for developing the following year's Management by Objectives Programs and determining appropriate control measures, thereby continuously improving the occupational safety and health management system. In 2025, a total of 3,215 periodic reviews and assessments were completed, and the hazard identification and risk assessment documentation was revised for 1,421 cases.

For all work activities undertaken by employees, workers, contractors, and visitors within the Company's premises, including the operation of machinery and equipment and the use of chemicals, risk identification is conducted annually in accordance with the Regulations for Hazard Identification and Risk Assessment. Quantitative risk scores are assigned based on the potential severity and frequency of incidents arising from various work activities, the operation of machinery and equipment, or the use of chemicals. A risk score of 2–3 is classified as Low to Moderate Risk, for which the effectiveness of existing protective measures shall be ensured and opportunities for improving occupational safety and health performance shall be considered. Such risks are regarded as acceptable risks or opportunities for improvement, and existing protective measures, including maintenance, supervision and inspection, and education and training, shall be implemented or strengthened. A risk score of 4–5 is classified as High Risk, which is considered an unacceptable risk. For high risks, risk control measures shall be developed to reduce the risk to a moderate level or below. Risk reduction measures shall be implemented immediately, and work shall not commence or continue until the risk has been reduced. In addition, the adequacy of existing protective measures shall be reviewed immediately, and improvement measures shall be implemented or emergency response capabilities shall be strengthened. According to the hazard identification and risk assessment results of each department in 2025, no cases were assigned a risk score of 4–5 (High Risk), while 2,891 cases were assigned a risk score of 2–3 (Low to Moderate Risk).

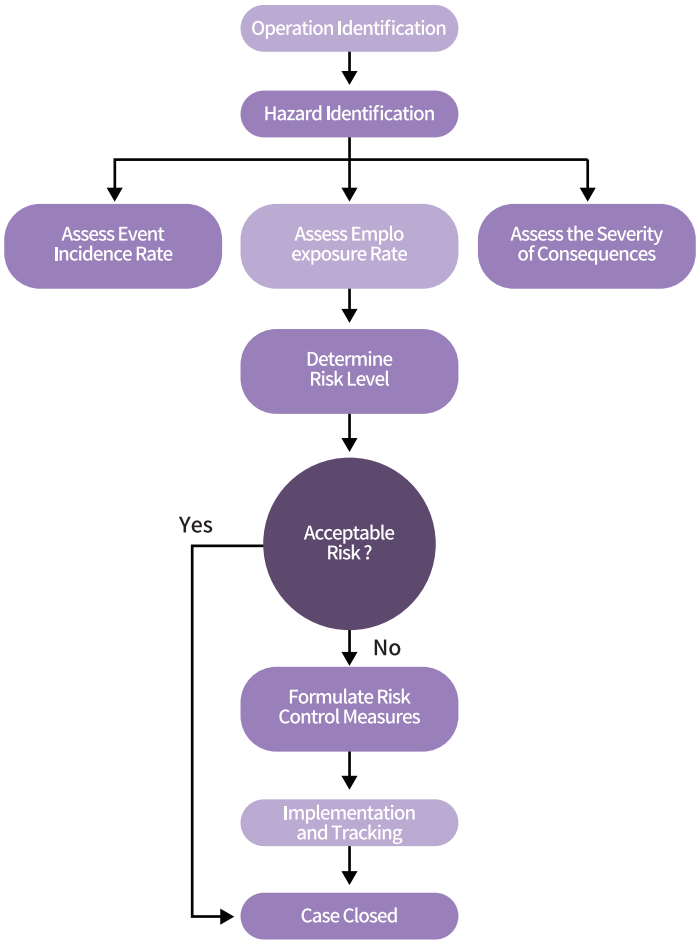
During operations, if any issues are identified, they may be reported immediately to the responsible engineer or the Occupational Safety and Health Department, or raised at the daily or weekly departmental meetings of each unit to communicate the issue to the Company. In addition, responsible engineers conduct daily workplace inspections, enabling direct face-to-face communication with contractor personnel. To encourage whistleblowers to report misconduct, the Company provides the following protections: The identity of whistleblowers shall be kept confidential, and no information that could reveal their identity shall be disclosed. For internal reporting, whistleblowers shall not be dismissed, removed from their positions, demoted, have their salaries reduced, be deprived of any rights or interests to which they are entitled under applicable laws, contracts, or established practices, or be subject to any other adverse treatment as a result of the matters they report.

1.In the event of a disabling injury incident, the responsible department shall conduct its own investigation. Based on the severity of the incident, the Occupational Safety and Health Management Representative shall determine whether a special investigation is required.

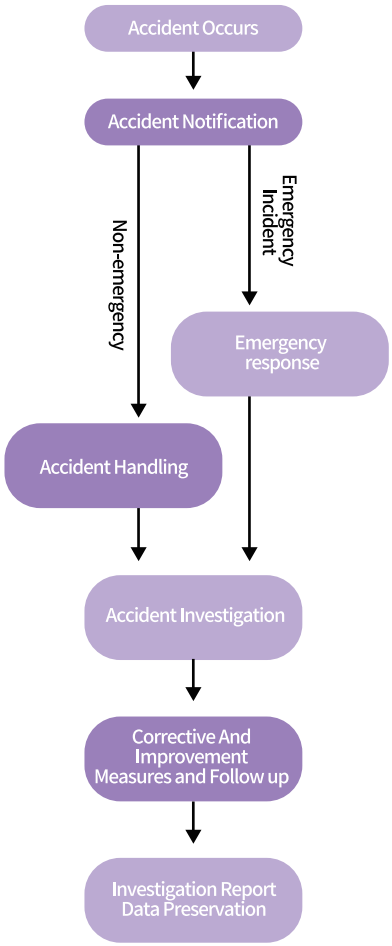
2.For incidents requiring a special investigation, the Occupational Safety and Health Department shall track and verify the implementation of the corrective actions and conduct unscheduled audits to evaluate their effectiveness.

3.For major non-injury incidents and injury incidents, the responsible department shall implement the corrective actions they have committed to. The Occupational Safety and Health Department shall continue to monitor the continuity and effectiveness of their implementation and report the results on a regular basis.

Hazard Identification and Risk Assessment Flowchart



Accident Handling Flowchart



Occupational Safety Inspections

Tang Eng places great importance on the occupational safety, health, and working environment of its employees and contractors and therefore actively conducts occupational safety inspections. To support these efforts, the Occupational Safety and Health Department has established the Regulations for the Management of Nonconformities and Corrective Actions. If any nonconformities are identified during inspections, corrective measures and implementation methods are proposed, and the effectiveness of the corrective actions is verified. Upon completion of the corrective actions, their implementation is reviewed to help prevent accidents.

2025 Occupational Safety Inspection Results

Inspecting Unit	Labor Standards Inspection Office, Labor Affairs Bureau, Kaohsiung City Government	Occupational Safety and Health Department
Number of Inspections	7	56
Nonconformities Identified	One nonconformity was identified (occupational safety and health operating procedures for the hot-rolled steel coil sheet-feeding operation had not been established). The nonconformity has been corrected, and all other requirements were met.	• 23 nonconformities (including those identified through incident investigations) • Steelmaking Plant: 4 nonconformities • Rolling Mill: 6 nonconformities • Equipment Department (including contractors under its supervision): 5 nonconformities • Utilities Department: 7 nonconformities • Occupational Safety and Health Department: 1 nonconformity

Workplace Safety Net and Operational Resilience

Empowering Frontline Personnel: The Right to Withdraw from Dangerous Work and Multiple Reporting Channels

Frontline personnel are the first line of defense in identifying potential workplace safety hazards. To establish the safest possible working environment, the Company strictly implements workers' right to withdraw from dangerous work as provided for under applicable regulations. When employees identify an imminent danger while performing their duties, they have the right to immediately stop work and withdraw to a safe location, placing personal safety above all else.

At the same time, the Company has established accessible and diverse workplace safety reporting channels. Employees who have any concerns regarding workplace safety and health may report them immediately to the responsible engineer or the Occupational Safety and Health Department, or raise them during their department's daily or weekly routine meetings. To eliminate employees' concerns about reporting, Tang Eng strictly implements its whistleblower protection provisions, which expressly prohibit any form of retaliation. The Company shall not dismiss, demote, reduce the salary of, or otherwise deprive any employee of the rights and interests to which they are entitled as a result of making a report. The Company is committed to building a workplace safety net that fosters a high level of psychological safety.

Crisis Response Performance: Cold Rolling Mill Equipment Incident and Systematic Improvement Measures

In response to an unexpected operational challenge, Tang Eng demonstrated strong crisis response capabilities and production scheduling resilience. At the end of 2025, a localized fire occurred involving the No. 3 cold rolling machine at the Rolling Mill. Following a comprehensive joint investigation conducted by the Company and the Fire Investigation Division of the Fire Bureau, the root cause of the fire was determined to be the lateral deviation of a steel strip during the rolling process, causing it to come into contact with the support arm of the coiler mandrel and generate excessive heat.

As a result of the Company's effective on-site emergency response, no personnel were injured in the incident. Although the No. 3 machine was temporarily shut down due to equipment damage, Tang Eng immediately activated its production contingency mechanism. Production was immediately transferred to the No. 1 and No. 2 machines, whose combined capacity was sufficient to fully support the production of products with standard 2B and 2D finishes, ensuring that customer delivery schedules and the Company's operations were not affected.

Guided by the principle of learning from experience and pursuing continuous improvement, the Company's Occupational Safety and Health Department and engineering units have comprehensively developed and implemented the following systematic preventive and improvement measures in response to this incident:

1.Hardware Protection Upgrades: Considering that smoldering fires within exhaust ducts are difficult to extinguish directly, a CO_2 fire suppression system will be installed in the exhaust ducts to establish a more effective initial fire suppression mechanism.

2.Exhaust System Optimization: To enhance both environmental protection and operational safety, the design of the exhaust hood will be re-evaluated and modified, or the exhaust airflow will be increased, to prevent excessive dispersion of oil mist particulates during production or their accumulation within the exhaust hood.

3.Strengthening Standard Operating Procedures and Personnel Training: The standard operating procedures will be revised to require operators to immediately implement a gradual speed reduction response whenever signs of steel strip deviation are observed during production, thereby eliminating at the source the risk of excessive friction caused by high-speed operation.

Contractor Safety Supervision

Tang Eng places great importance on contractor safety management and therefore adopts a strategy that places equal emphasis on guidance, inspections, and safety awareness promotion to strengthen contractors' occupational safety awareness. The selection of contractors is based on the Company's procurement regulations. In addition to establishing relevant requirements, contractors are also required to obtain named group accident insurance or employer's liability insurance with coverage of NT$5 million or above. When participating in the bidding process, contractors are required to submit valid Occupational Safety and Health Education and Training Certificates, together with labor insurance or employment insurance enrollment documentation verifying that the certificate holder is employed by the bidding contractor, or documentary proof of the bidding contractor's legal representative, for review. Accordingly, contractor guidance, inspections, and safety awareness promotion are incorporated into each individual procurement project. For projects involving on-site operations, in addition to requiring the successful bidder to participate in the Occupational Safety and Health Coordination Organization meetings, Tang Eng also provides various on-the-job training programs, including training for crane operators and forklift operators, to assist successful bidders in receiving more comprehensive occupational safety education.

Construction contractors are also closely monitored and subject to enhanced safety management. The Contractor Management Rules are incorporated into procurement documents, contract award procedures, and contractor agreements to strengthen contractor management. The Occupational Safety and Health Department communicates contractors' responsibilities, and, where necessary, provides assistance, training, and guidance on improvements to support the effective implementation of the Company's environmental protection, safety, and occupational health policies. Examples include safety precautions for hazardous machinery operations, confined space operations, electrical work, hot work, and work at heights to ensure construction safety.

The Occupational Safety and Health Department prepares an annual education and training plan at the beginning of each year in accordance with the requirements of Article 19 of the Regulations for Occupational Safety and Health Education and Training. On-the-job refresher training is provided in accordance with the validity period of the relevant certifications. Training courses include refresher training for crane operators, forklift operators, crane signalers, scaffold operations, oxygen-deficient operations, dust operations, specified chemical substance operations, and first aid personnel.

3.6.4 Occupational Safety and Health Activities

Tang Eng conducts annual on-the-job training to enhance employees' work efficiency and enhance workplace safety. When necessary, employees are also assigned to attend external training courses, such as fixed crane operation, forklift operation, and fire safety, to further enhance their job skills. In addition, the Company provides occupational safety and health education, training, and awareness activities with the aim of enhancing occupational safety and health awareness among relevant personnel and to jointly create a safe and secure working environment. In 2025, the Company organized 11 training programs and 16 large-scale training sessions, with a total of 828 participant attendances.

2025 Statistics on Occupational Safety and Health On-the-Job Training		
Training Program	**Training Hours**	**Number of Participants**
General Occupational Safety and Health Training – Occupational Accident Awareness (Session 1)	3	91 participants / 1 session (90 males, 1 female)
On-the-Job Training for Occupational Safety and Health Committee Members	3	82 participants / 1 session (78 males, 4 females)
General Occupational Safety and Health Training – Occupational Accident Awareness (Session 2)	3	75 participants / 1 session (69 males, 6 females)
General Occupational Safety and Health Training – Workplace Motivation	3	67 participants / 1 session (62 males, 5 females)
General Occupational Safety and Health Training – Occupational Injury Rehabilitation Awareness	3	29 participants / 1 session (27 males, 2 females)
General Occupational Safety and Health Training – Traffic Safety Awareness	3	43 participants / 1 session (42 males, 1 female)
Respiratory Protective Equipment Fit Testing and Awareness	3	24 participants / 1 session (23 males, 1 female)
On-the-Job Training for Fixed Overhead Crane (Session 1)	3	77 participants / 1 session (77 males, 0 females)
On-the-Job Training for Fixed Overhead Crane (Session 2)	3	66 participants / 1 session (66 males, 0 females)
On-the-Job Training for Fixed Overhead Crane (Session 3)	3	77 participants / 1 session (77 males, 0 females)
On-the-Job Training for Fixed Overhead Crane (Session 4)	3	70 participants / 1 session (70 males, 0 females)
On-the-Job Training for Oxygen-Deficient Operations Supervisors	6	19 participants / 1 session (18 males, 1 female)
Internal Auditor Training for the ISO 45001 Occupational Safety and Health Management System	6	35 participants / 1 session (30 males, 5 females)
Radiation Safety Training (Session 1)	3	20 participants / 1 session (20 males, 0 females)
Radiation Safety Training (Session 2)	3	18 participants / 1 session (18 males, 0 females)
Defensive Driving Awareness	2	35 participants / 1 session (28 males, 7 females)
Total: 16 Training Sessions	53	828 participants (796 males, 32 females)

Notes:
1.Includes both employees and non-employees whose work and/or workplaces are under the control of the Company.
2.Non-employees whose work and/or workplaces are under the control of the Company include contractors and subcontractors, such as security guards, cleaning personnel, and construction workers.
3.Occupational safety and health education and training includes both general training and training on specific occupational hazards and hazardous situations.
4.General Occupational Safety and Health Training – Occupational Health Awareness was delivered by the Company's on-site occupational medicine specialist; therefore, no training expenses were incurred.
5.General Occupational Safety and Health Training – Occupational Accident Awareness (2 sessions) and On-the-Job Training for Occupational Safety and Health Committee Members were conducted through occupational safety and health awareness seminars held on-site by inspectors from the Manufacturing Division of the Labor Inspection Office at the Company's request to enhance occupational safety and health awareness among all personnel at the production site.


On-the-Job Training for Fixed Overhead Crane (Session 1)


On-the-Job Training for Fixed Overhead Crane (Session 3)



Traffic Safety Awareness



General Occupational Safety and Health Training – Occupational Accident Awareness



General Occupational Safety and Health Training – Occupational Injury Rehabilitation Awareness



General Occupational Safety and Health Training – Occupational Accident Awareness (Session 2)



General Occupational Safety and Health Training – Occupational Injury Rehabilitation Awareness



General Occupational Safety and Health Training – Occupational Accident Awareness (Session 2)

Emergency Response Drills

To effectively manage accidents and emergency situations, Tang Eng has established the Emergency Response Management Regulations to ensure that appropriate response measures are taken in the event of accidents or emergency situations. Regular drills are conducted to familiarize personnel with response procedures. Environmental pollution aspects are also incorporated into the drill scenarios by including potential environmental considerations in the exercise content. Through drills based on different scenarios, the Company demonstrates its commitment and determination to environmental protection while enabling employees to become familiar with procedures for handling various emergency situations, thereby enhancing employees' emergency response capabilities. The aim is to reduce the severity of injuries, minimize losses to personnel and equipment, and mitigate the environmental impacts of accidents. In 2025, a total of nine emergency response drills were conducted across the Company's production sites and departments. The drill activities are illustrated below.



Briefing by Fire Department Personnel



Firefighting Drill



Fire Monitor Operation Drill



Post-Drill Review

3.6.5 Health Management and Care

【Health Management】

Item	Content
Medical Office	• The Company retains an occupational medicine specialist who provides on-site services once a month for approximately three hours per visit. • The Medical Office is staffed by one nurse, who provides occupational health services. • In 2025, there were 52 physician consultations, 12 on-site physician service visits, 936 occupational health nurse consultation services, and 4 return-to-work services for employees recovering from occupational injuries. • In 2025, the Maternal Health Protection Program included four cases. Following assessments by the occupational medicine specialist, all cases were classified as Level 1 management, and no work adjustments were required. The return-to-work rate following parental leave in 2025 was 100%.
Health Management and Follow-Up	• Provide individual health guidance and follow-up on abnormal health examination results. • One physician consultation session on health examination reports is conducted annually.
Statistical Analysis of Health Examination Reports	Prepare statistical analysis reports as a basis for occupational disease research and health promotion initiatives.
Health Risk Assessment	• Implement the Tang Eng Program for the Prevention of Diseases Caused by Abnormal Workloads. • Implement the Tang Eng Women's Health Protection Implementation Program. • Employees identified as having higher health risks based on their health examination results are referred to the Company's contracted occupational medicine specialist for consultations and health guidance.

Item	Content
Cancer Screening	・Four major cancer screenings: Annual screenings are conducted for oral cancer, colorectal cancer, cervical cancer (for women), and breast cancer. ・Cancer biomarker screening: During the annual health examination, additional tests are included for carcinoembryonic antigen (CEA), alpha-fetoprotein (AFP), prostate-specific antigen (PSA, for men), cancer antigen 125 (CA-125, for women), cancer antigen 15-3 (CA 15-3), and cancer antigen 19-9 (CA 19-9).
Communicable Disease Prevention and Control	・Provide disease prevention and control awareness, conduct epidemiological investigations, carry out environmental disinfection, and provide health management and examinations for affected employees and their close contacts. ・Conduct dengue fever prevention awareness activities, inspect and remove standing water containers throughout the production site, and perform periodic environmental spraying and disinfection.
Worksite Visitss	Conduct annual workplace visits jointly with occupational safety and health personnel and conduct health promotion awareness activities.
Environmental Monitoring	Conduct periodic work environment monitoring in accordance with applicable occupational safety and health regulations, including on-site monitoring of dust-generating operations, high-temperature operations, designated chemical substances, noise operations, and indoor carbon dioxide concentrations in centrally air-conditioned areas. All monitoring results met the applicable standards in 2025.
Emergency Medical Response	・First-aid personnel training: A total of 102 first-aid personnel are assigned to various departments and receive periodic refresher training. Emergency medical equipment: 1.Automated External Defibrillator (AED): Installed at the Main Gate Guard Station to provide 24-hour emergency rescue. 2.Amputated Limb Preservation Kits: Located at the Main Gate Guard Station, Side Gate Guard Station, and Medical Office. 3.First-aid Kits: Placed in work areas throughout each department according to operational needs, and regularly replenished and updated.



Health Promotion Awareness – Workplace Motivation and Stress Relief



Health Promotion Awareness – Workplace Motivation and Stress Relief



Health Promotion Awareness – Occupational Health Practices



Health Promotion Awareness – Occupational Health Practices

【Health Examinations】

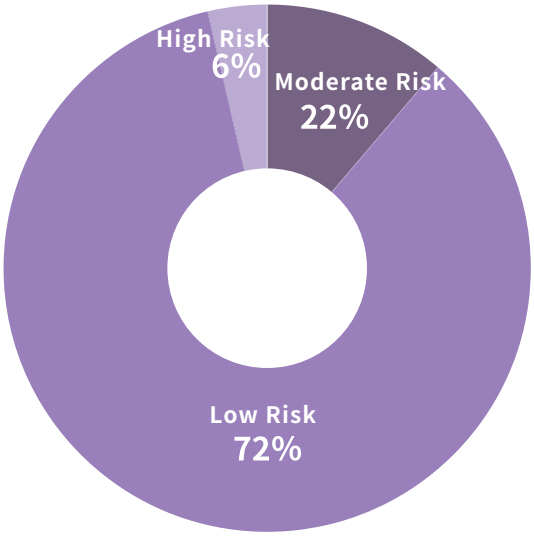
Based on the health examination results, the on-site occupational health nurse includes employees with abnormal health examination results in the individual health management and follow-up program and provides relevant health consultation services to safeguard employees' physical and mental well-being.

Summary of Employee Health Examinations			
Year	2023	2024	2025
Number of Employees Receiving Health Examinations	620	575	582

The Company has three categories of special hazardous operations at its production site: nickel operations, dust operations, and ionizing radiation operations. In 2025, a total of 132 employees engaged in special hazardous operations underwent special health examinations, of whom 115 were classified under Level 2 health management. Following the annual health examinations each year, the Framingham Risk Score (FRS) assessment tool was used to identify employees at high risk of cardiovascular disease. In 2025, a total of 31 employees were identified as being at high risk. In addition to health management provided by the on-site occupational health nurse, occupational safety and health personnel and Class A occupational safety and health supervisors at the production site also conduct regular work environment monitoring and strengthen site inspections to safeguard the physical and mental well-being of high-risk workers. To ensure a safe work environment, the Company conducts regular work environment monitoring. Monitoring items include high-temperature operations, noise, dust, designated chemical substances, and indoor carbon dioxide concentrations in centrally air-conditioned workplaces. All monitoring results met the applicable standards in 2025. Source control measures are implemented for high-risk operations with the potential to cause occupational diseases. These measures include chemical hazard classification and management, the development of sampling strategies for work environment monitoring, and ergonomic hazard investigations. In addition, the on-site occupational health nurse and the Company's contracted occupational medicine specialist conduct on-site work environment assessments

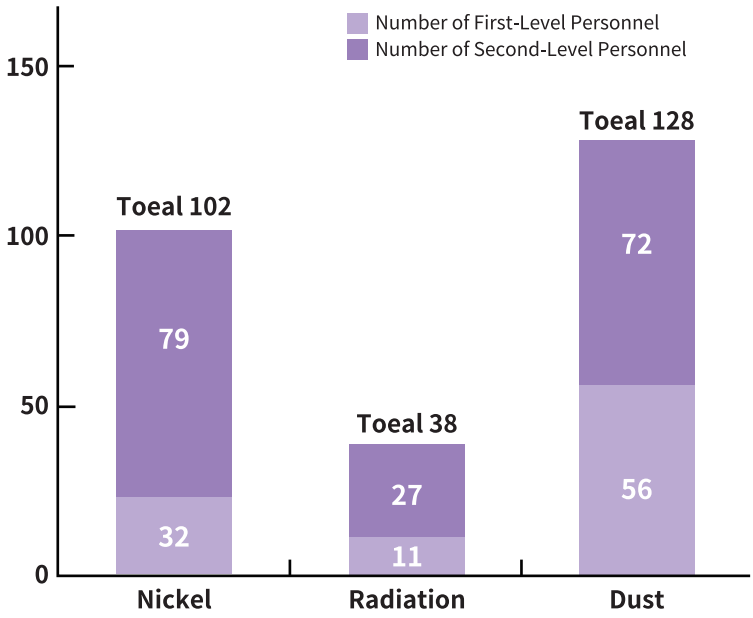
Distribution of 10-Year Predicted Cardiovascular Risk in 2025

Risk Level	Low Risk	Moderate Risk	High Risk
Number of Employees	403	123	31
Number of Employees Receiving Health Examinations	557	557	557
Percentage (%)	72.35%	22.08%	5.57%
Health Management Measures	Ongoing Observation and Follow-Up	Health Education or Telephone Follow-Up	Physician Consultation and Guidance



Note: In accordance with the Tang Eng Program for the Prevention of Diseases Caused by Abnormal Workloads, the Framingham Risk Score (FRS) is used to estimate the predicted 10-year risk of developing cardiovascular disease based on six indicators: age, total cholesterol, high-density lipoprotein (HDL) cholesterol, blood pressure, diabetes, and smoking status. A predicted 10-year cardiovascular risk of more than 20% is classified as high risk. (Not applicable to employees under 30 years of age.)

Statistical Analysis of Level 2 Health Management for Special Hazardous Operations in 2025



Definitions of Health Management Levels

Level 1 Health Management

The results of the special health examination or health follow-up examination indicate that all items are normal, or that some items are abnormal but are determined to be normal based on the physician's overall assessment.

Level 2 Health Management

The results of the special health examination or health follow-up examination indicate that some or all items are abnormal and, based on the physician's overall assessment, the abnormalities are determined to be unrelated to work. (Personal health issues unrelated to work.)

Level 3 Health Management

The results of the special health examination or health follow-up examination indicate that some or all items are abnormal and, based on the physician's overall assessment, the abnormalities are determined to be present; however, their relationship to work cannot be determined. Further evaluation by an occupational medicine specialist should be conducted.

Level 4 Health Management

The results of the special health examination or health follow-up examination indicate that some or all items are abnormal and, based on the physician's overall assessment, the abnormalities are determined to be work-related.

Major Examination Items for General Health Examinations

Examination Item	
1.Physical Examination of Body Systems and Regions	13.Cardiac Function Tests
2.General Physical Examination	14.Hepatitis C Screening
3.Ophthalmic Examination	15.Cancer Screening
4.Otolaryngology Examination	16.Electrolyte Tests
5.Complete Blood Count (CBC)	17.Routine Urinalysis
6.Liver and Gallbladder Function Tests	18.Electrocardiography (ECG)
7.Kidney Function Tests	19.Chest X-ray Examination (Large-Format Digital Radiography)
8.Gout and Arthritis Screening	20.Bone Mineral Density Examination
9.Blood Lipid Tests	21.Pulmonary Function Tests
10.Diabetes Screening	22.Special Blood Tests
11.Thyroid Function Tests	23.Abdominal Ultrasonography (Optional)
12.Pancreatic Function Tests	24.10-Year Risk Assessment for Coronary Heart Disease

Special Health Examination Items for Special Hazardous Operations

Category Code	Examination Subjects	Examination Items
03	Workers Engaged in Ionizing Radiation Operations	1.Assessment of work history, lifestyle habits, and self-reported symptoms. 2.Assessment of past medical history involving the hematologic, dermatologic, gastrointestinal, pulmonary, ophthalmic, endocrine, and r eproductive systems. 3.Physical examination of the head, neck, eyes (including cataracts), skin, heart, lungs, thyroid gland, nervous system, digestive system, urinary system, bones, joints, and musculoskeletal system. 4.Mental and psychological examination. 5.Chest X-ray examination (large-film radiography). 6.Thyroid function tests (free T4 and TSH). 7.Serum alanine aminotransferase (ALT) and serum creatinine tests. 8.Tests for red blood cell count, hemoglobin, hematocrit, white blood cell count, white blood cell differential count, and platelet count. 9.Urinalysis, including urine protein, urine glucose, occult blood, and microscopic examination of urine sediment.
23	Workers Engaged in Dust Operations as Defined in the Standards for the Prevention of Dust Hazards	1.Assessment of work history, lifestyle habits, and self-reported symptoms. 2.Assessment of past medical history of tuberculosis, asthma, pneumoconiosis, heart disease, and other related diseases. 3.Physical examination of the respiratory and cardiovascular systems. 4.Chest X-ray examination (large-film radiography). 5.Pulmonary function tests, including forced vital capacity (FVC), forced expiratory volume in one second (FEV1.0), and FEV1.0/FVC.
26	Workers Engaged in the Manufacture, Handling, or Use of Nickel and Its Compounds	1.Assessment of work history, lifestyle habits, and self-reported symptoms. 2.Assessment of past history of respiratory symptoms. 3.Physical examination of the nasal cavity, skin, respiratory tract, gastrointestinal tract, and nervous system. 4.Chest X-ray examination (large-film radiography). 5.Urinalysis, including urine protein, urine occult blood, and microscopic examination of urine sediment. 6.Serum creatinine test. 7.Tests for hematocrit, hemoglobin, red blood cell count, and white blood cell count. 8.Pulmonary function tests, including forced vital capacity (FVC), forced expiratory volume in one second (FEV1.0), and FEV1.0/FVC. 9.Urinary nickel test.

The employee health examination satisfaction survey for 2025 was conducted from May 10 to June 18, 2025. The survey covered all 44 first- and second-level organizational units of the Company and all employees, with questionnaires administered to all employees. Employee health examination satisfaction surveys are conducted on an ad hoc basis, depending on the implementation of the annual health examination.

In the 2025 employee health examination satisfaction survey, all satisfaction indicators exceeded 90%, with the highest approaching 94%, indicating that the health examinations conducted in 2025 met the needs of the majority of employees. However, the satisfaction scores for the health examination process and physician examinations were both below 91%. The Company concluded that this was likely due to the number of employees undergoing examinations within a short period exceeding the capacity of individual examination stations. During the next annual health examination, the Company plans to explain to each organizational unit in advance that the purpose of the physician examination is to understand examinees' medical history, current symptoms, lifestyle habits, and family medical history, to assess potential disease risks, and to provide personalized health recommendations. This is intended to correct the misconception that the physician examination is the final step in the health examination process, thereby enabling the flexible adjustment of the number of examinees at each examination station and reducing waiting times.

Notes:
The hospital awarded the health examination contract applies directly to the Bureau of Labor Insurance for reimbursement of the costs of special health examinations.
As health examination services are procured through a public tender process, disclosure of the contract amount and the number of examinees may affect the contract award amount in the following year and is therefore considered inappropriate.

Health Promotion

Based on the statistical results of health examinations conducted over the years, the Company's average employee age is 50.12 years, which is relatively high. In addition, shift work, prolonged sedentary work, insufficient physical activity, unhealthy dietary habits, and other unhealthy lifestyle factors have contributed to health risks. Accordingly, in recent years, the Company's health promotion initiatives have primarily focused on weight management and the prevention and management of the "three highs" (hypertension, hyperglycemia, and hyperlipidemia). In addition to conducting periodic health examinations, the Company has established the Labor Health Service Program and the Program for the Prevention of Diseases Caused by Abnormal Workloads to implement health management and health promotion. According to the statistical analysis report of the 2025 health examinations, the prevalence of obesity (BMI $\geq$ 30) increased by approximately 2.3%, while the proportion of employees at high cardiovascular risk reached 5.57%. Of the 31 employees identified as being at high cardiovascular risk, 24 received health promotion and risk reduction counseling from the Company's on-site physician, while the remaining employees are followed up regularly through the Company's health management system.

Health Education
• Individual health education consultations provided by medical personnel. • Health promotion seminars. • Display of informational posters. • Distribution of health education leaflets. • Health education materials available for download from the Company's website.

3.6.6 Occupational Disease Prevention

To prevent occupational diseases at their source, the Company implements source control measures for high-risk operations with the potential to cause occupational diseases. These measures include chemical hazard classification and management, the development of sampling strategies for work environment monitoring, and ergonomic hazard investigations. In addition, contracted occupational medicine specialists conduct on-site work environment assessments. Employees engaged in operations involving special health hazards are required to undergo special health examinations. Based on the health examination results, health management is implemented according to the corresponding management level, and employees identified as high risk are provided with physician consultations and individualized health education. In accordance with the Regulations for the Protection of Worker Health, employees are provided with special physical examinations upon employment or reassignment to operations involving special health hazards. In addition to individual case management, occupational medicine specialists provide one-on-one health education consultations and conduct on-site assessments of the nature of the work and the work environment, together with recommendations for improvement. For the management of chemical and dust hazards, chemicals are classified according to their health hazard classifications, dispersion characteristics, and usage quantities, and classified according to their risk levels. Appropriate engineering controls or management measures are then implemented based on the corresponding risk classification.

For ergonomic hazard prevention and management, ergonomic hazards are assessed using ergonomic hazard analysis forms to establish priorities for improvement. In accordance with the Guidelines for the Prevention of Diseases Caused by Abnormal Workloads under the Occupational Safety and Health Act, the Company implements a program for the prevention of diseases caused by abnormal workloads. Health examination results, Framingham Risk Score (FRS) assessments, questionnaires, and working hours are analyzed to identify employees requiring preventive management for work overload. Employees identified as high- or moderate-risk cases are scheduled to receive on-site evaluations and consultations from the Company's contracted occupational medicine specialist. Employees are also encouraged to participate in health promotion activities. Through health education, employee care, and health risk management, the Company aims to reduce the occurrence of occupational accidents and injuries.

Chemical and Dust Hazard Management	Chemicals are classified according to their health hazard classifications, dispersion characteristics, and usage quantities, and classified according to their risk levels. Appropriate engineering controls or management measures are implemented based
Workplace Violence Prevention and Management	To prevent workplace violence, the Company provides education and training programs to prevent workplace bullying. It also establishes management regulations, conducts briefing sessions, carries out hazard identification, performs workplace layout assessments, and reviews the appropriateness of personnel work assignments with respect to occupational safety and health.on the corresponding risk classification.
Work Environment Monitoring	Work environment assessments are conducted, work environment monitoring plans are developed, and work environment monitoring is carried out with subsequent analysis of the monitoring results. Monitoring includes on-site measurements of dust operations, high-temperature operations, designated chemical substances, noise operations, and carbon dioxide levels in centrally air-conditioned indoor workplaces. All monitoring results in 2025 met the applicable standards.
Work Overload Prevention and Management	Health examination results, Framingham Risk Score (FRS) assessments, questionnaires, and working hours are analyzed to identify employees requiring preventive management for work overload.
Ergonomic Hazard Prevention and Management	Ergonomic hazards are evaluated using ergonomic hazard analysis forms to establish priorities for improvement.
Maternal Health Protection for Female Workers	From the beginning of pregnancy, female employees are provided with care and support by the on-site occupational health nurse to ensure that prenatal examinations are completed as scheduled. The Company's contracted occupational medicine specialist conducts consultations, as appropriate, to provide health guidance. With the assistance of the Occupational Safety and Health Department, work environment and job suitability assessments are conducted. During the breastfeeding period following childbirth, the Company provides a lactation room to enable female employees to work with peace of mind while continuing to breastfeed. In 2025, the Company's Maternal Health Protection Program covered four cases. Following evaluations by the Company's contracted occupational medicine specialist, all cases were classified as Level 1 health management, and no work adjustments were required.
Respiratory Protection Program Management	When employees work in hazardous environments, they select appropriate respiratory protective equipment according to the airborne particulates, gases, vapors, or other hazardous substances present in the workplace. Appropriate respiratory protection measures are then implemented to protect employee health and prevent occupational accidents and injuries.

Employee Occupational Disease Statistics in 2025

Category	Item	2023	2024	2025
Total Working Hours	Female Working Hours	117,712	112,840	112,480
	Male Working Hours	1,020,191	1,023,068	1,058,691
	Total Working Hours	1,137,903	1,135,908	1,171,171
Number of Fatalities Due to Occupational Disease	Female Fatalities	0	0	0
	Male Fatalities	0	0	0
	Total Fatalities	0	0	0
Number of Recordable Occupational Disease Cases	Female Cases	0	0	0
	Male Cases	0	0	0
	Total Cases	0	0	0
Fatal Occupational Disease Rate		0	0	0
Recordable Occupational Injury Rate		0	0	0

Notes:
1. Occupational Disease Rate = (Total Occupational Disease Cases ÷ Total Working Hours) × 1,000,000
2. Fatal Occupational Disease Rate = (Number of Fatalities Due to Occupational Diseases ÷ Total Working Hours) × 1,000,000
3. Recordable Occupational Disease Rate = (Number of Recordable Occupational Disease Cases ÷ Total Working Hours) × 1,000,000

Non-Employee Occupational Disease Statistics in 2025

Category	Item	2023	2024	2025
Total Working Hours	Female Working Hours	9,850	9,680	7,800
	Male Working Hours	217,102	210,743	156,497
	Total Working Hours	226,952	22,042	164,297
Number of Fatalities Due to Occupational Disease	Female Fatalities	0	0	0
	Male Fatalities	0	0	0
	Total Fatalities	0	0	0
Number of Recordable Occupational Disease Cases	Female Cases	0	0	0
	Male Cases	0	0	0
	Total Cases	0	0	0
Fatal Occupational Disease Rate		0	0	0
Recordable Occupational Injury Rate		0	0	0

Notes:
1. Occupational Disease Rate = (Total Occupational Disease Cases ÷ Total Working Hours) × 1,000,000
2. Fatal Occupational Disease Rate = (Number of Fatalities Due to Occupational Diseases ÷ Total Working Hours) × 1,000,000
3. Recordable Occupational Disease Rate = (Number of Recordable Occupational Disease Cases ÷ Total Working Hours) × 1,000,000



4 S Social Engagement – Giving Back and Shared Prosperity

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Chapter 4

S Social Engagement – Giving Back and Shared Prosperity

4.1 Philosophy and Programs for Promoting Social Welfare

For more than 80 years, Tang Eng has remained steadfast in its operations, and its mission of giving back to society has never changed. The Company actively fulfills its corporate social responsibility by supporting social welfare initiatives and supporting a wide range of public welfare activities. The Company has cultivated a corporate culture of "caring for disadvantaged groups and giving back to local communities." Through sponsorships and various forms of support, the Company supports neighboring communities surrounding its production site in Kaohsiung by sponsoring or assisting in organizing public welfare and various community activities, while encouraging employees to actively participate in charitable activities and do their part to help those in need. Over the years, these efforts have earned sustained attention and recognition from local communities.

While creating profits, increasing revenue, and fulfilling its responsibilities to shareholders, the Company also assumes its social responsibilities to employees, communities, and the environment. These responsibilities include adhering to business ethics, ensuring production safety, providing employees with a safe working environment, protecting the environment, supporting charitable initiatives, contributing to public welfare, and assisting disadvantaged groups. In fulfilling its responsibilities to communities and the environment, Tang Eng fulfills the expectations of local communities and society through a wide range of initiatives, including environmental issues, care for disadvantaged groups, cultural promotion, the promotion of sports activities, and support for community development. As one of Taiwan's representative steel companies, Tang Eng contributes to Taiwan's economic development while also giving back with care to the land where it has taken root.

Mission and Vision

Tang Eng's mission with respect to corporate social responsibility is to do its part to help disadvantaged groups in society receive greater attention and assistance, thereby inspiring others to follow its example. The Company's vision is to effectively reduce greenhouse gas emissions through various energy conservation and carbon reduction measures, thereby reducing the impacts of climate change around the world. Through these efforts, Tang Eng aspires to leave a better living environment for future generations.

Promotion of Environmental Protection Initiatives

Promoting energy conservation, carbon reduction, and environmental greening in neighboring communities is one of the Company's key areas of focus. Global climate change caused by the greenhouse effect has resulted in increasingly frequent extreme weather events, including abnormally heavy rainfall, droughts, and expanding desertification, all of which have significant impacts on social and economic activities and human safety around the world. If left unaddressed, the entire world will pay a tremendous price. Accordingly, Tang Eng is committed to promoting energy conservation and carbon reduction initiatives, as well as community environmental greening, in neighboring communities with the goal of achieving tangible carbon reductions. To provide future generations with a better living environment, protecting the Earth's ecological environment is an urgent responsibility for us all.

Promotion of Cultural Activities

Cultural Promotion Activities for the National Historic Monument: Taiwan Renga Company Takao Factory (Zhongdu Tang Eng Brick Kiln)

The Zhongdu Tang Eng Brick Kiln, formerly known as the Samejima Brick Factory, was established in 1899 by the Japanese businessman Samejima Mori. Its smokestack, emitting plumes of smoke beside the Love River in Sankuaicuo, marked the beginning of Kaohsiung's modern architectural development. From the Samejima Brick Factory during the Japanese colonial period, through the Taiwan Renga Kaohsiung Factory, and into Taiwan's post-war economic miracle of the 1950s and 1960s, the Zhongdu Tang Eng Brick Kiln played a key role in the development of Taiwan's modernization.



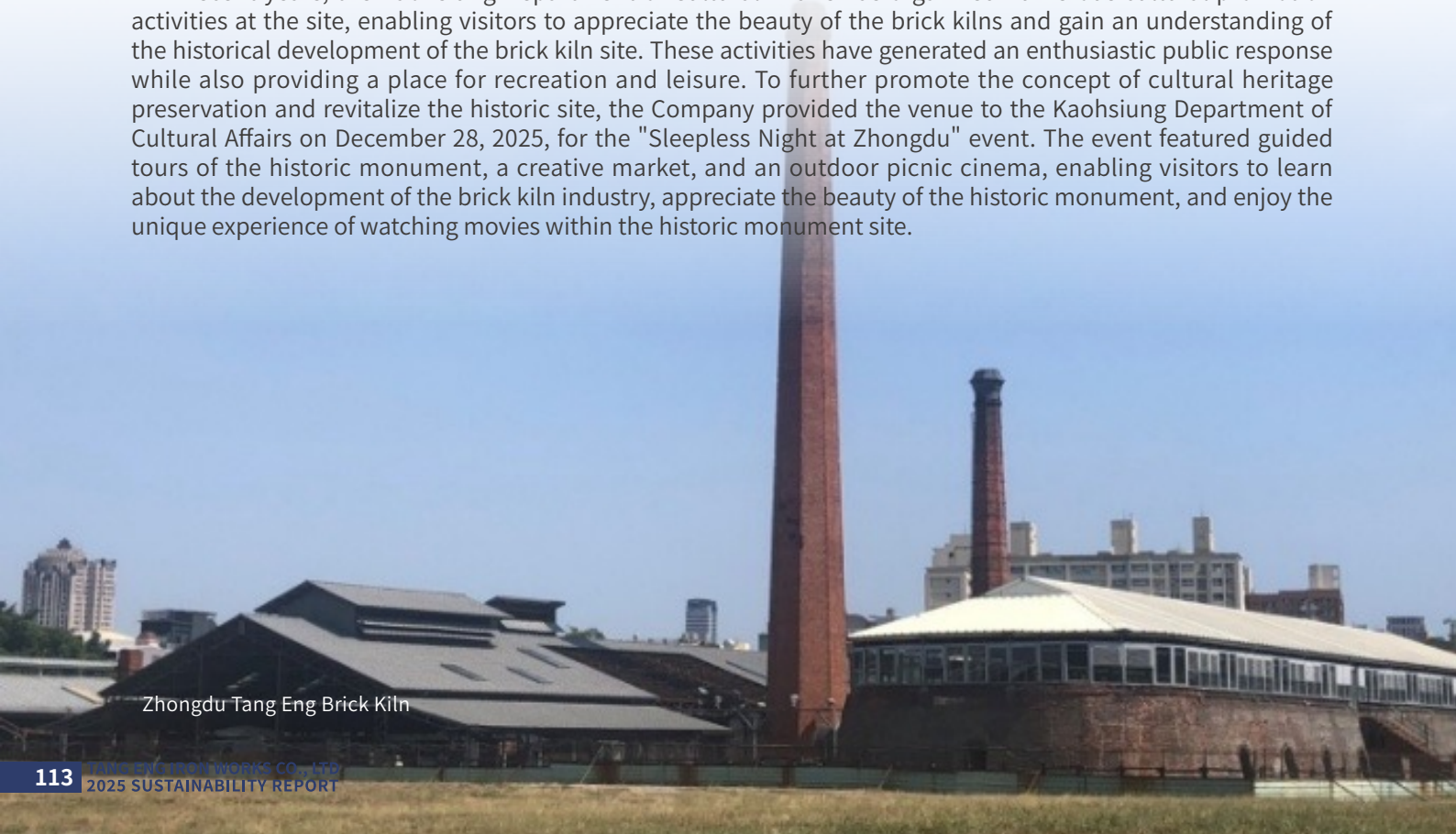
Hoffmann Kiln (Octagonal Kiln)

Owing to their long history, Tang Eng's Zhongdu Brick Kiln and Red Brick Office have preserved representative industrial heritage, including their smokestacks and factory buildings, which bear witness to the development of Kaohsiung's industry. In 2005, the site was designated as a Cultural Preservation Area. The facilities within the area include the Hoffmann Kiln, the North Chimney and the South Chimney, three Downdraft Kilns, the Experimental Kiln, the Tunnel Kiln, and the Red Brick Office, all of which have been designated as National Historic Monuments by the Ministry of Culture.

To promote the effective utilization and sustainable preservation of the overall resources of the Zhongdu Tang Eng Brick Kiln, the Company donated, free of charge, a historic structure, the "Downdraft Kiln," located at the northeastern corner of the brick kiln site, to the Kaohsiung City Government in 2025, demonstrating the Company's commitment to supporting the preservation of the nation's cultural heritage and promoting cultural development. All donation formalities with the Kaohsiung City Government were completed in December 2025.

In support of the Government's policies for promoting culture and to encourage the public to experience and learn about brick kiln culture, the Company has long opened Phase I of the site (the Tunnel Kiln Area) to the public free of charge. Phase I, including the surrounding access areas, covers approximately 1,200 ping. Based on a conservative estimate using a nearby rental rate of NT$400 per ping per month, the annual value of the venue provided by the Company for cultural development is approximately NT$5.76 million. In addition, the Company provides the venue on an ad hoc basis to support cultural promotion activities organized by the Kaohsiung Department of Cultural Affairs.

In recent years, the Kaohsiung Department of Cultural Affairs has organized numerous cultural promotion activities at the site, enabling visitors to appreciate the beauty of the brick kilns and gain an understanding of the historical development of the brick kiln site. These activities have generated an enthusiastic public response while also providing a place for recreation and leisure. To further promote the concept of cultural heritage preservation and revitalize the historic site, the Company provided the venue to the Kaohsiung Department of Cultural Affairs on December 28, 2025, for the "Sleepless Night at Zhongdu" event. The event featured guided tours of the historic monument, a creative market, and an outdoor picnic cinema, enabling visitors to learn about the development of the brick kiln industry, appreciate the beauty of the historic monument, and enjoy the unique experience of watching movies within the historic monument site.



Zhongdu Tang Eng Brick Kiln


Interior of the Hoffmann Kiln


Guided Tour


Film Screening


Film Screening



Creative Market


Creative Market

4.2 Participation in Public Welfare Activities

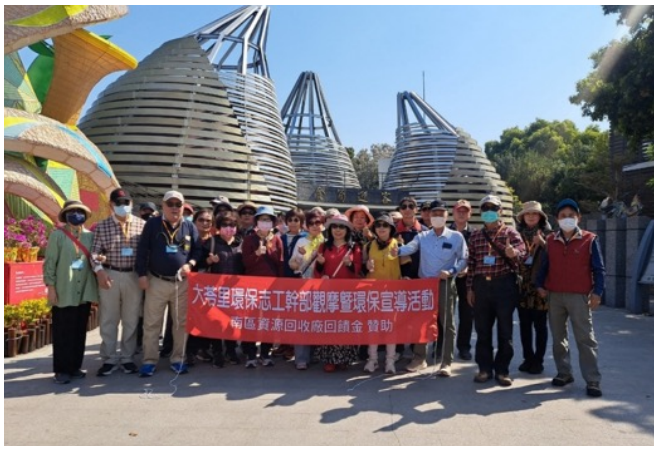
Since its establishment, Tang Eng has continuously fulfilled its corporate social responsibility through cultural and social education and the spirit of serving and giving back to local community residents. The Company deeply appreciates the importance of fulfilling its social responsibilities and spreading care throughout society. The Company will continue to exercise its corporate influence through various initiatives, fulfill its corporate social responsibility, and spread goodwill and care throughout society through concrete actions. Guided by its commitment to "caring for disadvantaged groups and giving back to local communities," Tang Eng continues to extend assistance to disadvantaged groups by providing financial support for related activities and fostering good relationships with neighboring communities to support local community development. The communities referred to herein are those surrounding the Company's Xiaogang operating site in Kaohsiung. The Company's public welfare activities include sponsoring community events to enrich the lives of residents in neighboring communities, including environmental awareness activities, children's drawing workshops, and programs caring for elderly members of the community. Through these various activities and programs, the Company contributes to building a better society.

2025 Community Activity Sponsorships

Organizing Organization	Activity	Amount (NT$)
Shanming Village Office, Xiaogang District, Kaohsiung City	Environmental Awareness Activity	10,000
Gangnan Village Office, Xiaogang District, Kaohsiung City	Volunteer Training Program	10,000
Daling Village Office, Xiaogang District, Kaohsiung City	Environmental Volunteer Training and Networking Program	10,000
Shandong Village Office, Xiaogang District, Kaohsiung City	Neighborhood Warden Training Program	10,000
Gangming Village Office, Xiaogang District, Kaohsiung City	Community Volunteer Networking and Energy Conservation and Carbon Reduction Awareness Activity	10,000
Ganghou Community Development Association, Xiaogang District, Kaohsiung City	Children's Drawing Workshop	8,000
Village Chiefs Association of Xiaogang District, Kaohsiung City	Study Visit	100,000
Songshan Village Office, Xiaogang District, Kaohsiung City	Environmental Study Tour for Volunteer Leaders in Northern Taiwan	10,000
Pingding Village Office, Xiaogang District, Kaohsiung City	Water Resources and Dengue Fever Prevention Awareness Activity	10,000
Jinan Village Office, Xiaogang District, Kaohsiung City	Neighborhood Wardens and Volunteer Fellowship Banquet	10,000
Daping Community Development Association, Xiaogang District, Kaohsiung City	Community Volunteer Study Tour and Environmental Awareness Activity	10,000
Erling Village Office, Xiaogang District, Kaohsiung City	Neighborhood Wardens and Volunteer Fellowship Banquet	10,000
Hongliang Village Office, Xiaogang District, Kaohsiung City	Ghost Festival Celebration and Pudu Ceremony	10,000
Shanming Village Office, Xiaogang District, Kaohsiung City	Domestic Violence Prevention Awareness Activity	10,000
Qianzhen Community Development Association, Qianzhen District, Kaohsiung City	2025 Mid-Autumn Festival Community Fellowship Event	20,000
Kongzhai Village Office, Xiaogang District, Kaohsiung City	Ghost Festival Celebration and Pudu Ceremony	10,000
Shunling Village Office, Xiaogang District, Kaohsiung City	Volunteer Training Program	10,000
Fengyuan Village Office, Xiaogang District, Kaohsiung City	Neighborhood Wardens and Volunteer Dinner Gathering	10,000
Gaosong Village Office, Xiaogang District, Kaohsiung City	Double Ninth Festival and Community Patrol Team Banquet	10,000
Taishan Village Office, Xiaogang District, Kaohsiung City	Year-End Banquet for Volunteers and Neighborhood Wardens	10,000
Daping Community Development Association, Xiaogang District, Kaohsiung City	Community Volunteer Fellowship and Environmental Awareness Activity	20,000
Sanling Village, Xiaogang District, Kaohsiung City	Neighborhood Wardens and Volunteer Banquet	10,000
Gangzheng Village, Xiaogang District, Kaohsiung City	Neighborhood Wardens and Volunteer Banquet	10,000
Hezuo Village, Xiaogang District, Kaohsiung City	Neighborhood Wardens and Volunteer Banquet	10,000
Xiazhuang Village, Xiaogang District, Kaohsiung City	Year-End Banquet for Neighborhood Wardens and Volunteers	10,000
Guilin Village, Xiaogang District, Kaohsiung City	Neighborhood Wardens and Volunteer Banquet	10,000
Zhongcuo Village, Xiaogang District, Kaohsiung City	Neighborhood Wardens and Volunteer Banquet	10,000
Gangqian Village, Xiaogang District, Kaohsiung City	Neighborhood Wardens and Volunteer Banquet	10,000

2025 Public Welfare Activity Sponsorships

Organizing Organization	Activity	Amount (NT$)
Genesis Social Welfare Foundation	"Love Through Theater" ESG Charity Children's Theater Performance	50,000
Kaohsiung Association for the Promotion of Good Deeds	Charitable Donation	10,000
Third Brigade, Kaohsiung City Volunteer Fire Corps	Blood Donation Drive	30,000
Tang Eng Iron Works Co., Ltd.	Blood Donation Drive at the Zhongdu Tang Eng Brick Kiln	180,000





Daling Village Environmental Volunteer Fellowship Activity

Introduction to Tang Eng's Public Welfare Activities

Blood Donation Drive at the Zhongdu Tang Eng Brick Kiln

In response to the call, "Donate Blood, Save a Life," Tang Eng held a blood donation drive from 9:00 a.m. to 5:00 p.m. on October 18, 2025, beside the Red Brick Office at the Zhongdu Tang Eng Brick Kiln. In addition to encouraging employees to participate in the blood donation drive, the Company mobilized employees in advance to visit village chiefs in neighboring communities to promote the blood donation drive. Promotional posters were also displayed at businesses surrounding the brick kiln site, as well as on community bulletin boards and at community activity centers, with the aim of encouraging nearby residents to join the blood donation drive and help replenish the blood supply for local blood banks. Approximately 100 people participated in the event. However, as many participants were older, some did not meet the eligibility requirements for blood donation due to their physical condition. As a result, approximately 74 units of blood were collected.

To support the blood donation drive, Tang Eng provided antibacterial stainless steel cups, antibacterial chopstick sets, and 304 stainless steel vacuum flasks developed by the Company as gifts for blood donors. In addition to encouraging donors to drink more water for the benefit of their health, the Company also encouraged the public to use reusable tableware, thereby helping reduce single-use plastic waste and encouraging people to develop the habit of carrying reusable cups, reusable chopsticks, and vacuum flasks.

Blood donation benefits both recipients and donors. The basic health screening conducted before blood donation also enables donors to better understand their physical condition, including their blood pressure and hemoglobin levels, thereby enhancing health awareness. However, only individuals in good health are eligible to donate blood. Regular and appropriate blood donation not only helps others but also helps establish good personal health management habits. After blood donation, bone marrow stem cells accelerate blood cell production, promote blood metabolism, and promote healthy circulation. More importantly, blood donation can help save the lives of injured and ill patients.













Photos of the Blood Donation Drive

4.3 Tang Eng Cultural and Educational Public Welfare Foundation

The Tang Eng Cultural and Educational Public Welfare Foundation was established in 1997. The Foundation's Board of Directors includes representatives of Tang Eng retirees, current employees, and others, and all directors serve on a voluntary basis. The Foundation was established to recognize outstanding employees of the Company, honor individuals who have made exceptional contributions to the steel industry, and provide care and financial assistance to economically disadvantaged college and university students.

For many years, the Tang Eng Cultural and Educational Public Welfare Foundation has remained committed to cultivating talent and supporting public welfare activities. Guided by the belief that corporate culture is the lifeblood of the Company's sustainable development, the Foundation plays an important role in building the Tang Eng culture and serves as a tangible symbol of promoting Tang Eng's corporate culture. Upholding the principle of "taking from society and giving back to society," the Foundation, with the support of employees and society, continues to fully perform its cultural, educational, and public welfare functions.

Board of Directors of the Tang Eng Cultural and Educational Public Welfare Foundation

Term of Office: From January 1, 2025 to December 31, 2027

Title	Name	Experience
Chairperson	Chao Chien-Tsai	Current Chairperson of Tang Eng
Managing Director	Chang Fu-Sheng	Former Chairperson of Tang Eng
Managing Director	Chung Tzu-Chiang	Former Chairperson of Tang Eng
Managing Director	Chen Chao-Hsiung	Former Deputy Manager of the Finance Department, Tang Eng
Managing Director	Chou Chi-Lin	Former Chief Engineer of Tang Eng
Director	Chou Ming-Hung	Current General Manager of Tang Eng
Director	Chen Jui-Yuan	Former Deputy General Manager of Tang Eng
Director	Tang Chi-Chin	Director of Tang Eng Paint Co., Ltd.
Director	Pan Yung-Shan	Former Deputy General Manager of Tang Eng
Director	Liu Chi-Ching	Deputy General Manager of Daheng Resources Co., Ltd.
Director	Liang Chin-Min	Former General Manager of Tang Eng
Director	Chen Cheng-Hsiung	Current Deputy General Manager of Tang Eng
Director	Chang Shun-Ching	Current Assistant Deputy General Manager of Tang Eng
Director	Chen Yu-Jen	Current Assistant Deputy General Manager of Tang Eng
Director	Hsiao Te-Hung	Current Senior Engineer of Tang Eng
Executive Supervisor	Liu Yueh-Chien	Current Deputy General Manager of Tang Eng
Supervisor	Chen Shih-Chen	Former Chairperson of the Labor Union, Tang Eng
Supervisor	Wu Yu-Chieh	Current Director of the Accounting Department, Tang Eng



The 1st Joint Meeting of the 10th Board of Directors and the 3rd Board of Supervisors



The 2nd Joint Meeting of the 10th Board of Directors and the 3rd Board of Supervisors

In 2025, the Foundation organized two employee recognition and public welfare activities:

(1) Recognition of Outstanding Employees

Award	Department	Name
Tang Eng Award	Finance Department	Ni Tuan-Yi
Contribution Award	Cold Rolling Plant	Yeh Wen-Shun, Hsieh Chin-Mu, Hsueh Tun-Jen; Lin Yi-Sheng, Wu Hsien-Chang
	Procurement Department	Hsu Wen-Hsin
	Production Planning Section	Hsieh Yuan-Chang, Hou Yi-Hsiang
	Environmental Protection Department	Huang Yi-Hua
New Employee Award	Production Planning Section	Hou Yi-Hsiang



Tang Eng Award-Ni Tuan-Yi



Contribution Award-Wu Hsien-Chang



Group Photo of All Outstanding Employees of Tang Eng in 2025

(2) Awarding Scholarships to Economically Disadvantaged Students, Employees, and Their Children

Year	Scholarship for Economically Disadvantaged Students			Scholarship for Employees and Their Children			
	Recipient		Average Score	Recipient		Average Score	Employee Name (Department)
2025	1st	Ou O-Man	99.20	1st	Chang O-Yu	85.28	Chang O-Ching(General Manager’ s Office)
	2nd	Huang O-Ying	95.10	2nd	Chen O-Hsuan	80.70	Chen O-Cheng(Rolling Mill Plant)
	3rd	Chen O-Yu	93.78				
	4th	Wang O-Chin	91.79				
	5th	Hsu O-Ting	91.50				
	6th	Chen O	91.17				
	7th	Su O-Jou	90.00				
	7th	Tsai O-Ting	90.00				

4.4 Participation in Industry and Professional Associations

The Tang Eng Cultural and Educational Public Welfare Foundation was established in 1997. The Foundation's Board of Directors includes representatives of Tang Eng retirees, current employees, and others, and all directors serve on a voluntary basis. The Foundation was established to recognize outstanding employees of the Company, honor individuals who have made exceptional contributions to the steel industry, and provide care and financial assistance to economically disadvantaged college and university students.

For many years, the Tang Eng Cultural and Educational Public Welfare Foundation has remained committed to cultivating talent and supporting public welfare activities. Guided by the belief that corporate culture is the lifeblood of the Company's sustainable development, the Foundation plays an important role in building the Tang Eng culture and serves as a tangible symbol of promoting Tang Eng's corporate culture. Upholding the principle of "taking from society and giving back to society," the Foundation, with the support of employees and society, continues to fully perform its cultural, educational, and public welfare functions.

Industry Associations, Other Membership Associations, and National or International Advocacy Organizations	Membership Status (Position Held)
Taiwan Steel & Iron Industries Association	Member
Kaohsiung Linhai Industrial Park Manufacturers’ Association	Director
Hsinchu County Industrial Park Manufacturers’ Association	Member
Kaohsiung City Industrial Association	Standing Director
Industrial Safety and Health Association of the Republic of China	Member
Southeast Asia Iron and Steel Institute (SEAISI)	Member





5 S+G Transformation Pillar – Supply Chain Connectivity

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Chapter 5

S+G Transformation Pillar – Supply Chain Connectivity

Material Topic 2: Customer Service Management

Material Topic	Customer Service Management
Reason for Materiality	Product quality is essential to effectively understanding market trends and maintaining competitiveness. Only through continuous quality improvement can the Company enhance customer satisfaction, strengthen customer loyalty, and at the same time create greater profitability and achieve sustainable operations.
Positive/ Negative Impacts	+：Enhanced market competitiveness -：Customer concerns leading to lower customer satisfaction +：Increased operating revenue -：Damage to the Company's reputation +：Enhanced customer satisfaction and strengthened customer loyalty +：Positive impacts；-：Negative impacts
Policy	The Company upholds its management philosophy of "Integrity, Respect, Efficiency, and Responsibility" and has established policies of legal compliance and due diligence, self-discipline and self-respect, and integrity and pragmatism to support sustainable development and safeguard the rights and interests of stakeholders.
Proactive Opportunity Management	The Company proactively builds relationships with customers on a periodic basis to understand their needs, enhance service quality, and improve satisfaction with the Company's cooperation.
Risk Prevention and Management	1. The Company has adopted a SWOT analysis approach to establish multiple response strategies. In addition to continuously improving the quality of its existing products, the Company is committed to developing differentiated and customized products to meet customers' special requirements and establish cooperation channels for new steel grades and new products. By coordinating the development of new steel grades with related business development, the Company aims to expand into blue ocean markets and enhance its competitiveness. 2. For products with special requirements, the Company proactively understands their intended applications and quality requirements to ensure that customers' needs are met. To achieve this objective, the Company engages in timely two-way communication with customers. 3. A cross-functional Quality Leadership Team has been established to conduct regular project reviews at meetings in order to meet customers' needs for continual quality improvement. 4. For customized, differentiated, or customer-specific products, dedicated personnel are assigned for follow-up and review by the team. Customer complaints are also discussed during team meetings, and corrective measures are proposed to provide customers with consistent product quality.
Remedial Measures for Negative Impacts	The relevant departments attach great importance to customer feedback regarding product quality. Improvement measures are proposed for all issues raised by customers, and their implementation is tracked during quality meetings or by dedicated project teams established to continuously monitor and improve performance, with the aim of enhancing customer satisfaction.
Short-, Medium-, and Long-Term Objectives	The Company's target for the overall customer satisfaction score is 80–85 points. Based on customer feedback and recommendations received during the current year, the short-term objective is to implement improvements with the aim of achieving a higher overall customer satisfaction score than the current year in the following year and meeting customers' expectations. The medium- and long-term objective is to achieve an overall customer satisfaction score of 85 points, while maintaining a minimum score of at least 80 points. 1.Short-term objective: Achieve an overall customer satisfaction score of 85 points in 2025. 2.Medium- and long-term objective: Achieve an overall customer satisfaction score of 85 points, while maintaining a minimum score of at least 80 points.

Material Topic	Customer Service Management
Performance and Adjustments	1. In December 2025, the Company distributed 16 customer satisfaction questionnaires, and all 16 were returned, resulting in a 100% response rate. The customer satisfaction survey covered five categories: product quality, delivery timeliness, transportation and delivery quality, customer complaint handling, and sales representative services. 2. The Company actively addresses all customer feedback each year with the aim of enhancing customer satisfaction. In the 2025 customer satisfaction survey, the relevant departments attached great importance to customer feedback regarding product quality. Improvement measures were tracked through quality meetings or by dedicated project teams established to propose improvement measures and continuously monitor follow-up actions. In addition, the Company proactively communicated with customers during the middle of the year to exchange views on improvement progress in various aspects of customer satisfaction. As a result, the overall customer satisfaction score reached 89.63 points in 2025, representing a significant improvement over 2024, and customers expressed a high level of recognition of the Company's overall service. Product quality also improved compared with 2024, thereby enabling the Company to more effectively understand the quality requirements and intended applications of end customers.

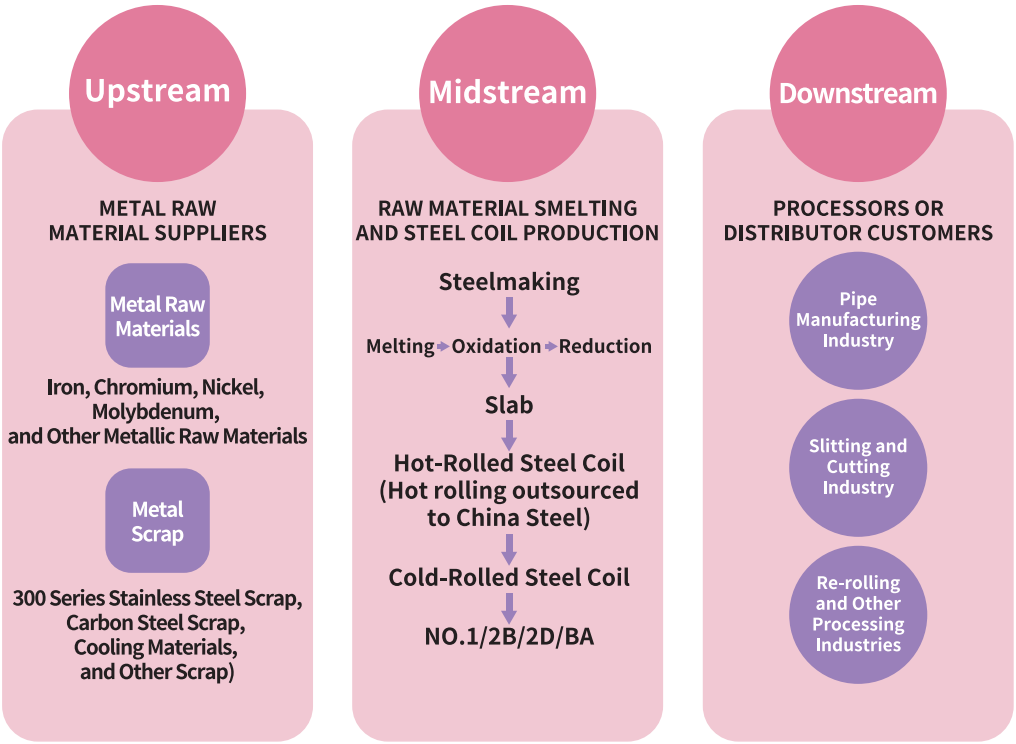
Material Topic 8: Supplier Management

Material Topic	Customer Service Management
Reason for Materiality	As global warming and climate change continue to intensify, countries and businesses around the world have announced energy conservation and carbon reduction targets. Achieving these targets requires the concerted efforts of all industries through effective supplier management, the adoption of green procurement, and building a sustainable supply chain.
Positive/ Negative Impacts	Economic Aspect – Actual / Negative Impact: Management itself involves costs. Managing suppliers increases procurement costs, which in turn raises operating costs. Economic Aspect – Potential / Positive Impact: In the highly competitive steel industry, companies must consider industrial upgrading and increase the added value of their products to enhance their competitiveness. +：Enhanced product added value　　+：Enhanced corporate competitiveness -：Increased procurement costs +: Positive impacts; -: Negative impacts
Policy	To safeguard the rights and interests of stakeholders, the Company will incorporate corporate social responsibility clauses, sustainable development, human rights, and environmental protection into future supplier management. In addition, the Company will hold raw material supplier meetings on an ad hoc basis and, through information sharing and practical exchanges, gradually introduce green procurement as the basis for supplier management decision-making and implementation.
Proactive Opportunity Management	In accordance with the ISO 9001 Procurement Management Procedures, clear provisions are established for procurement procedures and supplier selection.
Remedial Measures for Negative Impacts	Establish appropriate response measures and related information disclosure mechanisms to strengthen responses to the impacts of climate change. In addition, suppliers and members of the public may submit complaints to the Audit Office through the contact information published on the Company's website.
Short-, Medium-, and Long-Term Objectives	Short-term objective: Define the scope of sustainable supply chain management. Medium- and long-term objective: Establish a sustainable supply chain management system and develop supplier sustainability management performance.

Material Topic	Customer Service Management
Effectiveness Evaluation	Suppliers are rated annually in accordance with the JIS MARK Raw Material Supplier Evaluation Criteria.
Performance and Adjustments	In the 2025 JIS MARK Supplier Evaluation, 148 raw material suppliers that had business dealings with the Company during the past three years were evaluated. The evaluation results were as follows: Excellent: 146 (98.6%); Good: 0 (0%); Average: 1 (0.7%); and New Supplier: 1 (0.7%).

Relationship Among the Upstream, Midstream, and Downstream Segments of the Stainless Steel Industry

Cooperation between steel manufacturers and midstream and downstream industries not only extends product depth but also enhances product quality. In addition, it strengthens customer loyalty. Particularly in the face of intense market competition and oversupply, steel manufacturers should maintain stable production and sales and enhance their competitiveness through industry integration.



5.1 Supplier Management

Supplier Management Procedures

Tang Eng procures raw materials from overseas suppliers, all of whom must sign procurement contracts that clearly stipulate that suppliers shall comply with applicable local laws and regulations, including those relating to labor and human rights. In 2025, no cases involving child labor were identified among the Company's suppliers. In addition, suppliers are required to clearly disclose the sources of their raw materials to help identify and avoid procuring raw materials produced by upstream producers that violate international laws, regulations, or international consensus. As part of its raw material supplier management mechanism, the Company has established a List of Suppliers with Which the Company Will Not Conduct Business. Through the above procurement requirements and review mechanisms, the Company conducts advance screening of suppliers based on their qualifications and capability to perform the contract.

In line with international trends, Tang Eng not only fulfills its corporate social responsibility but also progressively promotes corporate social responsibility among its suppliers and contractors. Throughout the upstream and downstream supply chain, including raw material suppliers, manufacturing and assembly, transportation services, and waste collection and transportation, the Company actively encourages suppliers to fulfill their corporate social responsibility.

To ensure that the Company and its suppliers jointly enhance corporate social responsibilit and integrate sustainable development principles into procurement and supply chain management, suppliers are required not only to sign the Supplier Code of Conduct and Commitment, but also, for environmental management, suppliers of steelmaking raw materials are required to comply with and implement the Code of Conduct for Steelmaking Raw Material Suppliers, which includes the following requirements:

1.Compliance and Permitting for Raw Material Storage: Compliance with applicable regulations and environmental impact assessment requirements in the jurisdiction where operations are located.

2.Pollution Prevention During Transportation: Implementation of pollution prevention and protection measures throughout the transportation process.

3.Hazardous Waste Management: Safe management of waste throughout its lifecycle, including transportation, storage, recycling, treatment, disposal, and reuse.

Each year, procurement personnel evaluate existing suppliers, and the results are documented in the Supplier Evaluation Form (Steelmaking Raw Materials) (DU020) as the official evaluation record. In 2025, spot checks confirmed that some suppliers were in compliance with the Company's environmental policy.

With respect to its raw material supplier management mechanism, the Company manages and screens suppliers based on their qualifications and capability to perform the contract through supplier evaluations and other review mechanisms. When procuring raw materials, the Company adheres to the principle of fairness and enters into short-, medium-, and long-term contracts based on actual production requirements, establishing good partnerships with suppliers to reduce costs and secure a stable supply of raw materials. For key raw material suppliers, the Company has established two evaluation mechanisms—ISO 9001 Supplier Evaluation and JIS MARK Supplier Evaluation. Through annual audits and reviews, the Company manages and screens suppliers based on their capability to perform the contract to ensure the consistent quality of steel coils.

5.1.1 Supplier Evaluation and Selection

Annual Raw Material Supplier Evaluation Procedures:

I. New suppliers with no previous business dealings with the Company:

Suppliers that pass the review for inclusion in the New Supplier List shall become

approved suppliers.

II. Qualified suppliers: Each January, the Procurement Department completes the Supplier

Evaluation Form in accordance with the relevant ISO requirements and compiles the

Approved Supplier List by raw material name and supplier name.

III. Supplier evaluation: The Procurement Department distributes the Supplier Evaluation Form, organized by raw material name and supplier name, to the relevant evaluation units (including the acceptance unit, user unit, and the Procurement Department) for evaluation in accordance with the established scoring criteria. Upon completion of the evaluation, the Procurement Department compiles the total scores and prepares the Approved Supplier Evaluation List. Suppliers receiving relatively poor evaluation results may have their procurement volume reduced, depending on the circumstances, and will be notified to implement improvements. Suppliers receiving poor evaluation results will be classified as unqualified suppliers for the following year.

In the 2025 JIS MARK Supplier Evaluation, 148 raw material suppliers that had business dealings with the Company during the past three years were evaluated. The evaluation results were as follows: Excellent: 146 (98.6%); Good: 0 (0%); Average: 1 (0.7%); and New Supplier: 1 (0.7%).

In addition, for individual procurement cases, the Company requires successful bidders to provide a Declaration of Conformity for Substances of Very High Concern (REACH-SVHC) and a Declaration of Conformity for Restricted Substances. These requirements are intended to enhance suppliers' awareness of environmental issues and reduce the potential adverse environmental impacts associated with the procurement of raw materials.

To further strengthen sustainable supply chain management, the Company planned revisions to the relevant systems in 2025. Beginning with the 2026 JIS MARK Supplier Evaluation, new sustainability assessment items will be incorporated, covering labor and human rights, occupational health and safety, environmental protection, ethical standards, and management systems, with the aim of enhancing suppliers' sustainability management and performance.

5.1.2 Local Procurement

To promote the upgrading of related domestic industries, reduce dependence on overseas suppliers, and increase the proportion of local procurement, Tang Eng actively communicates with its suppliers to increase the proportion of local procurement. In addition to reducing costs, local procurement also supports the development of domestic industries and contributes to employment growth. Ferrochrome is one such example. While the Company previously relied primarily on imported ferrochrome, by 2025 it had transitioned to 100% local procurement.

Domestic and Overseas Procurement Ratio

Procurement Items	2023		2024		2025	
	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas
Ferrosilicon	100	0	100	0	100	0
Steel Scrap	100	0	100	0	100	0
Stainless Steel Scrap	100	0	100	0	100	0
Lime	100	0	100	0	100	0
Pure Nickel	100	0	100	0	100	0
Ferrochrome	9.09	90.91	1.84	98.16	100	0
Ferronickel	0	100	0	100	0	100

5.2 Contractor Management

The Company has established the Contractor Management Regulations, which are required documents when entering into procurement contracts or agreements with contractors. These Regulations clearly stipulate that contractors shall comply with applicable government laws and regulations when employing workers, including the Labor Standards Act, the Occupational Safety and Health Act, its Enforcement Rules, and other related regulations.

The Company places great importance on the occupational safety and health management of contractors. Accordingly, it strengthens contractors' occupational safety and health awareness through a strategy that emphasizes guidance, inspections, and awareness promotion. With respect to engineering works and service procurement, contractors that have been listed by the competent authority as prohibited from conducting business due to violations of applicable domestic laws and regulations are not eligible to become contractors of Tang Eng. Contractor selection is conducted in accordance with the Company's procurement regulations. In addition to these requirements, the Company also requires contractors to maintain named group accident insurance or employers' liability insurance with coverage of not less than NT$5 million.

5.3 Management of Outsourced Hot-Rolling Manufacturers

Service Provider Selectionn

Based on the following selection criteria for outsourced hot rolling manufacturers, the Company has conducted an evaluation and determined that China Steel Corporation, Dragon Steel Corporation, and Yieh United Steel Corporation meet the selection criteria:

- **Demonstrated capability and practical experience in stainless steel hot rolling.**
- **Sufficient production capacity and willingness to perform hot rolling of the Company's slabs.**
- **Consistently stable hot rolling quality.**
- **Effective communication with the Company and a high level of cooperation.**
- **Certified to the ISO 9001 Quality Management System and ISO 14001 Environmental Management System.**

Outsourced Hot Rolling Implementation Status

Outsourced Hot Rolling Service Provider	Outsourced Hot Rolling Volume (MT)	Yield (%)	Quality Quality Status
China Steel Corporation	27,617.60	99.09%	Good

Annual Evaluation

In October 2025, the Company's Quality Assurance Department conducted an evaluation of the ISO 9001 Quality Management System of its outsourced hot rolling service provider, China Steel Corporation, and found it to be in compliance.

5.4 Product Quality and Labeling

5.4.1 Product Safety and Labeling

To comply with domestic environmental regulations and the environmental regulatory requirements of the European market, the Company has established management standards and inspection mechanisms for hazardous substances that may be present in its products. The Company also ensures that products sold to the European Union comply with the requirements of RoHS and REACH, thereby safeguarding the health and safety of users. In 2025, the Company had no incidents of non-compliance with laws and regulations concerning the health and safety impacts of products and services. Nor were there any incidents of non-compliance with laws and regulations concerning product and service information and labeling or marketing communications.

In addition, all products shipped by the Company are accompanied by a Material Certificate and a Certificate of Non-Radioactive Contamination. Information including the product specification, dimensions, chemical composition, and mechanical properties is also provided. Product packaging is also labeled with the steel grade, specification, dimensions, and weight to ensure complete and transparent disclosure of product information.

Radioaction Contamination Management

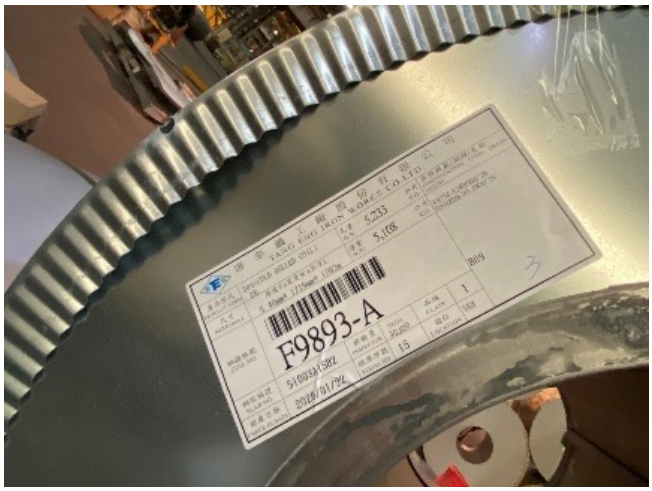
100% of the Company's products are free from radioactive contamination

To ensure that all raw materials received and all products sold are free from radioactive contamination, the Company has invested in radiation detection equipment and arranged training for its personnel. A total of nine employees have obtained qualified radiation inspection credentials. The Company has also established rigorous and effective radiation detection procedures and has been certified by the Atomic Energy Council, Executive Yuan, obtaining the Certificate of Approval for Radiation Detection Operations in the Steel Industry (Certificate No. 鋼輻偵字第 00119 號).

Hazardous Substance Management

100% of the Company's products comply with the applicable requirements.

The TÜV Group Hong Kong Branch analyzed the substances specified under RoHS 2.0, including the total content of lead (Pb), cadmium (Cd), mercury (Hg), hexavalent chromium (Cr ☒ ☒), polybrominated biphenyls (PBB), polybrominated diphenyl ethers (PBDE), butyl benzyl phthalate (BBP), dibutyl phthalate (DBP), bis(2-ethylhexyl) phthalate (DEHP), and diisobutyl phthalate (DIBP), as well as the substances subject to the REACH SVHC requirements. The analytical results demonstrated compliance with the applicable requirements.





5.4.2 Product Quality Management Performance

Tang Eng uses the Prime Yield of its principal product—cold-rolled steel coils—and the Customer Complaint Cost Ratio as its quality indicators. In 2025, the Prime Yield was 95.1%, while the Customer Complaint Cost Ratio was 0.10%. These quality indicators have remained stable over the years, demonstrating the Company's continued effectiveness in improving product quality.

Year	Prime Yield (%)	Customer Complaint Cost Ratio (%)
2025	95.10%	0.10%
2024	95.04%	0.06%
2023	94.95%	0.08%
2022	95.20%	0.03%
2021	94.60%	0.03%

5.5 Customer Service Management

5.5.1 Customer Satisfaction Survey

Customer Satisfaction

Tang Eng conducts an annual Customer Satisfaction Survey to review the implementation of its customer policies. The evaluation covers sales representative service, product quality, delivery fulfillment rate, delivery timeliness, customer complaint handling, Prime Yield, and customer complaint compensation amount. Any issues identified are reported to senior management. Items receiving unsatisfactory ratings in the survey are referred to the relevant departments to develop improvement plans, which are submitted to the responsible supervisors for review and implemented immediately after approval.

Quality Service

A. Dedicated personnel are responsible for product quality inspection and product specification verification.
B. Dedicated personnel are responsible for handling product quality issues and customer feedback.
C. Monitor and control product quality and provide after-sales service.

Sales Service

A. Maintain close communication with production-related departments to meet customer order requirements.
B. Track orders at all times to maintain full visibility of steel coil warehouse receipt schedules.
C. Develop special steel grades to establish product differentiation and customization.
D. Resolve customer inquiries in a timely and professional manner.
E. Protect customer privacy and ensure the security of data records.

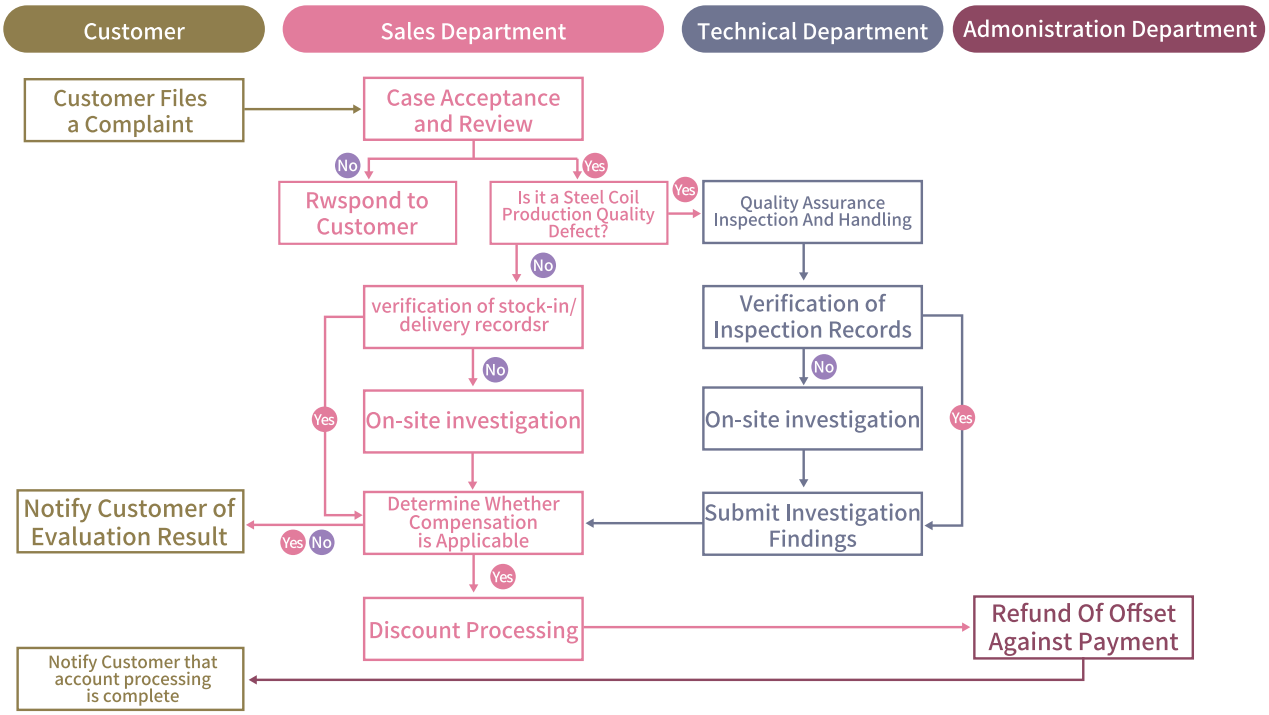
A total of 16 Customer Satisfaction Survey questionnaires were sent in 2025, and 16 completed questionnaires were returned, resulting in a 100% response rate. The survey consisted of five survey items: product quality, delivery timeliness, transportation and delivery quality, customer complaint handling, and sales representative service.

Category/Year	2021	2022	2023	2024	2025
Product Quality	73.44	78.44	79.38	78.53	84.69
Delivery Timeliness	87.19	82.81	77.81	81.18	85.94
Transportation and Delivery Quality	80.31	81.56	82.81	88.82	87.81
Customer Complaint Handling	81.88	84.69	84.69	84.12	90.31
Sales Representative Service	98.13	97.81	97.81	99.41	99.38
Overall Average Score	84.19	85.06	84.50	86.41	89.63

In accordance with its ISO 9001 Internal Management Procedures, Tang Eng has established the Customer Complaint Management Procedures to standardize the customer complaint handling process and has developed the relevant forms to ensure that responses to and confirmation of customer complaints can be carried out smoothly. In 2025, both the monetary amount associated with customer complaints and the number of steel coils involved in customer complaints showed a downward trend compared with the previous year. However, due to the overall economic downturn, the Company's total sales revenue declined. As a result, both the unit customer complaint loss and customer complaint loss as a percentage of delivery volume increased significantly.

Item (Unit)	Total Sales Weight (tons)	Steel Coils Subject to Customer Complaints (coils)	Customer Complaint Weight (tons)	Customer Complaint Compensation Amount (NT$10,000)	Customer Complaint Loss per Ton (NT$/ton)	Percentage of Shipment Value (%)
2024	181,431	605	1,986	671	37	0.06
2025	159,355	543	2,260	654	58.2	0.10
Comparison Between	-220,76	-62	274	-17	21.2	0.04

The Company's customer complaint handling flowchart is shown below:



Customer Personal Data Protection

Tang Eng places great importance on information security and the confidentiality of customer data. In 2025, the Company invested NT$11,675,000 in information security to strengthen its information security safeguards. In 2025, there were no complaints concerning breaches of customer privacy or losses of customer data.

Measures to Protect the Confidentiality of Customer Data		
The Company's server room is equipped with firewalls, and its network systems are equipped with antivirus and intrusion detection software to prevent computer viruses and hacker intrusions.	Customer data are managed by authorized personnel within each department. The processing and retrieval of all customer data are controlled through individual login accounts and passwords, with strict access control measures in place.	The system requires passwords to be updated periodically to ensure the security of personal data files.

Information Security Protection

The Company has established the Information Security Management Guidelines, which cover the Information Security Policy, Information Security Risk Management Framework, Information Security Protection Measures, Resources Dedicated to Information Security Management, and Information Security Incident Reporting and Response Mechanism. In addition, the Company has established relevant management measures for the following information security operations:



Computer System Security Management



System Development and Maintenance Security Management



Network Security Management



Information Asset Security Management



Email Usage Security Management



Computer Virus and Malware Control



System Access Control Management



Business Continuity Plan

Information Security Practices

1. Information security metrics relating to integrity, availability, and confidentiality are submitted quarterly to the Risk Management and Control Task Force under the Company's corporate governance structure.

說明	因應措施
The information security integrity metrics consist of monthly inspections of backup records and data, as well as the management of data errors or data deficiency incidents	Regular data backup and recovery exercises are conducted for critical information systems and data files. Backup and replacement computer equipment, together with backup power facilities, have been established to strengthen system monitoring, incident management, and backup capabilities, as well as to establish an early warning and notification mechanism, thereby reducing the risk of information system disruptions.
The information security management metrics consist of the monthly management and monitoring of information security incidents that may affect the Company's operations.	Firewall systems are deployed to defend against unauthorized network packets from external networks, strengthen intrusion prevention, block spyware, and enhance protection against unknown attacks. Antivirus servers continuously monitor the network to prevent computer viruses from infiltrating and spreading. A regional information security joint defense system has also been established to isolate and eliminate the spread of virus infections, thereby strengthening information security protection.
The information security confidentiality metrics consist of the monthly review of server room access records and the management and monitoring of incidents involving violations of server room operating procedures.	The server room is equipped with a fingerprint access control system to control personnel access, prevent unauthorized personnel from entering, and ensure the security and confidentiality of the server room equipment.

2. Each February, the Risk Management and Control Task Force includes the above matters in its operational report to the Board of Directors.



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Chapter 6

G Sustainability Foundation – Governance and Integrity

6.1 Shareholders' Meeting and Board of Directors

6.1.1 Shareholders' Meeting

Pursuant to Article 170 of the Company Act, the Shareholders' Meeting shall be convened at least once each year and, unless approval has been obtained from the competent authority for legitimate reasons, shall be convened by the Board of Directors in accordance with the law within six months after the end of each fiscal year. Notice of a regular Shareholders' Meeting shall be given to each shareholder at least 30 days prior to the meeting, while notice of a special Shareholders' Meeting shall be given at least 15 days in advance. The notice and public announcement shall specify the reasons for convening the meeting. With the consent of the recipient, the notice may be delivered electronically. The election or dismissal of directors, amendments to the Articles of Incorporation, dissolution, merger, demerger of the Company, and the matters specified in each subparagraph of Paragraph 1 of Article 185 of the Company Act shall be expressly stated in the notice of the meeting and may not be proposed by way of an extraordinary motion. The Company's principal shareholder structure is shown below:

Shareholding Structure		As of April 11, 2026
Shareholder Category	**Number of Shares Held**	**Shareholding Ratio (%)**
Government Agencies	40,476,241	11.57
Financial Institutions	101,044,904	28.87
Other Legal Entities	197,888,685	56.54
Foreign Institutions and Foreign Individuals	138,014	0.03
Individual Shareholders	10,452,156	2.99
Total	350,000,000	100

6.1.2 Board of Directors

Board of Directors

To implement the policy on the independence and diversity of Board members, the Company has established the Rules for Director Elections and the Corporate Governance Best Practice Principles, which stipulate the election of directors. Directors are elected under the candidate nomination system, and each term of office is three years. The Board diversity policy and related principles have been incorporated into the Rules for Director Elections and are disclosed together with the nomination announcement to facilitate shareholders' selection of director candidates. Under the aforementioned regulations, members of the Board of Directors shall generally possess the knowledge, skills, and professional competencies necessary to perform their duties. Collectively, the Board shall possess the following capabilities: business judgment, accounting and financial analysis, business management, crisis management, industry knowledge, an international market perspective, leadership, and decision-making. In addition, at least two directors shall possess expertise in accounting or finance, including at least one independent director. The remaining Board members shall possess at least one area of professional expertise or experience in law, industry, business management, procurement and marketing, land administration or land development, or energy and environmental protection.

The Company's 20th Board of Directors comprises eight directors and three independent directors, for a total of 11 Board members, with independent directors accounting for 27.27% of the Board. The current Board's term is from June 25, 2024, to June 24, 2027. The Board currently includes one female director, representing 9.1% of the total Board membership, which is below one-third. Due to the characteristics of the industry, identifying qualified female professionals within a short period of time remains challenging. The Company will continue to align with the government's gender equality policy by encouraging shareholders to broaden the pool of director candidates and actively seeking outstanding female candidates with professional expertise in law, accounting, industry, and finance, thereby aligning with international gender equality trends, progressively implementing the principle of Board diversity, and improving the Board's composition. None of the independent directors

had any of the circumstances specified in Article 3, Paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies during the two years prior to their election or throughout their tenure. Accordingly, all independent directors satisfy the applicable independence requirements, and none has served three consecutive terms. In addition, the Chairperson does not concurrently serve as the General Manager, thereby ensuring a clear separation of governance and management responsibilities. Overall, the composition of the Company's 20th Board of Directors reflects professionalism, diversity, and independence, enabling the Board to effectively perform its functions and further enhance the quality of corporate decision-making as well as the long-term value of the Company and its shareholders.

The profiles of the Board members are presented in the table below.

Title	Name	Date of Initial Appointment	Major Education and Professional Experience	Current Positions Held with the Company and Other Companies
Chairman	Jian-Zai Zhao	2016-08-24	• Executive Master of Business Administration (EMBA), National Kaohsiung University of Science and Technology • Municipal Advisor, Kaohsiung City Government • Chairman, Tang Eng Iron Works Co., Ltd.	Chairman, Tang Eng Iron Works Co., Ltd.
Chairman	Qi-Xiao Liu	2024-06-25	• Master of Land Economics, National Chengchi University • Deputy Director General, Department of State-Owned Enterprise Management, Ministry of Economic Affairs	Deputy Director General, Department of State-Owned Enterprise Management, Ministry of Economic Affairs
Chairman	Tsui-Chin Wang	2025-02-26	• Department of Law, National Chengchi University • Branch Manager, Douliu Branch, Bank of Taiwan	Branch Manager, Chiayi Branch, Bank of Taiwan
Chairman	Jin-Chang Xie	2024-06-25	• Graduate, Kaohsiung County Private Kao-Chi Industrial and Home Economics Vocational High School • Convener of the 8th Board of Supervisors, Tang Eng Labor Union	Convener of the 8th Board of Supervisors, Tang Eng Labor Union
Chairman	Wen-Xian Zhou	2024-09-12	• Executive Master of Business Administration (EMBA), Shih Chien University • Executive Vice President, Production Division, China Steel Corporation	Executive Vice President, Production Division, China Steel Corporation
Chairman	Zhen-Wu Zhang	2024-06-25	• Master's Degree, Graduate Institute of Engineering Science, National Cheng Kung University • General Manager, Yieh Phui Enterprise Co., Ltd.	General Manager, Yieh Phui Enterprise Co., Ltd.
Chairman	Yong-Xian Chen	2023-03-01	• Department of Business Administration, Tamkang University • Special Assistant, Yieh Phui Enterprise Co., Ltd.	Special Assistant, Yieh Phui Enterprise Co., Ltd.
Chairman	Jing-Tsong Huang	2012-06-21	• Department of Accounting, Feng Chia University • Senior Advisor, Yieh Phui Enterprise Co., Ltd.	Senior Advisor, Yieh Phui Enterprise Co., Ltd.
Independent Director	Wun-Bin Lian	2012-06-21	• Doctor of Philosophy, United International U niversity, USA • Branch Manager, Kaohsiung Branch, Taiwan Business Bank • Manager, Southern Credit Center	Marscat Games Co., Ltd.
Independent Director	Pei-Hong Zhu	2024-06-25	• Ph.D. in Information Management, National Central University • Associate Professor, Department of Business Administration, National Kaohsiung University of Science and Technology	Associate Professor, Department of Business Administration, National Kaohsiung University of Science and Technology
Independent Director	Jhing-Xing Hou	2024-06-25	• Department of Law, National Chung Hsing University • Chief Legal Officer, Taiwan Sugar Corporation	None



Diversity of Individual Directors' Backgrounds

Category / Director's Name	Gender	Independent Director Tenure	Business Judgment	Accounting and Financial Analysis	Business Management	Crisis Management	Industry Knowledge	International Market Perspective	Leadership	Decision-Making Ability
Jian-Zai Zhao	Male		✓		✓	✓	✓	✓	✓	✓
Qi-Xiao Liu	Male		✓		✓	✓			✓	✓
Tsui-Chin Wang	Female		✓	✓	✓	✓			✓	✓
Jin-Chang Xie	Male				✓	✓			✓	✓
Wen-Xian Zhou	Male		✓		✓	✓	✓	✓	✓	✓
Zhen-Wu Zhang	Male		✓		✓	✓	✓	✓	✓	✓
Yong-Xian Chen	Male		✓	✓	✓	✓			✓	✓
Jing-Tsong Huang	Male		✓	✓	✓	✓			✓	✓
Wun-Bin Lian	Male	10-11	✓	✓	✓	✓			✓	✓
Pei-Hong Zhu	Male	1-2	✓	✓	✓	✓			✓	✓
Jhing-Xing Hou	Male	1-2	✓		✓	✓			✓	✓

Note: All directors are aged 51 or above.

All external directors of Tang Eng Iron Works Co., Ltd. meet the independence requirements. In addition, to meet the needs of business development and operational requirements, one director concurrently serves as an employee of the Company. The Company has established the Code of Ethical Conduct for Directors, which explicitly stipulates that if any agenda item before the Board of Directors involves the interests of a director, the director concerned shall voluntarily recuse himself or herself, shall not participate in the voting, nor shall he or she exercise voting rights by proxy on behalf of any other director. This mechanism ensures that directors faithfully discharge their duties, thereby effectively enhancing Board operations and the Company's operating performance.

During the reporting year, one Board agenda item involved a director's conflict of interest, and the director voluntarily recused himself from the agenda item. At the 5th Meeting of the 20th Board of Directors held on February 24, 2025, regarding the approval of the overall performance evaluation scores and performance ratings of the Chairman and appointed managerial officers for 2024, Chairman Jian-Zai Zhao recused himself in accordance with the regulations. Resolution Result: Upon the Chair's inquiry, all ten directors present raised no objection, and the proposal was approved as proposed.

Director Training

In addition to possessing integrity, diligence, and extensive relevant experience, the Company arranges members of the Board of Directors to participate in a variety of training programs each year, taking into consideration areas beyond each director's professional expertise. The programs cover corporate governance-related topics, including taxation, finance, climate change, information security, business operations, commerce, legal affairs, and intellectual property. In 2025, the directors completed a total of 87 hours of training, averaging 7.9 hours per director. For more information on director training, please visit the Company's website or scan the QR code below.

QR Code for Director Training

Board Performance Evaluation

In accordance with the Board Performance Evaluation Guidelines established by the Board of Directors, the Company conducts an internal Board performance evaluation at least once each year and may conduct an external Board performance evaluation once every three years. The scope of the Board performance evaluation includes the Board of Directors as a whole, individual directors, and each functional committee. In the third quarter of 2025, the Company engaged the Taiwan Investor Relations Institute as an external organization to conduct the Board performance evaluation. The Institute and the evaluation expert had no business dealings with the Company and were independent.

In 2025, the Company engaged the Taiwan Investor Relations Institute to conduct an external Board performance evaluation. The evaluation used five major dimensions as the basis for assessment: Board composition and professional development, the quality of Board decision-making, the effectiveness of Board operations, the Board's participation in corporate social responsibility, and internal control and risk management. The questionnaire results are presented below.

Evaluation Criteria	Evaluation Results
Board Composition and Professional Development	4.59
Quality of Board Decision-Making	4.79
Effectiveness of Board Operations	4.78
Internal Control and Risk Management	4.76
Board Participation in Corporate Social Responsibility	4.86

The following are the performance evaluation dimensions and overall evaluation results of Tang Eng's internal Board performance evaluation for 2025. For more detailed information, please visit the Company's website or scan the QR code below.

	Evaluation Dimension	Overall Average Score	Evaluation Result
Board Performance Self-Assessment	1.Degree of Participation in the Company's Operations 2.Enhancement of the Quality of Board Decision-Making 3.Board Composition and Structure 4.Director Election and Continuing Training 5.Internal Control Five dimensions comprising a total of 38 indicators	4.77	Between "Excellent (5)" and "Good (4)"
Board Member Performance Self-Assessment	1.Understanding of the Company's Goals and Missions 2.Understanding of Directors' Responsibilities 3.Degree of Participation in the Company's Operations 4.Internal Relationship Management and Communication 5.Directors' Professional Competence and Continuing Training 6.Internal Control	4.75	Between "Excellent (5)" and "Good (4)"
Audit Committee Performance Self-Assessment	1.Degree of Participation in the Company's Operations 2.Understanding of the Audit Committee's Responsibilities 3.Enhancement of the Quality of Functional Committee Decision-Making 4.Functional Committee Composition and Member Election 5.Internal Control	4.73	Between "Excellent (5)" and "Good (4)"
Remuneration Committee Performance Self-Assessment	1.Degree of Participation in the Company's Operations 2.Understanding of the Remuneration Committee's Responsibilities 3.Enhancement of the Quality of Functional Committee Decision-Making 4.Functional Committee Composition and Member Election	4.75	Between "Excellent (5)" and "Good (4)"

Board Performance Evaluation QR Code

6.1.3 Board Functional Committees

The Company's Board of Directors has established an Audit Committee and a Remuneration Committee in accordance with the law. No other functional committees have been established.

Audit Committee

The Company's Audit Committee operates in accordance with the Company's Audit Committee Charter and meets at least once each quarter. The responsibilities of the Audit Committee are as follows:

1.Formulation or amendment of the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.

2.Assessment of the effectiveness of the internal control system.

3.Formulation or amendment of the procedures governing the acquisition or disposal of assets, engagement in derivatives trading, and other material financial and business activities.

4.Matters involving directors' conflicts of interest.

5.Material asset or derivatives transactions.

6.The offering, issuance, or private placement of equity securities.

7.The appointment, dismissal, or remuneration of the certified public accountant.

8.The appointment or dismissal of the head of finance, accounting, or internal audit.

9.Annual financial reports and semi-annual financial reports.

10.Other material matters as prescribed by the Company or the competent authority.

Audit Committee Operations

The Company's Board of Directors established the Audit Committee on June 2, 2018. The Audit Committee consists of three Independent Directors. The term of office of the Audit Committee of the 20th Board of Directors is from June 25, 2024, to June 24, 2027. In 2025, the Audit Committee of the 20th Board of Directors convened seven meetings, with an attendance rate of 100%. The Committee's operations are presented in the table below:

Audit Committee Operations				
Position	Name	Meetings Attended	Attendance by Proxy	Attendance Rate (%)
Convener	Pei-Hong Zhu	7	0	100
Member	Jhing-Xing Hou	7	0	100
Member	Wun-Bin Lian	7	0	100

Remuneration Committee

To strengthen corporate governance, enhance the Board of Directors' remuneration management functions, and safeguard investors' rights and interests, the Company, in accordance with Article 14-6, Paragraph 1 of the Securities and Exchange Act and the Regulations Governing the Establishment and Exercise of Powers of Remuneration Committees of Companies Whose Stock Is Listed on the Stock Exchange or Traded Over the Counter, promulgated pursuant to Financial Supervisory Commission Order Jin-Guan-Zheng-Fa No. 1000009747 dated March 18, 2011, approved the Company's Remuneration Committee Charter at the Board meeting held in October 2011 and formally established the Remuneration Committee on December 22, 2011. The Company's Remuneration Committee operates in accordance with the Company's Remuneration Committee Charter and meets at least twice each year.

Policy Objectives of the Remuneration Committee

The Committee shall exercise the due care of a prudent administrator and faithfully perform the following duties, and shall submit its recommendations to the Board of Directors for discussion:

1. To establish and periodically review the policies, systems, standards, and structure governing the performance evaluation and remuneration of Directors, the General Manager, and Deputy General Managers. However, the year-end performance evaluation or any special performance evaluation of the Chairperson, the General Manager, and Deputy General Managers shall be submitted directly to the Board of Directors for approval and subsequently reported to the Committee.

2. To periodically evaluate and determine the remuneration of Directors, the General Manager, and Deputy General Managers, as well as its relationship to, and reasonableness in relation to, the achievement of the Company's performance objectives. The Committee shall also supervise the Company's disclosure in the annual report of the performance evaluation criteria for Directors and managerial officers, the results of individual performance evaluations, the content and amount of individual remuneration, and the relationship and reasonableness between remuneration and the results of individual performance evaluations.

Remuneration Committee Operations

The Company's Board of Directors established the Remuneration Committee on December 22, 2011. The Committee consists of three Independent Directors. The term of office of the Remuneration Committee of the 20th Board of Directors is from June 25, 2024, to June 24, 2027. In 2025, the Remuneration Committee of the 20th Board of Directors convened two meetings, with an attendance rate of 100%. In 2025, no member of the Remuneration Committee expressed any dissenting or reserved opinion regarding the resolutions adopted by the Committee. The Committee's operations are presented in the table below:

Remuneration Committee Operations				
Position	Name	Meetings Attended	Attendance by Proxy	
Convener	Jhing-Xing Hou	2	0	100
Member	Pei-Hong Zhu	2	0	100
Member	Wun-Bin Lian	2	0	100

Remuneration Structure

The Company's policy for the remuneration of Directors is established in accordance with the Company Act and the Company's Articles of Incorporation. If the Company records a profit for the current year, 2.08% to 3.47% shall be appropriated as employee remuneration, and not more than 1.74% shall be appropriated as Directors' remuneration. However, if the Company has accumulated losses to be offset, an amount sufficient to cover such losses shall first be reserved before calculating employee remuneration and Directors' remuneration based on the remaining balance. In calculating employee remuneration and Directors' remuneration, the basis for calculation shall be the current year's profit before tax and before the distribution of employee remuneration and Directors' remuneration. After deducting any accumulated losses, employee remuneration and Directors' remuneration shall be calculated based on the remaining balance.

Directors' remuneration shall be paid in cash. Employee remuneration may be paid in either shares or cash; where shares are paid, it shall be specified whether they are existing shares or newly issued shares. The distribution of Directors' remuneration and employee remuneration shall be submitted to the Board of Directors and approved by the affirmative vote of a majority of the Directors present at a meeting attended by at least two-thirds of all Directors, and shall subsequently be reported to the shareholders' meeting. If employee remuneration is paid in shares and the Company's paid-in capital would thereby exceed its authorized capital, such shares shall be issued only after the shareholders' meeting approves an increase in the authorized capital. If the shareholders' meeting does not approve an increase in the authorized capital, employee remuneration shall instead be paid in cash. The special resolution of the Board of Directors

Remuneration Review Process

In accordance with the Company's Remuneration Committee Charter, the Remuneration Committee periodically reviews the policies, systems, standards, and structure governing the performance evaluation and remuneration of Directors, the General Manager, and Deputy General Managers. The Committee also periodically evaluates and determines the remuneration of Directors, the General Manager, and Deputy General Managers, together with its relationship to, and reasonableness in relation to, the achievement of the Company's performance objectives. In addition, the Committee supervises the Company's disclosure in the annual report of the performance evaluation criteria for Directors and managerial officers, the results of individual performance evaluations, the content and amount of individual remuneration, and the relationship and reasonableness between remuneration and the results of individual performance evaluations.

Risk Linkage

In accordance with the Company's Remuneration Committee Charter, the Committee shall perform the aforementioned duties in accordance with the following principles:

1. The performance evaluation and remuneration of Directors, the General Manager, and Deputy General Managers shall refer to the prevailing remuneration levels of industry peers and OTC-listed companies, while taking into account individual performance, the Company's operating performance, and the reasonableness of the relationship between remuneration and future risks.

2. The Committee shall not encourage Directors, the General Manager, or Deputy General Managers to undertake actions that exceed the Company's risk appetite for the purpose of pursuing remuneration.

3. The proportion of bonuses awarded to Directors and senior managerial officers based on short-term performance, as well as the timing of payment of a portion of variable remuneration, shall be determined with due consideration to industry characteristics and the nature of the Company's business.

4. When the Board of Directors reviews the remuneration of a member of the Committee, that member shall abstain from both discussion and voting.

The remuneration referred to in the preceding two paragraphs includes cash remuneration, stock options, profit-sharing shares, retirement benefits or severance payments, various allowances, and other measures with substantive incentive effects. The scope of such remuneration shall be consistent with that prescribed for the remuneration of Directors and managerial officers under the Regulations Governing Information to be published in Annual Reports of Public Companies. When deliberating the Committee's recommendations, the Board of Directors shall give due consideration to the amount of remuneration, the method of payment, and the Company's future risks.

Linkage Between Remuneration and Performance

In accordance with the Company's Remuneration Committee Charter, the performance evaluation and remuneration of Directors, the General Manager, and Deputy General Managers shall refer to the prevailing remuneration levels of industry peers and OTC-listed companies, while taking into account individual performance, the Company's operating performance, and the reasonableness of the relationship between remuneration and future risks.

In addition, pursuant to the Company's Regulations Governing Annual Performance Evaluation, Salary Adjustments, and Bonus Awards for the Chairperson and Appointed Managers, the annual performance objectives for the Chairperson and Appointed Managers incorporate sustainability performance indicators, which are linked to performance bonuses and post-evaluation salary adjustments. The annual performance evaluation is weighted as follows: 30% for the Company's operating performance, 50% for the individual management performance of the Chairperson and Appointed Managers, and 20% for the Company's sustainability governance.

The annual performance ratings of the Chairperson and Appointed Managers shall be reviewed and approved by the Board of Directors in accordance with the aforementioned criteria. The amount of the performance bonus shall be determined by the Remuneration Committee and submitted to the Board of Directors for acknowledgment, while the post-evaluation salary adjustment shall be recommended by the Remuneration Committee and submitted to the Board of Directors for review and approval, thereby ensuring that the variable remuneration of the Chairperson and Appointed Managers is effectively linked to sustainability performance. The evaluation items for the Company's sustainability governance (accounting for 20% of the performance evaluation weighting) include:

A. The achievement rate of the annual sustainability governance objectives of each working group under the Company's Sustainability Development Committee.

B. Whether there were any deficiencies identified in sustainability governance audits, regulatory sanctions, searches conducted by judicial authorities, indictments, or criminal convictions during the year.

Annual Performance Objectives for the Chairperson and Appointed Managers

Annual Performance Objective Item	Weighting	Description
Company's Operating Performance	30%	Total score: 100 points. Accounts for 30% of the overall performance evaluation weighting and is calculated by the management department based on the Company's operating performance for the evaluation year, including indicators such as annual revenue, gross profit margin, earnings per share, operating profit, current ratio, and debt ratio.
Individual Management Performance	50%	Total score: 100 points. Accounts for 50% of the overall performance evaluation weighting. The evaluatee shall submit a list of individual management performance achievements for the evaluation year.
Company's Sustainability Governancee	50%	Total score: 100 points. Accounts for 20% of the overall performance evaluation weighting and is calculated by the management department based on the achievement rate of the sustainability governance objectives approved by the Board of Directors for the evaluation year and the deduction items in the Corporate Governance Evaluation indicators.

The major sustainability governance items for 2025 are as follows:

A. Track the Company's performance in the Corporate Governance Evaluation and review and implement improvement measures.

B. Submit the Voluntary Reduction Plan by June 30, 2025, and obtain approval following the review by December 31, 2025.

C. Prepare the 2024 Sustainability Report and implement and strengthen information disclosure in the Sustainability Report to comply with the relevant disclosure requirements of the competent authority. The Chinese version of the Report, which is mandatory, shall be completed, filed, and published on the Company's website by August 31, 2025, in compliance with applicable requirements. The English version, which is prepared on a voluntary basis, is scheduled to be completed, filed, and published on the Company's website by October 31, 2025, to satisfy the requirements of the Corporate Governance Evaluation indicators.

D. Convene at least one meeting of the Risk Management Working Group each quarter.

Linkage Between the Performance Evaluation and Remuneration of Directors and Managerial Officers:

In addition to the Directors' remuneration of not more than 1.74% of the Company's annual profit, as provided under Article 40 of the Company's Articles of Incorporation where the Company records a profit for the year, Directors and Independent Directors also receive fixed remuneration, transportation allowances for attending each meeting of the Board of Directors, and fees for performing their duties in connection with meetings of functional committees established by the Board of Directors or attendance at shareholders' meetings. The remuneration of the Chairperson and managerial officers comprises salary and bonuses. Salaries are determined with reference to prevailing industry levels, as well as factors including position, professional competence, and responsibilities. Bonuses are determined based on the Company's operating performance for the year (including indicators such as annual revenue, gross profit margin, earnings per share, operating profit, current ratio, and debt ratio), the individual management performance of the managerial officers, and the Company's sustainability governance (as described in the Regulations Governing Annual Performance Evaluation, Salary Adjustments, and Bonus Awards for the Chairperson and Appointed Managers). After the proposal is submitted to the Board of Directors for approval of the annual performance ratings, the Board authorizes the Remuneration Committee to award a one-time performance bonus of up to a specified amount to each managerial officer, based on the individual's annual performance rating.

6.2 Business Integrity

6.2.1 Implementation of the Business Integrity Policy

Business Integrity Policy

Compliance and Accountability	Self-Discipline and Self-Respect	Integrity and PragmatismSelf-Respect
Comply with laws, regulations, and applicable requirements. Remain committed to one's post and faithfully fulfill responsibilities.	**Adhere to the Code of Ethical Conduct. Do not seek personal gain.**	**Act with honesty and integrity, and proactively carry out duties. Work together with collective wisdom and maintain a prudent and pragmatic approach.**

The Company's Business Integrity is overseen by the Sustainability Development Committee – Corporate Governance and Business Integrity Working Group under the Board of Directors. The Working Group includes supervisors from the management and business departments. To strengthen the management of Business Integrity, the Working Group convenes meetings on a quarterly basis to review implementation results and submits reports to the Sustainability Development Committee every six months. The annual Business Integrity performance evaluation report is reviewed by the Legal Affairs Office and re-examined by the Internal Audit Office, then submitted to the Audit Committee for acknowledgment. Finally, the Corporate Governance Officer reports the annual implementation results to the Board of Directors on a regular basis no later than the end of February of the following year.

2026 Business Integrity Policy Objectives

1.Strengthen the management of Business Integrity, evaluate the effectiveness of the implementation of Business Integrity measures, and prevent the occurrence of dishonest conduct.

2.Continuously monitor revisions to laws and regulations related to Business Integrity and review whether revisions to internal regulations violate the principles of Business Integrity.

3.Continue to conduct Business Integrity education and training annually.

4.Zero material violations of Business Integrity.

5.Implement the Company's Personal Data Protection Policy, conduct relevant education and training annually, and strengthen awareness of personal data protection.

To prevent the occurrence of corruption and dishonest conduct, the Company has established relevant regulations, including the Work Rules, Code of Ethical Conduct for First-Level Supervisors and Above, Code of Ethical Conduct for Directors, Business Integrity Principles, Business Integrity Guidelines and Operating Procedures, and Guidelines for Handling Whistleblowing Cases, as the codes of conduct to be observed by all personnel. The Company also promotes the key provisions and importance of these regulations through supervisors at all levels during various routine meetings and provides professional legal consultation through the Legal Affairs Office, thereby establishing multiple prevention mechanisms to prevent and eliminate violations of Business Integrity. In the event of a corruption incident, the Company shall pursue administrative accountability against the personnel concerned and propose corrective actions and recommendations for institutional improvement to rectify deficiencies. Where criminal liability is involved, the Company shall continue to collect relevant evidence and refer the case to the judicial authorities for investigation, while fully cooperating with prosecutorial, investigative, and anti-corruption authorities in their investigation.

Where Company personnel are involved in dishonest conduct, or where others are suspected of engaging in unlawful conduct, the Company shall immediately ascertain the relevant facts. If a violation of applicable laws and regulations or the Company's rules is confirmed, the Company shall require the responsible person to immediately cease the relevant conduct and take appropriate measures. Where necessary, the Company shall seek damages through legal proceedings to safeguard the Company's reputation and rights and interests. For any dishonest conduct that has occurred, the Company shall also require the relevant departments to review the internal control system and operating procedures and propose improvement measures to prevent the recurrence of similar incidents. Where a case involves a government agency or public official, the Company shall also notify the competent government anti-corruption authorities in accordance with applicable laws.

In accordance with the Guidelines for Handling Whistleblowing Cases, the Company has established the Guidelines as the basis for the acceptance and handling of whistleblowing cases. Whistleblowing cases received by the Company are investigated and handled by the Internal Audit Office. Where the reported matter involves a Director or a managerial officer or above, it shall be reported to the Audit Committee for handling, and the Internal Audit Office or external professionals may be assigned to conduct the investigation. The investigation results shall be submitted to the Audit Committee for further review before being reported to the Board of Directors. In addition, general complaints or petitions are accepted and registered by the Administration Department and then referred to the responsible department for handling. Where a violation of the relevant regulations is verified, it shall be handled in accordance with the Company's Work Rules.

Personnel who engage in dishonest conduct where the circumstances are serious shall be removed from office or terminated in accordance with applicable laws and regulations or the Company's personnel management regulations. In addition, the Company discloses on its internal website the position title, name, date of violation, details of the violation, and handling status of personnel who have engaged in dishonest conduct, so as to strengthen internal Business Integrity governance and enhance its deterrent effect. In 2025, the Company did not experience any incidents of corruption, nor were there any cases involving anti-competitive conduct, antitrust, or monopoly practices.

To prevent dishonest conduct, the Company conducts education and training sessions and awareness programs for managerial officers, employees, and mandataries on a regular basis to ensure that they fully understand the Company's commitment to Business Integrity, policies, prevention programs, and the consequences of engaging in dishonest conduct. In 2025, a total of 2 education and training sessions were conducted, with 149 participant attendances, totaling 4 hours. Through continuous awareness programs, the Company ensures that its Business Integrity policy is effectively implemented in daily operations.





Business Integrity Education and Training Photos

Integrity Policy

To establish a corporate culture of Business Integrity, promote sound corporate development, and provide a reference framework for establishing sound business operations, Tang Eng has established the Regulations Governing the Handling of Acceptance of Gifts, Entertainment and Hospitality, Business Hospitality and Gifts, and Improper Influence. These Regulations clearly specify how employees shall handle gifts involving parties having an interest relationship arising from their official duties. Except as otherwise specifically provided, such gifts shall be refused, returned, or reported. In addition, for operations involving high ethical risks, such as procurement and business activities, Tang Eng has, in accordance with Article 15 of the Business Integrity Guidelines and Procedures, stipulated Business Integrity clauses in both the General Terms and Conditions of Procurement Contracts and Sales Contracts. The Company also integrates ISO and the internal control system into its process control mechanisms to effectively reduce the risk of misconduct.

The Company upholds the principles of fairness, honesty, good faith, and transparency, and actively prevents dishonest conduct. The Company has established comprehensive internal regulations, including the Work Rules, Business Integrity Policy, and Business Integrity Guidelines and Procedures, clearly specifying the standards of conduct for Directors, managerial officers, employees, mandataries, and persons having substantial control. To strengthen the ethical standards of senior management, the Company has also established the Code of Ethical Conduct for First-Level Supervisors and Above and the Code of Ethical Conduct for Directors. To actively implement the Business Integrity Policy and strengthen preventive risk management, the Company requires all Directors (including the Chairperson) and managerial officers to sign the Declaration of No Violation of the Principles of Business Integrity. At the same time, all employees are required to sign the Employee Confidentiality Undertaking, thereby preventing dishonest conduct and safeguarding the interests of stakeholders.

Whistleblower Protection Mechanism

Whistleblowing cases shall be kept confidential, and the personal information of whistleblowers and whistleblowing documents shall not be disclosed without authorization. Where a whistleblower is an employee, the Company shall not take any improper action against the whistleblower as a result of the whistleblowing, except where the whistleblower has deliberately fabricated facts or made false accusations that constitute defamation or damage to reputation or credit, in which case the whistleblower shall bear legal liability.

6.2.2 Internal Control and Audit SystemBusiness Integrity Policy

Internal Control

Internal control is an ongoing process. Through the continuous review of operational and management activities by each operating unit, where any deviation from the Company's policies, operating procedures, established objectives, or expected standards is identified, the matter shall be immediately escalated to the appropriate level of senior management, and the necessary corrective actions shall be taken promptly to address the identified issues and prevent operational irregularities, thereby ensuring that the Company's operations proceed in accordance with the Company's planned direction. In addition, the design and implementation of all internal control procedures are carried out in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies and other applicable laws and regulations.

The purpose of the Company's self-assessment of its internal control system is to ensure the effective operation of the Company's self-monitoring mechanism, respond promptly to changes in the environment, adjust the design and implementation of its internal control system accordingly, and enhance the quality and efficiency of internal auditing. The scope of the self-assessment covers the design and implementation of all categories of the Company's internal control system.

Before the end of December each year, the Company's Planning Department issues a formal notice to all internal departments requiring them to conduct self-assessments and prepare self-assessment reports. The Internal Audit Office then reviews the self-assessment reports submitted by each department and submits them to the Audit Committee and the Board of Directors within three months after the end of each fiscal year. These reports serve as the primary basis for the Board of Directors, the Chairperson, and the General Manager to evaluate the effectiveness of the Company's overall internal control system and issue the Internal Control System Statement.

Audit System

The Internal Audit Office reports directly to the Board of Directors. In addition to regularly reporting audit activities to the Audit Committee, the Chief Audit Executive also attends meetings of the Board of Directors to report on audit matters. Internal audit activities include examining and evaluating the effectiveness of the design and implementation of the internal control system, measuring the effectiveness and efficiency of operations, examining compliance with the Company's regulations and applicable laws and regulations, providing improvement recommendations in a timely manner, and following up on implementation, thereby assisting management in effectively discharging its responsibilities and enhancing management performance.

In accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies and the Company's Detailed Rules for Internal Audit Implementation, the Internal Audit Office shall formulate an annual internal audit plan based on the results of risk assessments. The annual internal audit plan shall include, as mandatory audit items, major transaction cycles, such as the sales and collection cycle and the procurement cycle; control activities over major financial and business activities, including derivatives transactions, prevention of insider trading, acquisition or disposal of assets, and related-party transactions; cybersecurity inspections; the meeting operations of the Remuneration Committee, the Audit Committee, and the Board of Directors; and the management of sustainability information. Upon approval by the Audit Committee and the Board of Directors, the audit plan shall be implemented as planned. Upon completion of each audit item, the results shall be formally submitted to each Independent Director for review in accordance with the relevant requirements.

Each internal department of the Company shall conduct a self-assessment of the internal control system at least once each year, which shall then be reviewed by the Internal Audit Office. The self-assessment results, together with the internal control deficiencies identified during audits and the status of corrective actions for irregularities, shall serve as the primary basis for evaluating the effectiveness of the internal control system and issuing the Internal Control System Statement. In addition to being filed and publicly disclosed on the website designated by the Financial Supervisory Commission (FSC), the Internal Control System Statement is also published in the Company's annual report and prospectus to fully disclose such information.

In 2025, the Internal Audit Office conducted a total of 83 audit cases in accordance with the annual internal audit plan. The 2026 Annual Internal Audit Plan was reviewed by the Audit Committee on December 12, 2025, and subsequently approved at the 10th Meeting of the 20th Board of Directors on December 29, 2025. The plan will be implemented as planned, and special audits and individual case audits will be conducted as necessary.

The operating site responsible for corruption risk assessment is the Internal Audit Office. In 2025, no whistleblowing cases were received or handled.

Whistleblowing Channels	
Receiving Unit	Internal Audit Office, Tang Eng Iron Works Co., Ltd.
Whistleblowing Hotline	(07) 802-3855
Whistleblowing Fax	(07) 802-2619
E-mail	teia@mail.tangeng.com.tw
Mailing Address for Written Whistleblowing Reports	No. 4, Yanhai 2nd Rd., Xiaogang Dist., Kaohsiung City 812, Taiwan

6.2.3 Regulatory Compliance

Tang Eng handles all significant matters in accordance with applicable laws and regulations and takes the regulations promulgated by the competent authorities as the basis for compliance. In 2025, the Company was subject to administrative penalties imposed by the competent authority for two violations of the Air Pollution Control Act, with total fines amounting to NT$385,000. To prevent the recurrence of similar incidents, the Company has reviewed and improved the relevant operating procedures and management measures, and strengthened its internal management and supervisory mechanisms to enhance regulatory compliance and environmental management performance. Details of the number of penalties imposed, the total amount of fines, and the corresponding corrective measures taken by the Company in 2025 are described below.

Penalty Category	Type	Fine Amount	Penalty Details	Description of Regulatory Violation	Corrective Measures
Administrative Fine Incident	Administrative Fine Incident	100,000	Fine of NT$100,000 2 hours of environmental education	On March 24, 2025, there was an opening in the enclosed collection duct upstream of the M01 baghouse dust collector (No. A002), and the stainless steel scrap storage yard was not included in the air pollution permit. This constituted a violation of Article 24, Paragraph 2 of the Air Pollution Control Act and resulted in an administrative fine.	1.The opening was sealed by mid-July 2025. The opening will be removed from the design when the ductwork is replaced to ensure compliance with the permit requirements. 2.Based on the current assessment of the automatic water spraying system, manual water spraying has been adopted at this stage to effectively implement dust suppression measures.
	Administrative Fine Incident	285,000	Fine of NT$285,000 2 hours of environmental education	On December 30, 2025, at 23:45, a fire occurred due to improper operation of the cold rolling mill (E016), when friction between the steel plate and the equipment during rolling generated high-temperature sparks that came into contact with oil mist. As the resulting particulate matter was not effectively collected and treated, visible particulate matter was emitted and dispersed into the air. Such conduct constituted a violation of Article 32, Paragraph 1, Subparagraph 1 of the Air Pollution Control Act.	1.Install additional steel plate positioning devices. 2.Install additional fire extinguishing equipment.
Total	Number of Incidents: 2; Total Fine Amount: NT$385,000				

In 2025, the Company had no violations of financial laws and regulations, commercial laws and regulations, or the Procedures for the Disclosure of Material Information, nor did it have any violations of labor laws and regulations, occupational safety and health laws and regulations, laws and regulations related to major environmental pollution incidents, laws and regulations concerning the health and safety of products and services, laws and regulations governing product and service information and labeling, or laws and regulations related to marketing communications.

Laws and Regulations Related to Corporate Governance	Laws and Regulations Related to Labor Rights
● No violations of the Company Act ● No violations of commercial laws and regulations ● No violations of securities and financial laws and regulations ● No political contributions	● No violations of the Gender Equality in Employment Act ● No forced labor ● No child labor ● No violations involving freedom of association or collective bargaining ● No incidents of discrimination or human rights violations ● No incidents involving violations of Indigenous Peoples' rights
Laws and Regulations Related to Products	**Laws and Regulations Related to Environmental Protection**
● No prohibited or controversial products ● No violations of marketing-related laws and regulations or voluntary codes ● No significant fines imposed for violations of laws and regulations concerning the provision and use of products and services ● No customer privacy violations ● No violations of marketing communications laws and regulations	● Environmental Protection Regulation Violations (2 Administrative Fines)

1. According to Article 26, Paragraph 3 of the Financial Supervisory Commission (FSC) regulations, a major administrative penalty is defined as a single administrative penalty of NT$1 million or more.
2. Under occupational safety and health laws and regulations, an administrative penalty of NT$300,000 or more is regarded as a major administrative penalty.

6.2.4 Tax Management System

Tang Eng strictly complies with the applicable tax laws and regulations, including the Value-Added and Non-Value-Added Business Tax Act and its Enforcement Rules, the Tax Collection Act and its Enforcement Rules, the Income Tax Act and its Enforcement Rules, the Securities Transaction Tax Act, the Regulations Governing Assessment of Profit-Seeking Enterprise Income Tax, the Statute for Industrial Upgrading and its Enforcement Rules, administrative orders and interpretive rulings issued by the highest competent tax authority, judicial precedents established by the Administrative Court, and other relevant tax laws and regulations. In 2025, the Company did not experience any tax-related risks.

The Company's departments responsible for tax-related matters are as follows: Business Tax and Securities Transaction Tax are the responsibility of the Finance Department; Profit-Seeking Enterprise Income Tax is the responsibility of the Accounting Department; Stamp Tax and Customs Duties are the responsibility of the Procurement Department; Various Income Taxes are the responsibility of the Administration Department and the Finance Department; and Land Value Tax and House Tax are the responsibility of the Planning Department.

In accordance with applicable tax laws and regulations, Tang Eng has established the Company's tax-related internal control policies and the Uniform Invoice Management Guidelines. The Company's tax policy is formulated in accordance with the following principles:

Principle of Regulatory Compliance	Comply with tax laws and regulations and their legislative intent, accurately declare and pay taxes, and maintain supporting documentation.
Principle of Comprehensive Decision-Making	Monitor changes in domestic and international tax laws, comprehensively assess their impacts, and formulate response strategies.
Principle of Information Transparency	Regularly disclose tax information through public channels, including financial statements and annual reports, to ensure information transparency.
Principle of Proactive Communication	Maintain open and honest communication with tax authorities to assist in improving the tax environment and tax administration.
Principle of Reasonable Tax Planning	Utilize lawful and transparent tax incentives and refrain from adopting tax planning practices that are contrary to the spirit of the law.
Principle of Reasonable Corporate Structure	Ensure that the corporate structure and transaction arrangements are consistent with economic substance and do not use special arrangements for tax avoidance.
Principle of Risk Management	Evaluate relevant risks and adopt appropriate strategies when formulating and implementing tax decisions.
Principle of Commercial Substance	Ensure that related-party transactions are consistent with economic substance, and that decision-makers assume risks and receive reasonable remuneration.
Principle of Arm's Length Transactions	Ensure that the pricing and terms of related-party transactions are comparable to those of similar transactions between unrelated parties.

Tax Policy

Compliance and Planning	Professional Knowledge	Performance
To align with the government tax authorities' implementation of electronic tax filing and promotion of electronic uniform invoices, the Company implemented the electronic uniform invoice system in 2021 to enhance the efficiency and accuracy of electronic tax processing. The Company also continues to conduct electronic tax submission monitoring to ensure compliance with the relevant laws and regulations.	The Company establishes operating manuals, standardized working papers, promotes experience sharing, and implements an alternate personnel system to facilitate the transfer of tax expertise.	The performance of tax personnel is evaluated based on the achievement of established objectives, with the objective of achieving zero deficiencies and zero administrative fines.

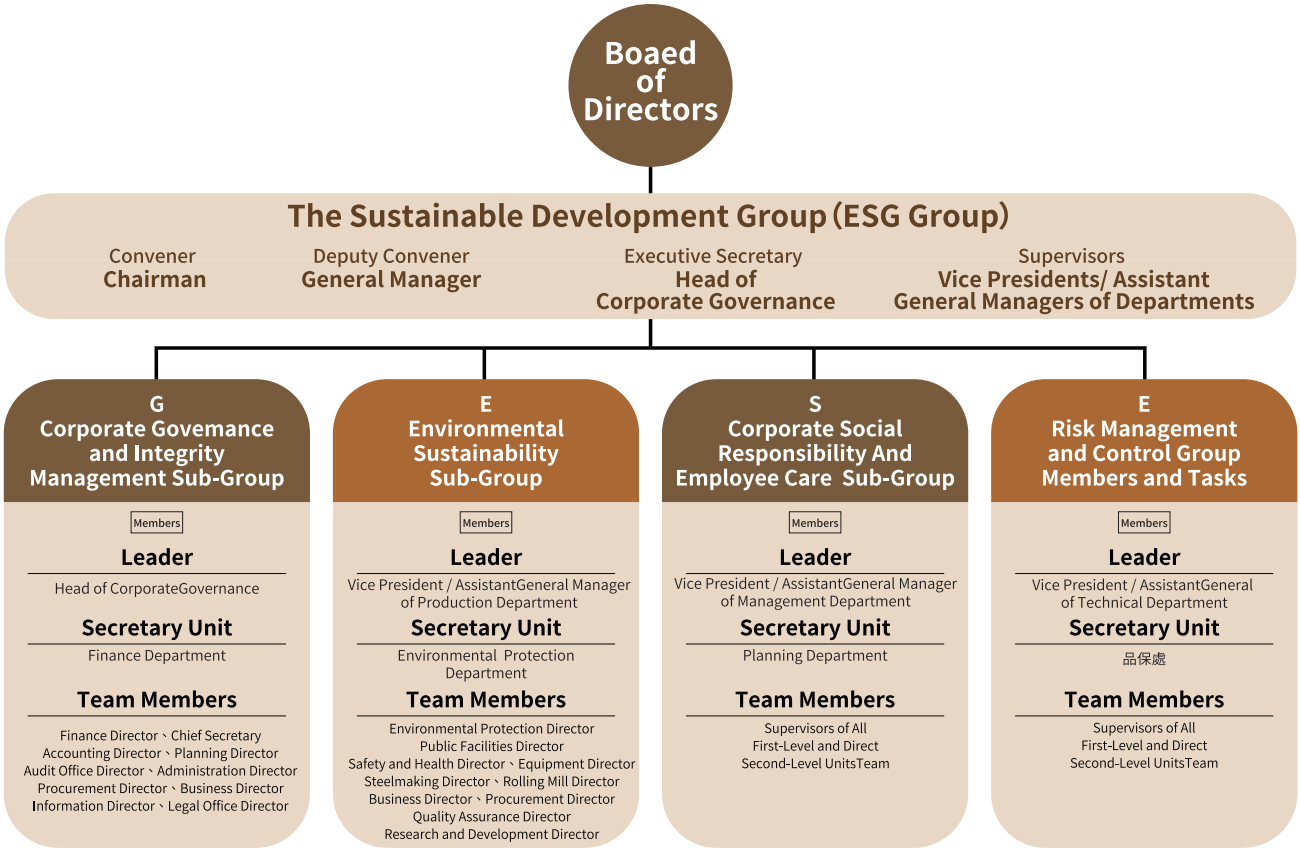
Tax Risk Management Mechanism

The Company has established a tax risk management mechanism comprising three lines of defense:

1. Tax Filing System Exception Alerts	2.Whistleblower Protection	3.Assurance of Tax Disclosures
The tax filing system incorporates a validation mechanism that generates warning alerts and prevents users from proceeding to the next step when data errors or non-compliance with applicable requirements are detected, thereby reducing filing errors.	Whistleblowing hotlines and dedicated whistleblowing email addresses have been established to enable employees and stakeholders to report unlawful or unethical tax-related matters.	Based on the financial statements audited by a CPA firm, the Company discloses tax-related information through public channels, including its official website and annual report.

6.3 Sustainability Governance Framework

6.3.1 Sustainability Development CommitteeBusiness Integrity Policy



The Company has established the Sustainability Development Committee as the supervisory body for corporate governance and sustainable development. Its plans are implemented in accordance with the Guidelines for the Establishment and Operation of the Corporate Governance Organization. The Committee is convened by the Chairperson, with the General Manager serving as the Deputy Convener and the Chief Corporate Governance Officer serving as the Executive Secretary. Four subcommittees are established under the Committee: Corporate Governance and Business Integrity, Environmental Sustainability, Social Responsibility and Employee Care, and Risk Management. Each subcommittee convenes quarterly meetings. The Vice Presidents (or Assistant Vice Presidents) of each department, together with the Chief Corporate Governance Officer, oversee the relevant matters as directed by the Chairperson and implement the resolutions adopted by the Committee. In addition, the Finance Department prepares the Corporate Governance Report, compiling the implementation status and future objectives and action plans of each subcommittee, and submits the report to the Board of Directors.

The Sustainability Development Committee is responsible for overseeing the Company's sustainability implementation and regularly reports the implementation results across the environmental, social, and corporate governance aspects to the Chairperson and the Board of Directors for discussion. In addition, to strengthen the management of sustainability information and the quality of its disclosure, the Company has incorporated the relevant management mechanisms into its internal control system to enhance the transparency and management effectiveness of sustainability governance.

Details of the Company's sustainability development progress in 2025 are available on the Company's official website.

Responsibilities of the Sustainability Development Committee Subcommittees

1.Members and Responsibilities of the Corporate Governance and Business Integrity Subcommittee

The Corporate Governance and Business Integrity Subcommittee is chaired by the Chief Corporate Governance Officer, with the Finance Department serving as the secretariat. Its members include the Director of the Finance Department, Chief Secretary, Director of the Accounting Department, Director of the Planning Department, Director of the Internal Audit Office, Director of the Administration Department, Director of the Procurement Department, Director of the Sales Department, Director of the Information Department, and Director of the Legal Affairs Office. The membership of the Subcommittee may be adjusted by the Chair as necessary. The responsibilities of the Subcommittee are as follows:

A. Implement and ensure compliance with the requirements of the Corporate Governance Best Practice Principles, the Ethical Corporate Management Best Practice Principles, and the Guidelines and Procedures for Ethical Corporate Management.

B. Manage and track the corporate governance evaluation items.

C. Assess the potential risks and opportunities arising from corporate governance and unethical conduct, and formulate corresponding response measures.

D. Coordinate and communicate with the other subcommittees and consolidate materials related to meetings of the Sustainability Development Committee.

E. Provide and maintain information related to corporate governance and business integrity for the annual report, the Company's website, the Sustainability Report, and the corporate governance evaluation items.

2.Members and Responsibilities of the Environmental Sustainability Subcommittee

The Environmental Sustainability Subcommittee is chaired by the Vice President (or Assistant Vice President) of the Production Division, with the Environmental Protection Department serving as the secretariat. Its members include the Director of the Environmental Protection Department, Director of the Utilities Department, Director of the Occupational Safety and Health Department, Director of the Equipment Department, Plant Manager of the Steelmaking Plant, Plant Manager of the Rolling Mill, Director of the Sales Department, Director of the Procurement Department, Director of the Quality Assurance Department, and Director of the Research and Development Department. The membership of the Subcommittee may be adjusted by the Chair as necessary. The responsibilities of the Subcommittee are as follows:

A. In accordance with the requirements of environmental and climate change-related laws and regulations, policies, and standards, formulate and implement policies, objectives, and strategies for energy conservation, carbon reduction, and carbon neutrality.

B. Assess the potential risks and opportunities arising from climate change and formulate corresponding response measures.

C. Provide and maintain information related to the environment and climate change for the annual report, the Company's website, the Sustainability Report, and the corporate governance evaluation indicators.

3.Members and Responsibilities of the Social Responsibility and Employee Care Subcommittee

The Social Responsibility and Employee Care Subcommittee is chaired by the Vice President (or Assistant Vice President) of the Administration Division, with the Planning Department serving as the secretariat. Its members consist of the heads of all first-level units and directly reporting second-level units. The responsibilities of the Subcommittee are as follows:

A. Implement the relevant corporate social responsibility requirements.

B. Prepare and review the contents of the Sustainability Report.

C. Provide and maintain information related to social responsibility and employee care for the annual report, the Company's website, the Sustainability Report, and the corporate governance evaluation indicators.

D. Assess the potential risks and opportunities arising from community and labor-management relations, and formulate corresponding response measures

4.Members and Responsibilities of the Risk Management Subcommittee

The Risk Management Subcommittee is chaired by the Vice President (or Assistant Vice President) of the Technical Division, with the Quality Assurance Department serving as the secretariat. Its members consist of the heads of all first-level units and directly reporting second-level units. The responsibilities of the Subcommittee are as follows:

A. Implement the Company's risk management policy and operating procedures, and regularly review their applicability and effectiveness.

B. Establish risk management assessment items and review their implementation status.

C. Provide and maintain information related to risk management for the annual report, the Company's website, the Sustainability Report, and the corporate governance evaluation indicators.

6.3.2 Significant Communication Matters

The Sustainability Development Committee is responsible for implementing and overseeing the Company's sustainability development initiatives and implementation. Each subcommittee of the Sustainability Development Committee convenes quarterly meetings, and the Sustainability Development Committee convenes two meetings each year. The Committee regularly reports to the Board of Directors on and discusses the implementation results across the environmental, economic, social, and corporate governance aspects. In 2025, the Board of Directors discussed sustainability-related matters, including operating performance, the Corporate Governance Report, corporate governance evaluation results, the solar power plant construction project, revisions to the collective agreement, the implementation status of internal audits, and greenhouse gas inventory and verification. In addition to receiving regular reports from the Sustainability Development Committee, the Board reviews implementation progress and effectiveness in a timely manner and, where necessary, requests the necessary adjustments and urges their implementation to enhance the Board's sustainability performance and promote sustainable management. Individual departments also provide in-depth project reports on relevant sustainability matters.

Agenda Item Category	Environmental Aspect	Economic Aspect	Social Aspect	Corporate Governance Aspect
Number of Items	2	5	2	3
Description	1.Solar Power Plant Installation Project 2.Greenhouse Gas Inventory and Verification	1.2024 Financial Report 2.Internal Audit 3.2025 Quarterly Financial Reports 4."Sustainability Development Action Plan for TWSE/TPEx Listed Companies" (Corporate Governance 4.0) 5.2025 Internal and External Performance Evaluation Report of the Board of Directors	1.Special Report on the Proposed Amendments to the Collective Agreement 2.Matters Related to the Review of the Proposed Amendments to the Collective Agreement	1.Proposed Amendments to the Corporate Governance Best Practice Principles 2.Corporate Value Enhancement Plan 3.2025 Corporate Governance Report

6.4 Risk Management

The Company's risk management organizational structure comprises the Board of Directors, the Sustainability Development Committee (ESG Committee), the Risk Management Subcommittee, the Internal Audit Office, and each operating unit.

The Company has established the Risk Management Subcommittee under the Sustainability Development Committee as the unit responsible for implementing risk management. The Subcommittee is responsible for overall risk management matters, including preparing risk management reports, integrating and coordinating cross-departmental risk management issues, communicating and disseminating important risk management matters, and regularly reporting the implementation status to the Sustainability Development Committee. The Chief Corporate Governance Officer reports the implementation status of risk management to the Board of Directors annually.

The Company has established the Risk Management Policy and Procedures to strengthen its vision for corporate governance and sustainable development and establish an effective risk management mechanism. These Policy and Procedures serve as the basis for the implementation of risk management at all levels of the Company. The Risk Management Policy and Procedures specify that the scope of risk management covers strategic risk, operational risk, financial risk, information risk, compliance risk, integrity risk, and other emerging risks (such as risks related to climate change or infectious diseases). Each operating unit is responsible for risk identification, analysis, and assessment, and for adopting appropriate risk response measures. The units shall also complete the Risk Management Register, including the risk category, risk item, risk management strategy or response measures, risk assessment description, and risk appetite (quantitative, including control objectives and risk limits, or qualitative). Significant risk items related to the Company's operations are then submitted to the Risk Management Subcommittee for discussion and formulation, and subsequently reviewed and approved by the Sustainability Development Committee.

The approved risk items shall be addressed by each operating unit through the implementation of the corresponding risk management strategies or response measures. Each operating unit shall compile and review the implementation status on a monthly basis. The Risk Management Subcommittee conducts quarterly monitoring and oversight, and the implementation status is regularly submitted to the Sustainability Development Committee for review.

Risk Management Strategy or Response Measures

Strategic Risk	
Environmental Sustainability Strategic Risk (E)	Apply for a Voluntary Emission Reduction Plan in 2025 Implementation of Voluntary Emission Reduction Measures (2025–2030) 1.Improve energy efficiency: Enhance energy-consuming equipment, including process power equipment (motors), air-conditioning systems, compressed air systems, pumps, and lighting, and install an Energy Management System (EMS) to monitor and analyze electricity consumption across production lines. 2.Expand renewable energy installations: Focus primarily on solar power plants, with 5 MW of grid-connected solar capacity to be installed by the end of 2026 and another 5 MW by 2029. Including the mandatory installed capacity of 3 MW, the total installed solar power capacity shall reach more than 13 MW. 3.Process improvement: Adopt raw material substitution (including increasing the use of recycled scrap and replacing ferronickel used in the AOD process with low-carbon ferronickel), replace or dismantle equipment (including preheater retrofit), and reduce the consumption of natural gas or steam. CCS, CCU, DACCS, and BECCS will not be included as emission reduction measures before 2030. Adopt the designated reduction rate under the technology benchmark approach. Base year: Arithmetic average for 2018–2022. Target year: 2030, with a 9% reduction in emissions (electricity and process emissions), and an annual emission reduction target of more than 1.5% during 2025–2030.
Operational Risk	
Carbon Fee Imposition (E)	Apply for a Voluntary Emission Reduction Plan by June 30, 2025, adopt the designated reduction rate under the technology benchmark approach, and be eligible for the preferential carbon fee rate for the period from 2025 to 2030.
Production Risk (G)	1.Based on the Sales Department's order forecasts, plan production and sales targets and flexibly adjust production lines to meet production requirements. 2.Properly plan the schedule for outsourced hot rolling operations to ensure the smooth transition of self-produced steelmaking materials. 3.Ensure the quality and quantity of steelmaking raw material deliveries. Monitor and compare the input and output of raw materials and nickel metal on a monthly basis to ensure normal operations, and continuously monitor whether process parameters at each stage of steelmaking remain stable. 4.Establish an appropriate spare parts management system to avoid production line shutdowns caused by shortages of spare parts. 5.Establish a maintenance knowledge database based on maintenance cases to facilitate equipment failure troubleshooting, shorten maintenance time, and restore production promptly. 6.Implement self-quality control in each unit and actively collaborate with the Quality Assurance Department to prevent batch defects, enhance inspection capabilities, and provide timely warnings to reduce the risk of batch defects. 7.Before the commencement of National Freeway No. 7 construction, retain one-half of the roadway for vehicle access through engineering coordination meetings to reduce the risk of disruptions to stainless steel scrap deliveries and steelmaking plant production.
Sales Risk (G)	1.Stabilize the existing customer base: Through monthly customer visits, gain a thorough understanding of distributors and market demand, establish a long-term cooperation model, and effectively strengthen the loyal customer base. 2.Adjust raw material procurement volume: The Company does not enter into long-term contracts for raw material procurement. In response to rapid market changes, meetings are convened in a timely manner for review, and procurement volumes are flexibly adjusted to leverage the advantages of a flexible procurement strategy and reduce the risk of inventory value decline. 3.Develop a flexible order acceptance model: To increase monthly order volume, propose special sales programs for selected products during price-setting meetings to effectively improve capacity utilization. 4.Expand the scope of export orders: Continue to seek business partners in Europe, the Americas, Southeast Asia, and other markets, and progressively establish distribution channels to reduce the risk of excessive concentration in sales regions.
Business Environment Risk (G)	1.Tsingshan Group in China and Indonesia smelts stainless steel using laterite nickel and sells its products in the global market with its cost advantage. As raw material costs are relatively higher for Taiwan's stainless steel industry, the oversupply of stainless steel coils has become more severe. Accordingly, the Company continues to reduce production costs and develop new steel grades with higher added value to enhance product competitiveness. 2.The key operating indicators include gross margin, operating profit (loss), profit (loss) before tax, capacity utilization, inventory balance, idle capacity loss, and inventory gains and losses. The Accounting Department prepares the relevant management reports on a monthly basis for regular monitoring by the responsible operating units.

Operational Risk	
Raw Material and Supply Chain Risk (G)	1.To ensure the supply of stainless steel scrap, ferrochrome, and other raw materials, manage the procurement of stainless steel scrap and ferrochrome in accordance with production and sales planning requirements to support steelmaking production. 2.Control the low-cost inventory strategy for black surface coils, and adopt a flexible mechanism for balancing the procurement of black surface coils and steelmaking replacement costs. 3.Actively procure and develop nickel-based raw materials for use as steelmaking charge materials.
Supplier Management Risk (S)	1.The procurement of raw materials from overseas suppliers is subject to procurement contracts, which expressly stipulate that suppliers shall comply with applicable local laws and regulations, including those related to labor and human rights. 2.Suppliers are also required to clearly disclose the sources of their raw materials to screen out and avoid obtaining raw materials produced by upstream producers that violate international laws, regulations, or internationally recognized standards. 3.With respect to the raw material supplier management mechanism, the Company has established a List of Disqualified Suppliers and a supplier evaluation system. Through the above procurement procedures and review mechanisms, the Company manages and screens suppliers in advance with respect to their qualifications and contract performance capabilities.
Inventory Risk (G)	1.Significant fluctuations in the supply and demand of key raw materials make raw material procurement difficult to manage, resulting in substantial fluctuations in inventory levels. In addition, some steelmaking raw materials are imported from external suppliers. Force majeure events that prevent the timely delivery of raw materials, together with significant fluctuations in steelmaking output, may result in raw material shortages. 2.Implement production and sales targets to maintain inventory under control and maintain work-in-process inventory at a reasonable level. 3.Available inventory places pressure on warehouse capacity and ties up Company costs. Strengthen the monthly management of available inventory to reduce production costs and improve cash inflows. The control objectives and risk limits exclude export shipment deferrals, shipment schedule coordination, and cross-month orders.
Labor-Management Relations Risk (S)	Regularly hold labor-management meetings to communicate on and resolve labor-management issues in a timely manner, build labor-management consensus, and reduce labor-management disputes.
Human Resources Risk (SG)	To ensure the timely recruitment of sufficient personnel in the future, recruitment schedules will be planned based on the retirement dates of employees scheduled to retire in the following year, and recruitment will be conducted regularly according to the required staffing levels.
Occupational Safety and Health Risk (S)	1.Establish a dedicated occupational safety and health unit (Occupational Safety and Health Department) and appoint dedicated personnel to oversee occupational safety and health management throughout the Company. 2.Continuously implement the ISO 45001 Occupational Safety and Health Management System to conduct risk control through a systematic management approach. 3.Conduct occupational safety and health hazard identification and risk assessment, adopt corresponding management, supervision, and improvement measures, and establish safe operating standards to reduce associated risks and prevent occupational accidents. 4.Establish a work environment monitoring plan and regularly commission a work environment monitoring institution accredited by the Ministry of Labor to conduct monitoring. All monitoring results have met the applicable standards. 5.Personnel engaged in special operations shall apply for a permit from the responsible unit and may commence operations only after obtaining the required permit. 6.Regularly conduct emergency response drills to ensure that employees are familiar with various emergency response measures, promptly control incidents, and reduce and mitigate the impact and losses caused by such incidents. 7.Comply with the Occupational Safety and Health Education and Training Regulations of the Ministry of Labor by providing employees with regular occupational safety and health education and training.
Process Safety Risk	1.Hydrofluoric acid, ammonia storage tank, and nitric acid equipment-related processes are chemical processes with relatively higher risks at the Company and are therefore subject to strengthened control measures. 2.The main measures are as follows: 3.Establish standard operating procedures and provide education and training. 4.Conduct daily routine self-inspections and periodic inspections. 5.Regularly conduct emergency response drills. 6.Conduct annual audits.

Financial Risk

Exchange Rate Risk (G)

1.Closely monitor exchange rate movements each week following the release of U.S. monetary policy-related news to facilitate the purchase of foreign currency at relatively lower exchange rates, thereby maintaining a lower average acquisition cost to support U.S. dollar-denominated payments.
2.For other foreign currency-denominated monetary liabilities, purchase or sell foreign currencies at prevailing exchange rates to ensure that net exposure remains within an acceptable level.

Liquidity Risk (G)

In accordance with Article 4, Paragraph 1 of the Information Disclosure Processing Principles for the Financial and Trading Information Focus Area of the Market Observation Post System (MOPS) of the Taiwan Stock Exchange Corporation, the Company has established its financial risk targets.

	Standard (Target)	Alert Stock	Full-Cash Settlement	Notes
Net Worth per Share	Above NT$10	Below NT$10	Below NT$5	• Warning Stock: A company is designated as a Warning Stock when its financial ratios fail to meet the required standards and it is placed under the Financial and Trading Information Section. • Full-Cash Settlement Stock: A Full-Cash Settlement Stock refers to the stock of a company experiencing financial difficulties, undergoing reorganization, or suspending operations. The purpose of this designation is to restrict excessive circulation of the stock, and investing in such stocks involves a very high degree of risk. Designation as a Full-Cash Settlement Stock is regarded as a form of financial distress. Therefore, once a company is designated as a Full-Cash Settlement Stock, its share price typically declines significantly.
Annual Profit or Loss	Profit	Losses for three consecutive years	–	
Debt Ratio	75%	60%	–	
Current Ratio	110%	100%	–	
Operating Cash Flow	Net cash inflow	Net cash outflow for two consecutive years	–	
Credit Facility Utilization Ratio (%)	60%	Above 80%	–	
Auditor's Opinion	Unqualified opinion	Qualified opinion	Qualified opinion	

Response Strategies:
1.Regular and timely reporting: The Finance Department regularly reports the status of risk control at management meetings. When the Company approaches the criteria for designation as an Alert Stock, the Finance Department shall promptly report the matter to the appropriate supervisor.
2.Expand the number of banking relationships and available credit facilities, while maintaining the credit facility utilization ratio at no more than 60%, to ensure that the Company has sufficient funds to support its operations.
3.The management team shall formulate improvement strategies for the Company's core business to prevent the occurrence of liquidity risk.
4.The Finance Department monitors the financial risk targets on a monthly basis. When the net worth per share falls below NT$7, a written report shall be submitted to the Chairperson (Sustainability Development Committee) for approval, and proactive and effective integrated measures shall be evaluated to prevent the net worth per share from falling below NT$5. Such measures may include asset disposals, changes in accounting policies (asset revaluation), accelerating asset revitalization to increase non-operating income, expanding business operations (strategic investments), and seeking shareholders' approval for cash capital increases or capital reductions. The General Manager shall then convene a special project meeting to formulate feasible integrated measures to prevent the Company from being designated as a Full-Cash Settlement Stock.

Information Risk

Liquidity Risk (G)

1.Regularly perform data backup and recovery drills for critical information systems and data files. Establish auxiliary and replacement computer equipment and emergency power facilities, strengthen monitoring, incident management, and backup mechanisms, and establish an early warning and notification system to reduce the risk of information system interruptions.
2.Deploy firewall systems to defend against malicious network packets, strengthen intrusion prevention, block spyware, and enhance protection against unknown attacks. Deploy an antivirus server to continuously monitor the network and prevent computer viruses from infiltrating and spreading. Establish a regional information security defense system to isolate and eliminate the spread of virus infections, thereby strengthening information security protection.
3.Install a fingerprint access control system for the server room to control personnel access and prevent unauthorized personnel from entering, thereby ensuring the security and confidentiality of the server room facilities.

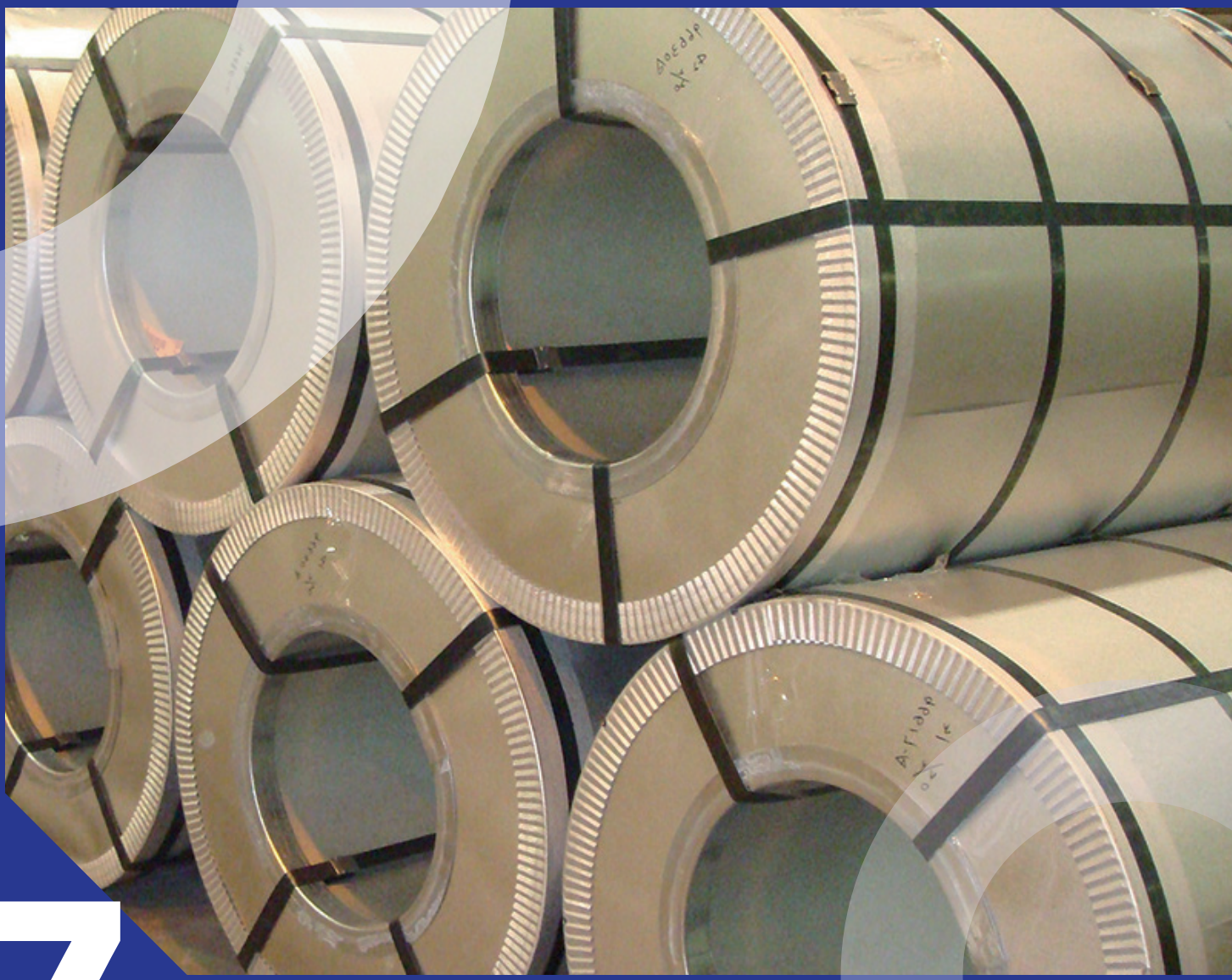
Environmental Risk

Climate Change Risk (E)

1.Keep abreast of the latest developments in government climate change-related laws, regulations, and policies, and formulate energy conservation and carbon reduction implementation plans.
2.Conduct greenhouse gas emissions inventories and verification to evaluate emission reduction targets and their effectiveness.
3.In line with the national greenhouse gas reduction policy, establish voluntary greenhouse gas reduction targets on an annual basis to reduce emissions and mitigate their impacts.
4.Continue to report the Company's voluntary greenhouse gas reduction plans and performance on an annual basis.
5.Collect and calculate product carbon content information during the transitional period of the European Union Carbon Border Adjustment Mechanism (CBAM).
6.In response to carbon neutrality, plan and implement green electricity policies and develop green electricity to reduce carbon emissions and strive to obtain carbon credits.

Environmental Risk	
Environmental Protection (E)	1.Regularly monitor, analyze, and effectively control the quantity and characteristics of industrial waste generated. Slag generated from the steelmaking process and inorganic sludge generated from wastewater treatment facilities are entrusted to qualified waste removal contractors for collection and transportation and to qualified recycling organizations for recycling in accordance with applicable regulations. 2.Strengthen the maintenance of pollution control equipment to maintain its normal operating functions, and closely monitor pollutant emissions (such as nitrogen oxides and sulfur oxides) to ensure compliance with operating permits and applicable environmental regulations.
Water Resource Management Risk (E)	The steel industry is one of the industries with high water consumption. To use water resources effectively, the Company has established water conservation strategies and installed water-saving facilities, including improving system design, adopting high-efficiency equipment, recycling and reusing water, and constructing additional water storage tanks for backup to address water resource shortages.
Regulatory Compliance Risk (G)	1.Each department regularly conducts regulatory compliance audits. Where non-compliance is identified, corrective actions shall be implemented or relevant operating procedures shall be established to reduce the risk of regulatory violations. 2.Each department conducts awareness activities or education and training on an as-needed basis. 3.Amendments to laws and regulations related to occupational safety and health, environmental protection, and climate change are compiled and collected on a monthly basis. Following an applicability assessment, each department conducts regulatory compliance audits. Where non-compliance is identified, immediate corrective actions shall be taken or management programs shall be established and implemented to address the non-compliance.
Business Integrity Risk (G)	The Company has established the Corporate Governance and Business Integrity Subcommittee. In accordance with Article 7 (Scope of Prevention Measures) of the Company's Business Integrity Code, the Company implements measures to prevent the following misconduct: 1.Bribery and acceptance of bribes. 2.Provision of illegal political contributions. 3.Improper charitable donations or sponsorships. 4.Offering or accepting unreasonable gifts, hospitality, or other improper benefits. 5.Infringement of trade secrets, trademark rights, patent rights, copyrights, and other intellectual property rights. 6.Engagement in unfair competition practices. 7.Directly or indirectly harming the rights, health, and safety of consumers or other stakeholders during the research and development, procurement, manufacturing, provision, or sale of products and services.
Other Risks	
Property Risk (G)	The Company has procured property insurance for its office buildings, plants, instruments, operating equipment, and other buildings or equipment to reduce losses resulting from disasters.

Note 1: Each operational unit formulates various control strategies or measures within its assigned authorities and responsibilities to control the above-mentioned risks within an acceptable range.
Note 2: ESG stands for Environmental (Environment), Social (Society), and Governance (Corporate Governance).



7 Appendices

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Appendix 5 Climate-Related Information for TPEx-Listed Companies 163
Appendix 6 Management System Certifications and Verifications 165

Chapter 7
Appendices

Appendix 1 GRI Sustainability Reporting Standards (GRI Standards)

Statement	Tang Eng Iron Works Co., Ltd. has reported the information cited in this GRI Content Index for the period from January 1, 2025, to December 31, 2025, with reference to the GRI Standards.
GRI 1 used	GRI 1：基礎 2021
Applicable GRI Sector Standard	N/A

GRI Standard / Topic	No.	GRI Standard Disclosure	Corresponding Section	Page	Omission / Remarks
1. Organization and Reporting Practices					
GRI 2: General Disclosures 2021	2-1	Organizational details	1.1 About Tang En	016	
	2-2	Entities included in the organization's sustainability reporting	About This Report	003	
	2-3	Reporting period, frequency, and contact point	About This Report	003	
	2-4	Restatements of information	About This Report	003	
	2-5	External assurance	About This Report	003	
2. Activities and Workers					
RI 2: General Disclosures 2021	2-6	Activities, value chain, and other business relationships	1.1 About Tang Eng	016	
	2-7	Employees	3.2 Talent Recruitment and Retention	078	
	2-8	Workers who are not employees	3.2 Talent Recruitment and Retention	078	
3. Governance					
GRI 2: General Disclosures 2021	2-9	Governance structure and composition	1.1 About Tang Eng 6.1 Shareholders' Meeting and Board of Directors	016 133	
	2-10	Nomination and selection of the highest governance body	6.1 Shareholders' Meeting and Board of Directors	133	
	2-11	Chair of the highest governance body	6.1 Shareholders' Meeting and Board of Directors	133	
	2-12	Role of the highest governance body in overseeing the management of impacts	6.3 Sustainability Governance Framework	147	
	2-13	Delegation of responsibility for managing impacts	6.3 Sustainability Governance Framework	147	
	2-14	Role of the highest governance body in sustainability reporting	6.3 Sustainability Governance Framework	147	
	2-15	Conflicts of interest	6.1 Shareholders' Meeting and Board of Directors	133	
	2-16	Communication of critical concerns	3.5 Employee Relations 6.3 Sustainability Governance Framework	090 147	
	2-17	Collective knowledge of the highest governance body	6.1 Shareholders' Meeting and Board of Directors	133	
	2-18	Evaluation of the performance of the highest governance body	6.1 Shareholders' Meeting and Board of Directors	133	
	2-19	Remuneration policies	6.1 Shareholders' Meeting and Board of Directors	133	
	2-20	Process to determine remuneration	6.1 Shareholders' Meeting and Board of Directors	133	
	2-21	Annual total compensation ratio	3.4 Employee Compensation and Benefits	085	
4. Strategy, Policies and Practices					
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	Message from Management	005	
	2-23	Policy commitments	3.1 Human Rights Policy under the Sustainability Commitment	076	
	2-24	Embedding policy commitments	3.1 Human Rights Policy under the Sustainability Commitment	076	
	2-25	Processes to remediate negative impacts	3.1 Human Rights Policy under the Sustainability Commitment	076	
	2-26	Mechanisms for seeking advice and raising concerns	6.2 Business Integrity	141	
	2-27	Compliance with laws and regulations	6.2 Business Integrity	141	
	2-28	Membership associations	4.4 Participation in Industry and Professional Associations	120	

GRI Standard / Topic	No.	GRI Standard Disclosure	Corresponding Section	Page	Omission / Remarks
5. Stakeholder Engagement					
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	1.2 Stakeholder Communication	025	
	2-30	Collective bargaining agreements	3.5 Employee Relations	090	

Disclosures on Material Topics

GRI Standard	Topic	No.	GRI Standard Disclosure	Corresponding Section	Page	Omission / Remarks
GRI 3: Material Topics 2021	Topic Management	3-1	Process to determine material topics	1.3 Identification of Material Topics	031	
GRI 3: Material Topics 2021	Topic Management	3-1	List of material topics	1.3 Identification of Material Topics	031	
Material Topic: Financial Performance and Operational Risk						
GRI 3: Material Topics 2021	Topic Management	3-3	Process to determine material topics	1.1 About Tang Eng	016	
GRI 201	Economic Performance Topic Disclosure 2016	201-1	Direct economic value generated and distributed	1.1 About Tang Eng	016	
		201-2	Financial implications and other risks and opportunities due to climate change	2.2 Climate Change Risks, Opportunities, and Response Strategies	051	
		201-3	Defined benefit plan obligations and other retirement plans	3.2 Talent Recruitment and Retention	078	
		201-4	Financial assistance received from government	1.1 About Tang Eng	016	
Material Topic: Energy, Greenhouse Gas Emissions, and Air Emissions Control						
GRI 3: Material Topics 2021	Topic Management	3-3	Management of material topics	2.3 Energy Management 2.4 Greenhouse Gas Management Measures	062 064	
GRI 302	Economic Performance Topic Disclosure 2016	302-1	Energy consumption within the organization	2.3 Energy Management	062	
		302-2	Energy consumption within the organization	-	-	
		302-3	Energy intensity	2.3 Energy Management	062	
		302-4	Reduction of energy consumption	2.3 Energy Management	062	
GRI 305	Economic Performance Topic Disclosure 2016	305-1	Direct (Scope 1) GHG emissions	2.4 Greenhouse Gas Management Measures	064	
		305-2	Energy indirect (Scope 2) GHG emissions	2.4 Greenhouse Gas Management Measures	064	
		305-3	Other indirect (Scope 3) GHG emissions	2.4 Greenhouse Gas Management Measures	064	
		305-4	GHG emissions intensity	2.4 Greenhouse Gas Management Measures	064	
		305-5	Reduction of GHG emissions	2.4 Greenhouse Gas Management Measures	064	
		305-6	Emissions of ozone-depleting substances (ODS)	2.6 Pollution Prevention Measures	068	
		305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	2.6 Pollution Prevention Measures	068	
Material Topic: Raw Materials and Waste Management						
GRI 3: Material Topics 2021	Topic Management	3-3	Management of material topics	2.1 Material Recycling and Reuse 2.6 Pollution Prevention Measures	049 068	
GRI 301	Materials Topic Disclosure 2016	301-1	Materials used by weight or volume	2.1 Material Recycling and Reuse	049	
		301-2	Recycled input materials used	2.1 Material Recycling and Reuse	049	
		301-3	Reclaimed products and their packaging materials	2.1 Material Recycling and Reuse	049	
GRI 306	Waste Topic Disclosure 2020	306-1	Waste generation and significant waste-related impacts	2.6 Pollution Prevention Measures	068	
		306-2	Management of significant waste-related impacts	2.6 Pollution Prevention Measures	068	
	Waste Topic Disclosure 2020	306-3	Waste generated	2.6 Pollution Prevention Measures	068	
		306-4	Waste diverted from disposal	2.6 Pollution Prevention Measures	068	
		306-5	Waste directed to disposal	2.6 Pollution Prevention Measures	068	

GRI Standard	Topic	No.	GRI Standard Disclosure	Corresponding Section	Page	Omission / Remarks
Material Topic: Water Resource Management						
GRI 3: Material Topics 2021	Topic Management	3-3	Management of material topics	2.5 Water Resource Management	066	
GRI 303	Water and Effluents Topic Disclosure 2018	303-1	Interactions with water as a shared resource	2.5 Water Resource Management	066	
		303-2	Management of water discharge-related impacts	2.6 Pollution Preventipn Measures	068	
		303-3	Water withdrawal	2.5 Water Resource Management	066	
		303-4	Water discharge	2.5 Water Resource Management	066	
		303-5	Water consumption	2.5 Water Resource Management	066	
Material Topic: Occupational Safety and Health Management						
GRI 3: Material Topics 2021	Topic Management	3-3	Management of material topics	3.6 Workplace Safety and Care	092	
GRI 403	Occupational Health and Safety Topic Management Disclosure 2018	403-1	Occupational Health and Safety Management System	3.6 Workplace Safety and Care	092	
		403-2	Hazard Identification, Risk Assessment, and Incident	3.6 Workplace Safety and Care	092	
		403-3	Investigation	3.6 Workplace Safety and Care	092	
		403-4	Worker Participation, Consultation, and Communication on Occupational Health and Safety	3.6 Workplace Safety and Care	092	
		403-5	Worker Training on Occupational Health and Safety	3.6 Workplace Safety and Care	092	
		403-6	Worker Health Promotion	3.6 Workplace Safety and Care	092	
		403-7	Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	3.6 Workplace Safety and Care	092	
		403-8	Workers Covered by an Occupational Health and Safety Management System	3.6 Workplace Safety and Care	092	
		403-9	Work-Related Injuries	3.6 Workplace Safety and Care	092	
		403-10	Work-Related Ill Health	3.6 Workplace Safety and Care	092	
Material Topic: Talent Sustainability (Labor-Management Relations and Communication, Talent Recruitment, and Training)						
GRI 3: Material Topics 2021	Topic Management	3-3	Management of material topics	3.2 Talent Recruitment and Retention 3.4 Employee Compensation and Benefits	078 085	
GRI 401	Labor/ Management Relations Topic Disclosure 2016	401-1	New Employee Hires and Employee Turnover	3.2 Talent Recruitment and Retention	078	
		401-2	Benefits Provided to Full-Time Employees That Are Not Provided to Temporary or Part-Time Employees	3.4 Employee Compensation and Benefits	085	
		401-3	Parental Leaves	3.2 Talent Recruitment and Retention 3.4 Employee Compensation and Benefits	078 085	
GRI 404	Training and Education Topic Disclosure 2016	404-1	Average Hours of Training per Year per Employee	3.3 Education, Training and Performance Evaluation	082	
		404-2	Programs for Upgrading Employee Skills and Transition Assistance Programs	3.3 Education, Training and Performance Evaluation	082	
		404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	3.3 Education, Training and Performance Evaluation	082	

Material Topic: Supplier Management						
GRI 3: Material Topics 2021	Topic Management	3-3	Management of material topics	5.1 Supplier Management	124	
GRI 308	Supplier Environmental Assessment Topic Disclosure 2016	308-1	New Suppliers That Were Screened Using Environmental Criteria	5.1 Supplier Management	124	
		308-2	Negative Environmental Impacts in the Supply Chain and Actions Taken	5.1 Supplier Management	124	
GRI 414	Supplier Social Assessment Topic Disclosure 2016	414-1	New Suppliers That Were Screened Using Social Criteria	5.1 Supplier Management	124	
		414-2	Negative Social Impacts in the Supply Chain and Actions Taken	5.1 Supplier Management	124	

Custom Topic	No.	GRI Standard Disclosure	Corresponding Section	Page	Omission / Remarks
Customer Service Management					
GRI 3 Customer Service Management	3-3	Management of material topics	5.5 Customer Service Management	129	

Other Topic Disclosures

GRI Standard Category/Topic	No.	GRI Standard Disclosure	Corresponding Section	Page	Omission / Remarks
Topic-specific Standards: 200 Series (Economic Topics)					
Market Presence					
GRI 202 Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wages	3.4 Employee Compensation and Benefits	085	
	202-1	Proportion of senior management hired from the local community	3.2 Talent Recruitment and Retention 3.4 Employee Compensation and Benefits	078 085	
Indirect Economic Impacts					
GRI 202 Market Presence 2016	203-1	Development and Impacts of Infrastructure Investments and Supported Services	4.2 Participation in Public Welfare Activities	115	
	203-2	Significant Indirect Economic Impacts	4.2 Participation in Public Welfare Activities	115	
Procurement Practices					
GRI 204 Procurement Practices 20166	204-1	Proportion of spending on local suppliers	5.1 Supplier Management	124	
Anti-corruption					
GRI 205 Anti-corruption 2016	205-1	Operations Subject to Corruption Risk Assessments	6.2 Business Integrity	141	
	205-2	Communication and Training on Anti-corruption Policies and Procedures	6.2 Business Integrity	141	
	205-3	Confirmed Incidents of Corruption and Actions Taken	6.2 Business Integrity	141	
Anti-competitive Behavior					
GRI 206 Anti-competitive Behavior 2016	206-1	Legal Actions for Anti-competitive Behavior, Anti-trust, and Monopoly Practices	6.2 Business Integrity	141	
Tax					
GRI 207 Tax 2019 Management Approach Disclosures	207-1	Tax Approach	6.2 Business Integrity	141	
	207-2	Tax Governance, Control, and Risk Management	6.2 Business Integrity	141	
	207-3	Stakeholder Engagement and Management of Tax-related Concerns	6.2 Business Integrity	141	

GRI Standard Category/Topic	No.	GRI Standard Disclosure	Corresponding Section	Page	Omission / Remarks
Topic-specific Standards: 200 Series (Economic Topics)					
Tax					
GRI 207 Tax 2019 Management Approach Disclosures	207-4	Country-by-Country Reporting			Not applicable
Topic-specific Standards: 400 Series (Social Topics)					
Labor/Management Relations					
GRI 402: Labor/ Management Relations 2016	402-1	Minimum Notice Periods Regarding Operational Changes	3.2 Talent Recruitment and Retention	078	
Employee Diversity and Equal Opportunity					
GRI 405 Employee Diversity and Equal Opportunity 2016	405-1	Diversity of Governance Bodies and Employees	3.2 Talent Recruitment and Retention	078	
	405-2	Ratio of Basic Salary and Remuneration of Women to Men	3.4 Employee Compensation and Benefits	085	
Non-discrimination					
GRI 406 Non-discrimination 2016	406-1	Incidents of Discrimination and Corrective Actions Taken	3.1 Human Rights Policy under the Sustainability Commitment	076	
Freedom of Association and Collective Bargaining					
GRI 407 Freedom of Association and Collective	407-1	Operations or Suppliers That May Be at Risk with Respect to Freedom of Association and Collective Bargaining	3.5 Employee Relations	090	
Child Labor					
GRI 408 Child Labor 2016	408-1	Operations and Suppliers at Significant Risk for Incidents of Child Labor	3.1 Human Rights Policy under the Sustainability Commitment	076	
Forced or Compulsory Labor					
GRI 409 Forced or Compulsory Labor 2016	409-1	Operations and Suppliers at Significant Risk for Incidents of Forced or Compulsory Labor	3.1 Human Rights Policy under the Sustainability Commitment	076	
Security Practices					
GRI 410 Security Practices 2016	410-1	Security Personnel Trained in Human Rights Policies or Procedures	3.3 Education, Training and Performance Evaluation	082	
Local Communities					
GRI 413 Local Communities 2016	413-1	Operations with Local Community Engagement, Impact Assessments, and Development Programs	4.2 Participation in Public Welfare Activities	115	
	413-2	Operations with Significant Actual and Potential Negative Impacts on Local Communities	4.2 Participation in Public Welfare Activities	115	
Public Policy					
GRI 415 Public Policy 2016	415-1	Political Contributions	6.2 Business Integrity	141	

GRI Standard Category/Topic	No.	GRI Standard Disclosure	Corresponding Section	Page	Omission / Remarks
Topic-specific Standards: 400 Series (Social Topics)					
Customer Health and Safety					
GRI 416 Customer Health and Safety 2016	416-1	Assessment of the Health and Safety Impacts of Product and Service Categories	5.4 Product Quality and Labeling 5.5 Customer Service Management	127 129	
	416-2	Incidents of Non-compliance Concerning the Health and Safety Impacts of Products and Services	6.2 Business Integrity	141	
Marketing and Labeling					
GRI 417 Marketing and Labeling 2016	417-1	Requirements for Product and Service Information and Labeling	5.4 Product Quality and Labeling	127	
	417-2	Incidents of Non-compliance Concerning Product and Service Information and Labeling	5.4 Product Quality and Labeling 6.2 Business Integrity	127 141	
	417-3	Incidents of Non-compliance Concerning Marketing Communications	5.4 Product Quality and Labeling 6.2 Business Integrity	127 141	
Customer Privacy					
GRI 418 Customer Privacy 2016	418-1	Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	5.5 Customer Service Management	129	

Appendix 2 United Nations Sustainable Development Goals (SDGs) Alignment Table

No.	Sustainable Development Goal	Corresponding Section	Page
Goal 1	End poverty in all its forms everywhere	4.2 Participation in Public Welfare Activities	115
Goal 3	Ensure healthy lives and promote well-being for all at all ages	3.6 Workplace Safety and Care	092
Goal 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	3.3 Education, Training and Performance Evaluation	082
Goal 5	Achieve gender equality and empower all women and girls	3.4 Employee Compensation and Benefits 3.2 Talent Recruitment and Retention 3.1 Human Rights Policy under the Sustainability Commitment	085 078 076
Goal 6	Ensure availability and sustainable management of water and sanitation for all	2.5 Water Resource Management	066
Goal 7	Ensure access to affordable, reliable, sustainable and modern energy for all	2.3 Energy Management	062
Goal 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	3.5 Employee Relations 3.6 Workplace Safety and Care	090 092
Goal 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	1.1.2 Financial Performance 1.4.3 Innovative Research and Development	020 039
Goal 11	Make cities and human settlements inclusive, safe, resilient and sustainable	1.1.2 Financial Performance	020
Goal 12	Ensure sustainable consumption and production patterns	5.4 Product Quality and Labeling 1.4 Green Products and Innovative Research and Development	127 036
Goal 13	Take urgent action to combat climate change and its impacts	1.1.5 Future Business Strategy and Goals 2.2 Climate Change Risks, Opportunities, and Response Strategies	023 051
Goal 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	6.2 Business Integrity	141
Goal 17	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	4.4 Participation in Industry and Professional Associations	120

Appendix 3 Sustainability Accounting Standards Board (SASB) Standards Alignment Table

<table>
<tr><th>Topic</th><th>Code</th><th>Accounting Metric</th><th>2025 Disclosure</th><th>Corresponding Section</th></tr>
<tr><td rowspan="2">Greenhouse Gas Emissions</td><td>EM-IS-110a.1</td><td>Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations</td><td>Scope 1: 30,494.0010 metric tons CO_2e
The Company is currently not subject to any emissions-limiting regulations.</td><td>2.4 Greenhouse Gas Management Measures</td></tr>
<tr><td>EM-IS-110a.2</td><td>Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets</td><td>1. Tang Eng uses 2005 as the base year for greenhouse gas emissions. The short-term target has been achieved in accordance with the Phase II Control Targets of the Ministry of Environment, with greenhouse gas emissions reduced by 8% in 2024 compared with the base year. The medium-term target is to achieve an approximately 49.37% reduction by 2030 compared with the base year, while the long-term target is to achieve net-zero emissions by 2050.
2. From 2015 to 2024, in accordance with the Energy Users' Energy Conservation Targets and Implementation Plan established by the Ministry of Economic Affairs, the Company was required to achieve an average annual electricity saving rate of more than 1% from the commencement of the implementation plan. In 2025, the Company implemented three voluntary emissions reduction plans, reducing electricity consumption by 703,436 kWh and greenhouse gas emissions by 333.429 metric tons CO_2e.</td><td>2.4 Greenhouse Gas Management Measures</td></tr>
<tr><td>Air Quality</td><td>EM-IS-120a.1</td><td>Air emissions of the following pollutants: (1) CO, (2) NO_2 (excluding N_2O), (3) SO_X, (4) particulate matter (PM_{10}), (5) manganese (MnO), (6) lead (Pb), (7) volatile organic compounds (VOCs), and (8) polycyclic aromatic hydrocarbons (PAHs).</td><td>【Air Pollutant Emissions for the Past Three Years】
<table><tr><th></th><th>2023</th><th>2024</th><th>2025</th></tr><tr><td>TSP (tons)</td><td>68.460</td><td>15.026</td><td>15.473</td></tr><tr><td>SOx (tons)</td><td>5.017</td><td>1.022</td><td>1.087</td></tr><tr><td>NOx (tons)</td><td>30.355</td><td>16.255</td><td>15.518</td></tr></table>Note: If an increasing trend is observed in air pollutant emissions, it is primarily attributable to an increase in slab production, resulting in higher air pollutant emissions. In addition, the above data represent Tang Eng's preliminary calculations. The official data are subject to the annual</td><td>2.6 Pollution Prevention Measures</td></tr>
<tr><td rowspan="2">Energy Management</td><td>EM-IS-130a.1</td><td>(1) Total energy consumed
(2) Percentage of grid electricity
(3) Percentage of renewable energy</td><td>1. Total energy consumed: 831,048.1795 GJ.
2. Percentage of grid electricity: 45.722%.
3. Percentage of renewable energy: 1.3979%.</td><td>2.3 Energy Management</td></tr>
<tr><td>EM-IS-130a.2</td><td>(1) Total fuel consumed
(2) Percentage of coal
(3) Percentage of natural gas
(4) Percentage of renewable fuel</td><td>1. Total fuel consumed: 451,002.23 GJ.
2. Percentage of coal: N/A.
3. Percentage of natural gas: 100%.
4. Percentage of renewable fuel: 0%.</td><td>2.3 Energy Management</td></tr>
<tr><td>Water Resource Management</td><td>EM-IS-140a.1</td><td>(1) Total fresh water withdrawn
(2) Percentage in regions with High or Extremely High Baseline Water Stress
(3) Total water consumed
(4) Percentage in regions with High or Extremely High Baseline Water Stress</td><td>1. Total fresh water withdrawn: 584.869 million liters.
2. N/A.
3. Total water consumed: 49.806 million liters.
4. N/A.</td><td>2.5 Water Resource Management</td></tr>
<tr><td>Waste Management</td><td>EM-IS-150a.1</td><td>Amount of waste generated, percentage hazardous, percentage recycled</td><td>1. Amount of waste generated in 2025: 13,802.995 tons/year.
2. Percentage of hazardous waste: 5.39%.
3. Percentage of waste recycled: 99.57%.</td><td>2.6 Pollution Prevention Measures</td></tr>
<tr><td>Worker Health and Safety</td><td>EM-IS-320a.1</td><td>(1) Total recordable incident rate (TRIR)
(2) Fatality rate
(3) Near miss frequency rate (NMFR)</td><td>1. Total recordable incident rate (TRIR): 2.56.
2. Fatality rate: 0.
3. Near miss frequency rate (NMFR): 0.03.
Note: Frequency rate (FR): 2.56. Severity rate (SR): 187. Number of minor injuries/near misses (NMFR): 2. Total hours worked by direct employees in 2025: 1,171,171 hours.</td><td>3.6 Workplace Safety and Care</td></tr>
<tr><td>Supply Chain Management</td><td>EM-IS-430a.1</td><td>Discussion of the management of social and environmental risks associated with the sourcing of iron ore and coking coal</td><td>In 2025, Tang Eng had not incorporated iron ore management into its contracts.
Tang Eng did not procure coking coal in 2025.</td><td>5.1 Supplier Management</td></tr>
</table>

Activity Metric	Code	Accounting Metric
Raw steel production, percentage by blast furnace process, electric arc furnace process	EM-IS-000.A	The Company is an integrated steel mill. Steel is melted in an electric arc furnace and then transferred to a converter for refining. In 2025, stainless steel production totaled 31,285.44 metric tons, representing 100%.
Total iron ore production (Note: Production includes iron ore consumed internally and iron ore available for sale.)	EM-IS-000.B	Total iron ore production: N/A.
Total coking coal production (Note: Production includes coking coal consumed internally and coking coal available for sale.)	EM-IS-000.C	Total coking coal production: N/A.

Appendix 4 Sustainability Disclosure Indicators – Steel Industry

<table>
<tr><th>No.</th><th>Metric</th><th>Metric Type</th><th>2025 Disclosure</th><th>Corresponding Section</th></tr>
<tr><td>1</td><td>Total energy consumed, percentage of purchased electricity, renewable energy utilization rate, and total self-generated and self-consumed energy</td><td>Quantitative</td><td>1. Total energy consumed: 831,048.1795 GJ.
Percentage of purchased electricity: 45.722%.
2. Renewable energy utilization rate: 1.3979%.
3. Total self-generated and self-consumed energy: 11,617.5078 GJ.</td><td>2.3 Energy Management</td></tr>
<tr><td>2</td><td>Total fuel consumed, percentage of coal, percentage of natural gas, and percentage of renewable fuel</td><td>Quantitative</td><td>1. Total fuel consumed: 451,002.23 GJ.
2. Percentage of coal: 0%.
3. Percentage of natural gas: 100%.
4. Percentage of renewable fuel: 0%.</td><td>2.3 Energy Management</td></tr>
<tr><td>3</td><td>Total water withdrawal and total water consumption</td><td>Quantitative</td><td>1. Total water withdrawal: 584.869 thousand cubic meters.
2. Total water consumption: 49.80 thousand cubic meters.</td><td>2.5 Water Resource Management</td></tr>
<tr><td>4</td><td>Amount of waste generated, percentage of hazardous waste, and percentage of waste recycled</td><td>Quantitative</td><td>1.Amount of waste generated in 2025: 13,802.995 tons/year.
2.Percentage of hazardous waste: 5.39%.
3.Percentage of waste recycled: 99.57%.</td><td>2.6 Pollution Prevention Measures</td></tr>
<tr><td>5</td><td>Number and rate of occupational injuries</td><td>Quantitative</td><td>1.Number of occupational injuries: 3.
2.Rate: 0.48%.</td><td>3.6 Workplace Safety and Care</td></tr>
<tr><td>6</td><td>Major Product Production by Product Category</td><td>Quantitative</td><td>
<table>
<tr><th>Product or Service</th><th>Production (metric tons)</th><th>Production Ratio</th></tr>
<tr><td>AISI 200 Series Hot- and Cold-Rolled Stainless Steel Coils</td><td>682.18</td><td>0.42%</td></tr>
<tr><td>AISI 300 Series Hot-Rolled Stainless Steel Coils</td><td>19,997.25</td><td>12.42%</td></tr>
<tr><td>AISI 300 Series Cold-Rolled Stainless Steel Coils</td><td>136,530.69</td><td>84.82%</td></tr>
<tr><td>AISI 400 Series Hot- and Cold-Rolled Stainless Steel Coils</td><td>1,248.83</td><td>0.78%</td></tr>
<tr><td>304L Antibacterial Stainless Steel Products</td><td>1,824</td><td>1.13%</td></tr>
<tr><td>Other Stainless Steel Coils</td><td>552.95</td><td>0.34%</td></tr>
<tr><td>Distribution of Other Products</td><td>132.03</td><td>0.08%</td></tr>
</table>
</td><td>1.1 About Tang Eng</td></tr>
</table>

Appendix 5 Climate-related Information for TPEx-listed Companies

Item	Corresponding Section
1.Oversight and governance of climate-related risks and opportunities by the Board of Directors and management	2.2 Climate Change Risks, Opportunities, and Response Strategies
2. The impacts of identified climate-related risks and opportunities on the Company's business, strategy, and finances over the short, medium, and long term	2.2 Climate Change Risks, Opportunities, and Response Strategies
3. The impacts of extreme climate events and transition actions on the Company's finances	2.2 Climate Change Risks, Opportunities, and Response Strategies
4. Integration of the processes for identifying, assessing, and managing climate-related risks into the overall risk management system	2.2 Climate Change Risks, Opportunities, and Response Strategies
5. Description of the scenarios, parameters, assumptions, analytical factors, and principal financial impacts used in assessing resilience to climate change risks through scenario analysis, if applicable	
6. Description of the content of the transition plan for managing climate-related risks, if applicable, and the metrics and targets used to identify and manage physical risks and transition risks	
7. Description of the basis for determining internal carbon pricing, if internal carbon pricing is used as a planning tool	
8. If climate-related targets have been established, the activities covered, greenhouse gas emission scopes, planning timeline, annual progress toward achieving the targets, and other relevant information shall be described. If carbon offsets or renewable energy certificates (RECs) are used to achieve the targets, the source and amount of the carbon offsets used and/or the number of renewable energy certificates (RECs) shall be described.	
9. Greenhouse gas inventory and assurance status, greenhouse gas reduction targets, strategies, and specific action plans (to be provided separately in Tables 1-1 and 1-2).	As shown in Tables 1-1-1 and 1-1-2.

Greenhouse Gas Inventory and Assurance Status for the Most Recent Two Years

1-1-1 Greenhouse Gas Inventory Information

Greenhouse gas emissions (metric tons CO_2e), emission intensity (metric tons CO_2e/million), and the scope of data coverage for the most recent two years

The greenhouse gas inventory data for the most recent two years were compiled based on the operational control approach to consolidate the Company's greenhouse gas emissions. The data cover the Company's plant located in the Linhai Industrial Park, Xiaogang District, Kaohsiung City. Details are as follows:

Year	2024			2025		
Item	Parent Company	Subsidiary	Total	Parent Company	Subsidiary	Total
Scope 1: Total Emissions (metric tons CO_2e)	36,080.5163	-	36,080.5163	30,494.0010	-	30,494.0010
Scope 1: Emission Intensity (metric tons CO_2e/million)	2.96	-	2.96	3.18	-	3.18
Scope 2: Total Emissions (metric tons CO_2e)	59,364.1677	-	59,364.1677	50,667.8786	-	50,667.8786
Scope 2: Emission Intensity (metric tons CO_2e/million)	4.87	-	4.87	5.28	-	5.28

Note 1: Direct emissions (Scope 1, i.e., emissions directly from sources owned or controlled by the Company), energy indirect emissions (Scope 2, i.e., indirect greenhouse gas emissions resulting from purchased electricity, heat, or steam), and other indirect emissions (Scope 3, i.e., emissions generated by the Company's activities that are not energy indirect emissions but arise from sources owned or controlled by other companies).
Note 2: The data coverage for direct emissions and energy indirect emissions shall be prepared in accordance with the timeline specified in Article 4-1, Paragraph 2 of the Regulations Governing the Preparation and Filing of Sustainability Reports by TPEx-Listed Companies (hereinafter referred to as the Regulations). Disclosure of other indirect emissions information is voluntary.
Note 3: Greenhouse gas inventory standards: The Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).
Note 4: Greenhouse gas emission intensity may be calculated per unit of product or service or based on revenue; however, the data calculated based on revenue (NT$ million) shall, at a minimum, be disclosed.

1-1-2 Greenhouse Gas Assurance Information

Assurance Status for the Most Recent Two Years, Including the Assurance Scope, Assurance Provider, Assurance Standard, and Assurance Opinion

Year	2024		2025	
Item	Parent Company	Subsidiary	Parent Company	Subsidiary
Assurance Scope	Tang Eng Iron Works Co., Ltd.	-	Tang Eng Iron Works Co., Ltd.	-
Assurance Provider	BSI Group Singapore Pte. Ltd., Taiwan Branch (BSI)	-	BSI Group Singapore Pte. Ltd., Taiwan Branch (BSI)	-
Assurance Standard	ISO/CNS 14064-1 Standard and Greenhouse Gas Emissions Inventory Guidelines (113.3)	-	ISO/CNS 14064-1 Standard and Greenhouse Gas Emissions Inventory Guidelines (113.3)	-
Assurance Opinion	Based on the verification process and procedures performed by the verifier, sufficient evidence indicates that the greenhouse gas assertion of the verified organization is free from material discrepancies, has been prepared in accordance with the international standards for greenhouse gas quantification, monitoring, and reporting specified in the agreed verification criteria, and fairly presents the relevant information relating to the greenhouse gas data.	-	Based on the verification process and procedures performed by the verifier, sufficient evidence indicates that the greenhouse gas assertion of the verified organization is free from material discrepancies, has been prepared in accordance with the international standards for greenhouse gas quantification, monitoring, and reporting specified in the agreed verification criteria, and fairly presents the relevant information relating to the greenhouse gas data.	-

Note 1: The required timeline shall be in accordance with Article 4-1, Paragraph 3 of the Directions.
Note 2: The assurance provider shall comply with the relevant requirements for sustainability report assurance providers prescribed by the Taiwan Stock Exchange and the Taipei Exchange.
Note 3: For the disclosure content, please refer to the Best Practice Reference Examples available on the Corporate Governance Center website of the Taiwan Stock Exchange.

1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

Greenhouse gas reduction base year and related data, reduction targets, strategies, specific action plans, and progress toward achieving the reduction targets

Greenhouse Gas Reduction Strategy

We are fully aware that the Earth's climate and environment are being affected by the rapidly increasing levels of greenhouse gases and are gradually deteriorating. As a member of the global community, and in order to leave a better living environment for future generations and fulfill the Company's responsibility to the environment, the Company is committed to accomplishing the following:
1.Conduct the Company's greenhouse gas inventory.
2.Accurately understand the Company's greenhouse gas emissions.
3.Develop feasible greenhouse gas reduction measures.
4.Implement the greenhouse gas reduction work plan.

Implementation of the Voluntary Greenhouse Gas Reduction Plan

Since the promulgation of the Climate Change Response Act, the Company has continuously complied with the greenhouse gas emission control targets for each implementation phase. The Ministry of Environment adopts a five-year implementation period for each phase of control. The target for the Phase 1 implementation period (2016–2020) was to reduce greenhouse gas emissions by 2% from the 2005 base year. The target for the Phase 2 implementation period (2021–2025) was to reduce greenhouse gas emissions by 10% from the base year, with the ultimate goal of achieving net-zero emissions by 2050.
To achieve the greenhouse gas reduction targets under the Climate Change Response Act and respond to Taiwan's carbon fee scheme, the Company has also participated in the Voluntary Greenhouse Gas Reduction Plan promoted by the Climate Change Administration of the Ministry of Environment. From 2025 to 2030, the Company will upgrade and replace aging energy-consuming equipment and report the previous year's energy-saving performance each year through the Carbon Fee Declaration and Fee Management Platform. The Company achieved the Phase 1 and Phase 2 implementation control targets established by the Ministry of Environment and will continue to improve its energy-saving initiatives to consistently achieve future control targets.

Greenhouse Gas Reduction Targets

1. The Company's greenhouse gas emissions are based on 2005 as the base year. The Company has achieved the Ministry of Environment's Phase 2 control target of reducing greenhouse gas emissions by 10% from the base year by 2025. The medium-term target is to achieve a reduction of approximately 49.37% from the base year by 2030, and the long-term target is to achieve net-zero emissions by 2050.
2. From 2025 to 2028, in line with the Energy Users' Energy Conservation Targets and Implementation Plan established by the Ministry of Economic Affairs, the average annual electricity-saving rate shall reach at least 1.5% from the commencement of the implementation plan.

Specific Action Plans

All greenhouse gas reduction plans submitted by the Company for 2025 have been completed. These plans resulted in a total reduction of 703,435.66 kWh of electricity consumption and 333.4285 metric tons of CO_2e in greenhouse gas emissions. In addition, the solar power plant generated a total of 3.22708 million kWh of renewable electricity during 2025.
The Company will continue to submit specific greenhouse gas reduction plans, including the implementation of the second-phase solar power plant installation, replacement of multiple pumps, replacement of cooling tower cooling fans, replacement of variable frequency drive electrical control systems for dust collection motors, replacement of lighting systems in multiple plant buildings, replacement of the central air-conditioning systems in the First Administration Building and the Rolling Mill Building, replacement with high-efficiency motors, and conversion of the AOD mobile horizontal preheater to a regenerative preheater.

2025 Reduction Achievement Status	
Energy Management	1. In 2025, the Company's energy-saving measures, including the Demand Response Load Management Program and the replacement of energy-consuming equipment (including measures recognized in 2024), reduced electricity consumption by approximately 17.62814 million kWh per year. During 2025, the Company's solar power plant generated a total of 3.22708 million kWh of renewable electricity, resulting in the issuance of 3,209 renewable energy certificates (RECs), all of which were used for self-consumption to reduce purchased electricity. The Company's overall electricity-saving rate reached 14.31% in 2025, meeting the requirements of the Energy Users' Energy Conservation Targets and Implementation Plan established by the Ministry of Economic Affairs. 2. In 2025, the Company's production process consumed a total of 105.54 million kWh of electricity (including renewable energy such as solar power), approximately 13.465 million cubic meters of natural gas, and approximately 24.14 thousand tons of steam. Due to production capacity, the unit electricity consumption per metric ton of steel coils increased slightly, with an electricity intensity of 669.62 kWh/metric ton, representing an increase of approximately 7.56% compared with 2024. The energy intensities of natural gas and steam decreased by 0.28% and 0.51%, respectively. Electricity consumption for steel coil production is directly related to production capacity and production scheduling. The Company will continue to seek opportunities for energy conservation and strive to achieve continuous improvements.
Greenhouse Gas Emissions Management	1. The Company's target for 2025 was to reduce its total greenhouse gas emissions by 10% from the base year (2005 greenhouse gas emissions: 266,134 metric tons CO_2e). The Company's total greenhouse gas emissions in 2025 were 81,264.364 metric tons CO_2e, representing a reduction of approximately 69% from the base year, thereby achieving the target. 2. In 2025, the Company implemented three voluntary greenhouse gas reduction projects. These projects included the replacement of the central air-conditioning systems in the First Administration Building and the Rolling Mill Building, the upgrade of the central air-conditioning system on the first floor of the Rolling Mill Building, and the replacement of plant-wide street lighting and overhead crane lighting. All projects focused on improving electricity consumption and achieved a 100% implementation rate, resulting in electricity savings of 703,435.66 kWh and a reduction of 333.4285 metric tons CO_2e in greenhouse gas emissions.

Note 1: The required timeline shall be in accordance with Article 4-1, Paragraph 4 of the Directions.
Note 2: The base year shall be the year in which the greenhouse gas inventory is completed based on the boundary of the consolidated financial statements. For example, pursuant to Article 4-1, Paragraph 2 of the Directions, companies with paid-in capital exceeding NT$10 billion are required to complete the greenhouse gas inventory for the 2025 consolidated financial statements in 2026; therefore, the base year is 2025. If a company has completed the greenhouse gas inventory for the consolidated financial statements in an earlier year, that earlier year may be used as the base year. In addition, the base year data may be calculated based on a single year or the average of multiple years.

Appendix 6 Management System Certifications and Verifications

Certification Body	Certificate

Quality Management System


Certificate

Standard ISO 9001:2015
Certificate Registr. No. 01 100 822 106199

Certificate Holder: TANG ENG IRON WORKS CO., LTD.
No. 4, Yanhai 2nd Road, Hsiao Kang,
Kaohsiung 81260, Taiwan, R.O.C.

Scope: Manufacturing and Sales of Stainless Steel Coils, Sheets, Plates, Slabs and Ingots

Proof has been furnished by means of an audit that the requirements of ISO 9001:2015 are met.

Validity: The certificate is valid from 2023-07-16 until 2026-07-15.
If remains valid subject to satisfactory surveillance audits.
First certification 2010

2023-05-23

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ISO 9001 Certificate


Certificate

Conformity of the factory production control according Regulation 305/2011/EU: System 2+

Certificate Registr. No. 0035-CPR-A231.00

In compliance with Regulation 305/2011/EU of the European Parliament and of the Council of 9 March 2011 (the Construction Products Regulation - CPR), this certificate applies to the construction product

Scope: Products of Stainless Steels for metal structures or in composite metal and concrete structures, see annex to certificate: 0035-CPR-A231, revision 0 from 2020-04-20

Name and address of the manufacturer: TANG ENG IRON WORKS CO., LTD. No. 4, Yanhai 2nd Road, Hsiao Kang, Kaohsiung 81260 Taiwan, R.O.C.

Manufacturing plant: TANG ENG IRON WORKS CO., LTD. No. 4, Yanhai 2nd Road, Hsiao Kang, Kaohsiung 81260 Taiwan, R.O.C.

Specification: This certificate attests that all provisions concerning the assessment and verification of constancy of performance described in Annex ZA of the standard(s):

EN 10088-4:2009

under system 2+ are applied and that the factory production control fulfils all the prescribed requirements set out above.

Validity: This certificate was first issued on 2014-07-04 and will remain valid as long as the test methods and/or factory production control requirements included in the harmonized standard used to assess the performance of the declared characteristics, do not change, and the product, and the manufacturing conditions in the plant are not modified significantly, but not longer than 2025-05-31.

Cologne, 2023-06-13

Dipl.-Ing. Achim Makowka
Certification body for construction products

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CPR Certificate


Certificate

Quality management system for Manufacturer of Materials acc. to Directive 2014/68/EU

Certificate no.: 01 202 TWNQ-10 0218.00

Name and address of the certificate holder: TANG ENG IRON WORKS CO., LTD. No. 4, Yanhai 2nd Road, Hsiao Kang, Kaohsiung 81260 Taiwan, R.O.C.

Herewith we certify that the material manufacturer has established and applies a Quality Management System. The system was audited according to the European Directive 2014/68/EU, Annex I, Par. 4.3, with regard to the materials as listed in the scope of approval.

Test basis: QM System acc. to EN 764-5, article 4.2 and AD 2000-Merkblatt W0

Audit report no.: 01 202 TWNQ-10 0218

Scope: Manufacturing of Stainless Steel Sheets, Plates and Strips for Pressure Purposes, see annex to certificate: 01 202 TWNQ-10 0218, revision 0 from 2020/04/20

Manufacturing plant: see certificate holder

Validity: This certificate is valid to 2026 05 31.

Cologne, 2023-06-13

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2025 JIS Mark Certificate



ISO 17025 Certificate



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Environmental Management System



ISO 14001 Certificate

Occupational Health and Safety Management System

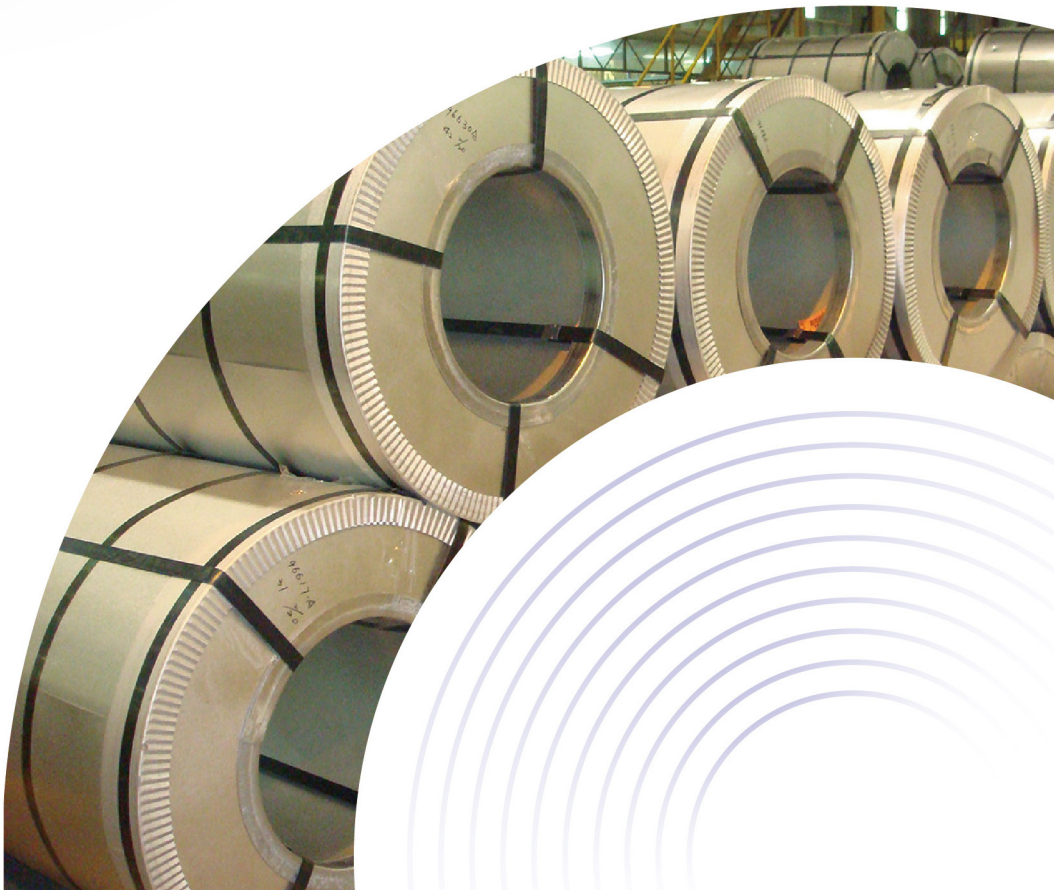




ISO 45001 Certificate

唐榮鐵工廠股份有限公司
TANG ENG IRON WORKS CO., LTD.

2025 SUSTAINABILITY REPORT



唐榮

