



# 2024 Annual Report

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V. Overseas Securities Exchange Where Securities are Listed and Method of

Inquiry: None.

VI. Company website: <https://www.tsutw.com.tw>

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## One. Letter to Shareholders

Dear Shareholders,

In 2024, as the high-interest rate environment gradually receded, the steel industry continued to be affected by China's overcapacity. Taiwan's steel sector faced the impact of dumping from China, prompting adjustments in production strategies, which led to a decline in the volume of EAF dust received by the Company. However, the Company actively pursued non- EAF dust collection businesses, processing a total of 22,654 tons of non- EAF dust waste in 2024. Additionally, with improvements in the production process of Taiwan Steel Resources, the qualified volume of stabilization process reached a historic high of 170,824 tons. The Company also began accepting orders for other types of waste for the first time, initiating a comprehensive and diversified operational strategy in 2024. In the future, Taiwan Steel Union and Taiwan Steel Resources will continue to expand into the collection of high-value, hard-to-process domestic waste, achieving complete recycling and resource utilization of waste materials, contributing to the sustainable development of domestic industries.

In 2024, zinc oxide benefited from rising LME zinc prices and lower processing costs. The improvement in the global industrial production environment and production disruptions at major mines increased demand for metallic zinc under supply pressure. Additionally, the continued rise of the USD index contributed to the Company's zinc oxide revenue growth compared to the previous year. In 2024, the annual average LME zinc price was USD 2,777.34, an increase of 5% from the annual average zinc price of USD 2,649.04 in 2023, such that the zinc oxide sales unit price of the current period increased by NTD 6,189 from the same period of last year, an increase of 24%. Total revenue from zinc oxide sales increased by NTD 343,988, an increase of 27% compared to the same period last year.

The subsidiary, Taiwan Steel Resources Co., Ltd., continued to operate at a profit in 2024, which was mainly due to the fact its production process improvement result met the expectation. Currently, the stabilization process reducing slag qualification rate has reached 100%. In 2024, the stabilization process handled a total of 170,824 tons, 1,721 tons of EAF slag and 92,954 tons of steel rotary kiln slag, contributing approximately 18% of the consolidated revenue.

The circular economy is currently one of the key national policies, aiming to extend the lifecycle of resources or enable continuous recycling to mitigate waste-related issues. In the future, Taiwan Steel Union will drive revenue growth through the addition of new waste treatment services, while Taiwan Steel Resources will implement a diversified business strategy to establish a solid foundation for the Company's growth and support the sustainable development of domestic industrial resources.

## I. Business Results for FY2024

### 1. Business plan implementation results

(1) The following table shows the status of the reuse and removal of EAF dust collected in FY2024.

Unit: Metric tons / NT\$1,000

Year Item	2024		2023		Growth (%)	
	Volume	Amount	Volume	Amount	Volume	Amount
Reuse	118,025	136,130	119,140	171,451	(0.94)	(20.60)
Disposal	116,900	-	124,369	-	(6.01)	-

Due to the recession in the steel industry, the amount of the EAED received by the Company was reduced.

(2) The following table indicates the status of reuse and disposal of other waste in FY2024.

Unit: Metric tons / NT\$1,000

Year Item	2024		2023		Growth (%)	
	Volume	Amount	Volume	Amount	Volume	Amount
Reuse	22,654	181,815	24,401	192,894	(7.16)	(5.74)
Disposal	22,852	-	25,618	-	(10.80)	-

The quantity of other waste treated reached 22,654 tons in 2024, and the processing volume has been maintained stable since the environmental assessment was approved.

(3) The status of reuse and disposal of stabilization process by Taiwan Steel Resources Co., Ltd for 2024 are as follows:

Unit: Metric tons / NT\$1,000

Year Item	2024		2023		Growth (%)	
	Volume	Amount	Volume	Amount	Volume	Amount
Reuse	170,824	335,638	165,102	360,613	3.47	(6.93)
Disposal	152,953	-	161,906	-	(5.53)	-

Thanks to the improvement in the production process of Taiwan Steel Resources Co., Ltd., the qualified volume of stabilization process reached a record high of 170,824 tons.

(4) The Company's production and sales of zinc oxide in 2024 are as follows:

Unit: Metric tons / NT\$1,000

Item	Year	2024		2023		Growth (%)	
		Volume	Amount	Volume	Amount	Volume	Amount
Unwashed	Output and cost	51,145	659,395	51,490	672,033	(0.67)	(1.88)
	Domestic sales	3,336	108,332	4,320	114,287	(22.78)	(5.21)
	Export	48,143	1,510,898	46,155	1,160,956	4.31	30.14

In 2024, the zinc price increased and T/C fell, resulting in an increase in the unit price and sales revenue of zinc oxide compared with 2023.

## 2. Budget Implementation

According to the current regulations, the Company did not need to disclose financial forecasts for 2024. The overall actual operating conditions and performance are roughly equivalent to the business plan formulated by the Company.

## 3. Financial structure and profitability analysis.

### (1) Consolidated Financial Statements

Item	Year	2024	2023
		17.83	9.62
Financial structure (%)	Ratio of liabilities to assets	120.99	126.61
	Ratio of long-term capital to property, plant and equipment	16.66	10.66
Profitability	Asset return ratio (%)	19.38	11.96
	Equity return ratio (%)	90.78	56.97
	Ratio of income before tax to paid-in capital (%)	34.94	24.72
	Net profit ratio (%)	7.47	4.54
	Earnings per share (NTD)		

In 2024, the rise in LME zinc prices and the reduction in processing fees led to an increase in the unit selling price and sales revenue of zinc oxide

compared to the same period last year, enhancing profitability. The Company obtained long-term loans to purchase land for plant expansion, resulting in an increase in the debt-to-asset ratio.

## (2) Standalone Financial Statements

Item	Year		
		2024	2023
Financial structure (%)	Ratio of liabilities to assets	16.71	8.35
	Ratio of long-term capital to property, plant and equipment	245.60	361.02
Profitability	Asset return ratio (%)	16.88	11.01
	Equity return ratio (%)	19.38	11.95
	Ratio of income before tax to paid-in capital (%)	90.78	56.97
	Net profit ratio (%)	42.73	30.77
	Earnings per share (NTD)	7.47	4.54

In 2024, the rise in LME zinc prices and the reduction in processing fees led to an increase in both the unit selling price and sales revenue of zinc oxide compared to the same period last year, enhancing profitability. The Company obtained long-term loans to purchase land for plant expansion, resulting in an increase in the debt-to-asset ratio.

## 4. Research and Development

The research & development status of the Company for 2024 is as follows:

- (1) High-value technology for low-carbon smelting of zinc by-products.
- (2) Feasibility Assessment of CO Emission Reduction in the Electric Arc Furnace Dust Recovery Process.
- (3) Establishment of Raw Material and Product Traceability and Development of Carbon Fixation Technology.

## II. 2025 Business Plan

### 1. Business Guidelines

In addition to the existing EAFD, the Company will be dedicated to additional 3 major categories and 11 waste items and collect and recycle the wastes that are difficult to treat and has a high unit price of treatment. In 2025, the Company plans to submit an environmental impact assessment application and continue adding various types of waste to enhance processing capacity. By

increasing revenue through additional waste treatment, the Company aims to mitigate the impact of LME zinc price fluctuations on its revenue.

Our subsidiary Taiwan Steel Resources Co., Ltd. has stepped into the reuse of slag to produce green and eco-friendly building materials, which is in line with the policy of circular economy. In addition to the existing stabilized slag business, the Company will continue developing solutions for hard-to-process domestic waste in 2025, aligning with the national resource recycling and reuse policy. The Company aims to expand the waste reuse market gradually, leveraging two in-plant dedicated recycled aggregate ready-mixed concrete facilities to enter the slag-based ready-mixed concrete sector and steadily increase its market share.

## 2. Expected sales/Volume of reuse

The global steel market demand is expected to bottom out and rebound in 2025. The reconstruction opportunities following the Los Angeles wildfires in the United States are anticipated to drive the steel industry's recovery, leading the market back onto an upward trajectory. The boom of the domestic steel and iron industries will help the Company's EAFD and zinc oxide business.

In addition to the existing EAFD, the Company will be dedicated to additional 3 major categories and 11 waste items and collect and recycle the wastes that are hazardous to treat and has a high unit price of treatment. In 2025, the Company will mitigate the impact of LME zinc prices on revenue by expanding new revenue growth from waste disposal price.

In addition to the existing slag business, Taiwan Steel Resources Co., Ltd. follows the national resource recycling policy, and gradually expands the waste recycle market. it also actively develops the market for the concrete business and expands the market share of ready-mixed concrete.

## 3. Important Production and Marketing Policies

To fulfill our corporate social responsibility, we will uphold our consistent business philosophy, plan resources effectively, and control potential hazards and environmental impact sources in production activities, products, and services through the operation of our environmental safety and health management system effectively, thereby achieving sustainable operation.

## III. Future Development Strategies

To pursue the Company's sustainable development, we have formulated the short-term and long-term development strategies below:

1. Short-term development strategy:
  - (1) Increase the volume of reusable waste for treatment.
  - (2) Install solar panels on the roofs of the plant, and promote carbon reduction items.
2. Long-term development strategy: Promote the reuse of other hazardous wastes.

#### IV. Impact of External Competition Environment, Legal Environment, and Overall Business Environment

At present, more than 80% of the total output of domestic EAF dust is reused by the Company. The Company occupies a leading position in the EAF dust reuse industry among domestic electric arc furnace steelmaking plants. The environmental protection laws and regulations in our country have been developed with reference to those of European countries and the US, so they are relatively advanced and complete. This has enabled the Company to be competitive in this industry.

In the future, we will continue to increase customers and sources of materials in terms of other waste resources that are hazardous, and to increase the volume of treatment/reuse. This will give us an excellent advantage in the domestic competition and diversify our operational risks.

Additionally, LME zinc prices are fluctuating between USD 2,800 and 3,000 per ton due to increased supply from China's continued capacity expansion and weakened demand in major consumer markets. If LME zinc prices fall in the future, the Company has the competitive advantage of strategically increasing its handling fees to mitigate the impact on its business operations.

So far, we have obtained the general permits for reuse of 13 contaminated soils. With these and the 3 categories and 11 waste items for expansion of diversified operations, the Company has a competitive advantage in terms of prices and volume and can provide proper treatment methods for different domestic wastes, which is well-aligned with the government's Resource Sustainable Recycling Implementation Program. In 2025, the Company will apply for an environmental impact assessment to expand the volume and categories of waste received, continuing efforts toward business diversification. This is expected to significantly enhance operational growth momentum and revenue, positioning the Company as a leader in the domestic resource recycling industry.

I would like to thank all our shareholders again for your support and encouragement. I wish you good health and all the best.

Chairman Mark Lin

## Two. Corporate Governance Report

### I. Information on the Company's Directors, President, Vice Presidents, and the Heads of All the Company's Departments and Branch Units:

#### 1. Information on Directors

##### (1) Members of the Board of Directors

March 29, 2025

Title	Nationality or place of registration	Name	Gender Age	Date elected	Term	Date first elected	Shareholding when elected		Current shareholding		Spouse & minor shareholding		Shareholding by nominees		Experience (education)	Other position concurrently held at the Company or other companies	Executives, directors, or supervisors who are spouses or within the second degree of kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C.	Feng Hsin Steel Co., Ltd.	56	2022.05.26	3 years	1995.05.05	26,012,587	23.38%	26,758,587	24.05%	-	-	-	-	-	Institutional Director of Chien Shing Harbour Service Co., Ltd Institutional Director of Pro-Ascentek Investment Corporation Institutional Director of Feng Yu Resources Co., Ltd. Institutional Director of Fengli Internet Co., Ltd.	-	-	-	-
	R.O.C.	Representative: Mark Lin	Male 78	2022.05.26	3 years	1995.05.24	18,000	0.02%	72,250	0.06%	609,000	0.55%	-	-	-	Business Administration Department, New Taipei Municipal Tamsui Commercial Industrial Vocational Senior High School Chairman of the Feng Hsin Steel Co., Ltd. Chairman of the Taiwan Steel and Iron Industries Association Vice Chairman of the Chinese National Federation of Industries	Chief Executive Officer (CEO) of the Company Chairman of Great Fortune Holding Limited Chairman of Feng Yu Resources Co., Ltd.	General Manager	Lin, Tsai-Hsiang	Father and son
Director	R.O.C.	Tung Ho Steel Enterprise Corp.	63	2022.05.26	3 years	1995.05.05	24,829,009	22.31%	24,829,009	22.31%	-	-	-	-	-	Institutional Director of Xiaogang Warehousing Co., Ltd. Institutional Director of Chien Shing Harbour Service Co., Ltd. Institutional Director of Tung Kang Steel Structure Corporation Institutional Director of Tungho Steel Wind Power Co. Ltd. Institutional Director of Katec Creative Resources Corp. Institutional Director of Katec R&D Corporation Institutional Director of Dongjing Investment Co., Ltd. Institutional Director of Lishi Venture Capital Co., Ltd. Institutional Director of Liyu Venture Capital Co., Ltd. Institutional Director of Tung Sugar Energy Service Co., Ltd. Institutional Director of Hexawave Inc.	-	-	-	-
	R.O.C.	Representative: Liu, Ming-Tsung	Male 59	2022.05.26	3 years	2008.05.22	-	-	-	-	-	-	-	-	Master's, Department of Materials Science and Engineering, National Taiwan University	Vice President of Production, Tung Ho Steel Enterprise Corp. Director of Taiwan Steel Resources Co., Ltd.	-	-	-	-
	R.O.C.	Representative: Hsiao, Yao-ying	Male 62	2023.06.21	3 years	2023.06.21	-	-	-	-	-	-	-	-	Taipei Engineering Professional School, Mining Manager Miaoli Plant of Tung Ho Steel Enterprise Corp.	Manager Miaoli Plant of Tung Ho Steel Enterprise Corp. Director of Tung Kang Steels Structure Corp.	-	-	-	-
Director	R.O.C.	Hai Kwang Enterprise Corporation	56	2022.05.26	3 years	2005.08.02	9,691,512	8.71%	9,691,512	8.71%	-	-	-	-	-	Institutional Director of Zhengtong Environmental Technology Co., Ltd.	-	-	-	-
	R.O.C.	Representative: Huang, Wei-Han	Male 38	2022.05.26	3 years	2016.09.22	-	-	-	-	-	-	-	-	Department of Chemical and Materials Engineering, Tamkang University Chairman of Passion Trading Co., Ltd.	Chairman of Hai Kwang Enterprise Corp. Chairman of Zhengtong Environmental Technology Co., Ltd. Chairman of Haiming Investment Co., Ltd.	-	-	-	-

Title	Nationality or place of registration	Name	Gender Age	Date elected	Term	Date first elected	Shareholding when elected		Current shareholding		Spouse & minor shareholding		Shareholding by nominees		Experience (education)	Other position concurrently held at the Company or other companies	Executives, directors, or supervisors who are spouses or within the second degree of kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	R.O.C.	Shyeh Sheng Fuat Steel & Iron Works Co., Ltd.	59	2022.05.26	3 years	1996.11.20	9,677,573	8.70%	9,677,573	8.70%	-	-	-	-	-	Institutional Director of Xiaogang Warehousing Co., Ltd.	-	-	-	-
	R.O.C.	Representative: Huang, Huang-Chang	Male 67	2022.05.26	3 years	1996.11.20	-	-	9,000	0.01	45,000	0.04%	-	-	Department of Business Administration, Chung Yuan Christian University. Chairman of Shyeh Sheng Fuat Steel & Iron Works Co., Ltd.	Chairman and President of Shyeh Sheng Fuat Steel & Iron Works Co., Ltd. Chairman of Sungchun Construction Co., Ltd. Director of Xiexi Co., Ltd. Chairman of Xiechengfa Co., Ltd. Director of Xiaogang Warehousing Co., Ltd. Director of Xie Huan Co., Ltd. Chairman of Jintaishan Co., Ltd. Director of Xieren Co., Ltd. Chairman of Shyeh Chin Fa Steel Co., Ltd. Director of Shyeh Sheng Fuat Construction Co., Ltd. Person in Charge of Fengshan Gas Station Co., Ltd.	-	-	-	-
Director	R.O.C.	Chien Shun Steel Co., Ltd.	51	2022.05.26	3 years	1999.12.06	6,116,469	5.50%	6,116,469	5.50%	-	-	-	-	-	-	-	-	-	-
Director	R.O.C.	Representative: Chen, Mei-Hui	Female 51	2022.05.26	3 years	2016.11.16	-	-	-	-	-	-	-	-	Chih Ping Senior High School	Salesperson of Chien Shun Steel Co., Ltd.	-	-	-	-
Director	R.O.C.	United Steel Corporation	37	2022.05.26	3 years	2018.06.19	3,767,671	3.39%	3,767,671	3.39%	-	-	-	-	-	-	-	-	-	-
Director	R.O.C.	Representative: Yeh, Chun-Sheng	Male 55	2022.05.26	3 years	2022.05.26	-	-	-	-	-	-	-	-	Manager of United Steel Corporation	Manager of United Steel Corporation	-	-	-	-
Independent Director	R.O.C.	Lin, Hung-Tuan	Male 70	2022.05.26	3 years	2016.09.22	-	-	-	-	-	-	-	-	Chairman of the Taiwan Resource Recycling Industries Association Senior Auditor of the Council for Economic Planning and Development Section Chief of the Sustainable Development Division, Industrial Development Bureau, Ministry of Economic Affairs Specialist of the Sustainable Development Division, Industrial Development Bureau, Ministry of Economic Affairs	-	-	-	-	
Independent Director	R.O.C.	Wu, Chuan-Chuan	Male 70	2022.05.26	3 years	2016.09.22	-	-	-	-	-	-	-	-	Master's in Accounting, University of Oklahoma Chief Financial Officer of Zhongyu Investment Co., Ltd. CPA of KPMG in Taiwan Accountant in Charge in Central Taiwan of KPMG in Taiwan	Independent Director of Rexon Industrial Corporation Ltd.	-	-	-	-
Independent Director	R.O.C.	Chang, Tien-Chin	Male 67	2022.05.26	3 years	2016.09.22	-	-	-	-	-	-	-	-	Associate Technical Specialist, Department of Labor Inspection, Council of Labor Affairs, Executive Yuan Head of Department of Civil Engineering, National Taipei University of Technology Professor and Director, Institute of Environmental Planning and Management, National Taipei University of Technology, Chairman of Taiwan Water Environment Regeneration Association Director of R&D Center, National Taipei University of Technology Dean of the College of Engineering, National Taipei University of Technology	Professor, Institute of Environmental Engineering, Chung Yuan Christian University, Managing Director of Taiwan Power Company	-	-	-	-

Title	Nationality or place of registration	Name	Gender Age	Date elected	Term	Date first elected	Shareholding when elected		Current shareholding		Spouse & minor shareholding		Shareholding by nominees		Experience (education)	Other position concurrently held at the Company or other companies	Executives, directors, or supervisors who are spouses or within the second degree of kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	R.O.C.	Huang, Xiao-Xin	Male 75	2022.05.26	3 years	2022.05.26	-	-	-	-	-	-	-	-	Chairman of The Formosa Association of Resource Recycling Chairman of ESG Booster Co.,Ltd. Independent Director of Anji Technology Co., Ltd. Independent Director of Lianyou Metals Co., Ltd. Chairman of Jianqun Sustainable Innovation Co., Ltd. Chairman of Jianqi Intelligent Technology Co., Ltd.	Independent Director of Anji Technology Co., Ltd. Independent Director of Lianyou Metals Co., Ltd. Chairman of Jianqun Sustainable Innovation Co., Ltd. Chairman of Jianqi Intelligent Technology Co., Ltd.	-	-	-	-

Note 1: The Chairman and the CEO of the Company are the same person ,and the chairman and the general manager are first-degree relatives. As the CEO mainly directs the management team, establishes vision, strategies, and implements various business activities, having the same person serving as the Chairman and the CEO will facilitate the efficiency of the Company's leadership. More than 90% of the Company's directors are not also concurrently employees or managers and the number of independent directors for the 10th Board of Directors was increased to 4 seats when the shareholders' meeting were held on May,26 2022.

(2) Major Shareholders of Institutional Shareholders

April 28, 2025

Name of institutional shareholder	Major Shareholders of Institutional Shareholders
Feng Hsin Steel Co., Ltd.	Chengchuang Investment Co., Ltd. (5.84%); Fengshuo Investment Co., Ltd. (3.84%); Lin, Meng-Bi (2.14%); Lin Chang, Shu-Wen (2.42%); Lai, San-Ping (2.18%); Jin Fuli Investment Co., Ltd. (2.08%); Mark Lin (1.85%), Golden Empire Investment Co., Ltd.(1.72%), Chung, Ching-Lin (1.84%), Lin Hsu, Yu-Mei(1.77%)
Tung Ho Steel Enterprise Corp.	Shenyuan Investment Co., Ltd. (14.89%); Maosheng Investment Co., Ltd. (8.92%); Hezhao Investment Co., Ltd. (8.61%); Yuanta Taiwan Dividend Plus ETF (5.33%), Yuanta Taiwan High Dividend Low Volatility ETF (4.33%), Yutai Investment Co., Ltd. (1.78%), Taiwan Life Insurance Co., Ltd.(1.21% ), Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds under the custody of Standard Chartered Bank (1.81%), Public Service Pension Fund Management Board (1.14%), Yutai Huanyu Investment Co., Ltd.(1.10%)
Hai Kwang Enterprise Corporation	Haiming Investment Co., Ltd. (22.81%); Youming Investment Co., Ltd. (7.06%); Zongli Investment Co., Ltd. (5.93%); Huang, Yu-Ching (2.94%); Passion Trading Co., Ltd. (2.16%), Huang, Yu-Hsueh (1.58%), Huang, Yu-Yen(1.23%), Huang, Wei-Han(1.05%), Yuzhan Investment Co., Ltd.(1.01%), Huang, Cheng-Han(1.00%)
Shyeh Sheng Fuat Steel & Iron Works Co., Ltd.	Xiehuan Co., Ltd. (9.855%); Xieren Co., Ltd. (9.855%); Huang, Huang-Chang (38.55%); Huang Tien, Yu-Yun (25.84%); Xiechengfa Co., Ltd. (8.3%); Xiexi Co., Ltd. (6.2%); Huang, Chao-Huan(0.7%); Huang, Chao-Ren(0.7%)
Chien Shun Steel Co., Ltd.	Tongshun Investment Co., Ltd. (91.15%); Tong Shun Steel Co., Ltd. (7.43%); Wang Li, Hsiu-Chao (0.63%); Wang, Chi-Sheng (0.59%); Wang, Pi-Tzu (0.16%); Wang, Yu-Chun (0.04%)
United Steel Corporation	Houfeng Investment Co., Ltd. (24.6%); Tung Chou Industrial Co., Ltd. (10%); Yinghua Investment Co., Ltd. (9.9%); Baofanghua Investment Co., Ltd. (9.9%); Ruitai Investment Co., Ltd. (9.8%); Li, Chien-Hung (8.8%); Li, Chih-Tsung (7.7%); Tu, Shu-Chao (4.4%); Tu, Shu-Chin (3.8%); Li, Chang-Sheng(1.7%)

(3) Major Shareholders of Institutional Shareholders with Corporations as Their Major Shareholders

April 28, 2024

Name of institutional shareholder	Major shareholders of juridical persons
Chengchuang Investment Co., Ltd	Lin, Chen-Wei (22.97%); Lin, Cheng-Te (22.97%); Lin, Cheng-Hao (22.97%); Lin Chang, Shu-Wen (15.87%); Lin, Chin-Hsuan (7.49%); Lin, Liang-Hsuan (7.49%)
Fengshuo Investment Co., Ltd.	Feng Hsin Steel Co., Ltd. (18.2%); D&H Enterprises Co., Ltd. (15.75%); Mark Lin (10.00%); Chung, Ching-Lin (4.00%); Chung, Chao-Chuan (4.00%); Lin, Ling-Yu (3.13%); Lin, Chen-Ju (3.13%); Lin, Shan-I (3.13%); Lin, Ta-Chiao (3.13%), Lin Hsu, Yu-Mei(3.00%)
Jin Fuli Investment Co., Ltd.	Lin, Cheng-Feng (24.73%); Lin, Cheng-Chang (24.47%); Lin, Chiu-Huang (16.67%); Lin, Pei-Fang (16.67%)
Golden Empire Investment Co., Ltd.	Lin ,Tsai-Hsiang(40.04%), Lin ,Chen-Wei(49.31%)
Shenyuan Investment Co., Ltd.	Hou, Chieh-Teng (47.52%) Hou, Yu-Shu(47.48%)
Maosheng Investment Co., Ltd.	Hou, Chieh-Teng (77.86%) Hou, Yu-Shu(5.76%)
Hezhao Investment Co., Ltd.	Hou, Yu-Shu(77.85%), Shenyuan Investment Co., Ltd.(16.39%)
Yuanta Taiwan Dividend Plus ETF	N/A
Yuanta Taiwan High Dividend Low Volatility ETF	N/A
Yutai Investment Co., Ltd.	Huang, Chih-Ming (42.5%); Huang, Tsung-Ling (17%); Cheng, Mei-Chu (8.1%)
Taiwan Life Insurance Co., Ltd.	N/A
Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds under the custody of Standard Chartered Bank	N/A
Public Service Pension Fund Management Board	N/A

Name of institutional shareholder	Major shareholders of juridical persons
Yutai Huanyu Investment Co., Ltd.	Huang, Zhi-hao (28%), Guo, Ya-qi (24%)
Haiming Investment Co., Ltd.	Huang, Wei-Han (21.1%); Huang, Cheng-Han (20.7%); Huang, Yu-Ching (9.6%); Huang, Yu-Yen (8.9%); Huang, Yu-Hsueh (7.9%); Huang, Hsiao-Wen (7.2%); Huang, I-Cheng (6%); Huang, Yu-Ping (4.9%); Lin, Wen-Chang (4.9%); Wu, Yung-Tzu (3.4%)
Youming Investment Co., Ltd.	Passion Trading Co., Ltd. (96%); Huang, Hsiao-Wen (3%); Huang, Wei-Han (0.5%); Huang, I-Cheng (0.5%)
Zongli Investment Co., Ltd.	Passion Trading Co., Ltd. (20%); Huang, Hsiao-Wen (39%); Huang, Wei-Han (11%); Huang, Cheng-Han (20%); Huang, I-Cheng (10%)
Passion Trading Co., Ltd.	Huang, Hsiao-Wen (1.4%); Huang, Wei-Han (0.4%); Huang, Cheng-Han (0.7%); You Ming Investment Co., Ltd. (67.9%); Zongli Investment Co., Ltd. (29.6%)
Yuzhan Investment Co., Ltd.	Huang, Yu-Yen (32%), Wu, Cheng-Han(18%), Wu, Wei-Chi(17%), Wu, Tai-Jung(17%), Wu, Yung-Tzu(16%)
Xiehuan Co., Ltd.	Huang, Chao-Huan (99.97%); Huang, Huang-Chang (0.015%); Huang Tian, You-Yun (0.015%)
Xieren Co., Ltd.	Huang, Chao-Jen (99.97%); Huang, Huang-Chang (0.015%); Huang Tian, You-Yun (0.015%)
Xiechengfa Co., Ltd.	Huang, Huang-Chang (99.96%) and Huang Tian, You-Yun (0.04%)
Xiexi Co., Ltd.	Huang Tian, You-Yun (99.95%) and Huang, Huang-Chang (0.05%)
Tongshun Investment Co., Ltd.	Wang Li, Hsiao-Chao (58.539%); Wang, Pi-Chang (34.565%); Wang, Chien-Chih (6.881%); Wang, Pi-Tzu (0.005%); Wang, Chi-Sheng (0.005%); Li, Hsueh-Ju (0.005%)
Tong Shun Steel Co., Ltd.	Tung Hong Flaking Bran Industry Co., Ltd. (99.96%); Wang, Pi-Chang (0.02%); Wang, Pi-Tzu (0.02%)
Houfeng Investment Co., Ltd.	Yeh, Shi-Cheng (27.83); Yeh, Chun-Chih (24.83%); Yeh, Chun-Sheng (28.18%); Yeh Cheng, Yueh-Hsia (6.1%)
Tung Chou Industrial Co., Ltd.	Chou, Chen-Hui (9.48%); Chen, Lien-Chih (9.04%); Chou, Shih-Neng (11.92%); Chou, Lin-Wei (8.02%); Chou, Cheng-I (5.25%); Chou, Hsin-Ning (7.94%); Weng, Chang-Chi (0.80%); Huachang Investment Industrial Co., Ltd.

Name of institutional shareholder	Major shareholders of juridical persons
	(3.41%); Tongzen Industrial Co., Ltd. (1.63%); Chou, Shih-Hai (5.21%)
Yinghua Investment Co., Ltd.	Tseng, Jung-Hua (15%); Hsiao, Fang-Ching (5%); Tseng, Hsuan-Yu (10%); Tseng, Hsuan-Han (10%)
Ruitai Investment Co., Ltd.	Yeh Chang, A-Hui (30.98%); Yeh, Chun-Hung (25.32%); Yeh, Chun-Heng (22.09%); Yeh, Shu-Mei (13.51%)
Baofanghua Investment Co., Ltd.	Hsiao, Fang-Ching (14%); Tseng, Hsuan-Yu (11%); Tseng, Hsuan-Han (15%); Tseng, Jung-Hua (3%)

(4) Disclosure of Professional Qualifications of Directors and Independence of Independent Directors

April 28, 2025

Qualifications Name	Professional Qualifications and Experience	Independency	Number of other public companies where the individual concurrently serves as an independent director
Mark Lin	Chairman of the Taiwan Steel and Iron Industries Association Vice Chairman of the Chinese National Federation of Industries Chairman of Feng Hsin Steel Co., Ltd.		
Liu, Ming-Tsung	Production Vice General Manager of Tung Ho Steel Enterprise Corp.		
Hsiao, Yao-ying	Manager Miaoli Plant of Tung Ho Steel Enterprise Corp.		
Huang, Wei-Han	Chairman of Hai Kwang Enterprise Corporation		Not applicable, not an independent director
Huang, Huang-Chang	Chairman and General Manager of Shyeh Sheng Fuat Steel & Iron Works Co., Ltd.		
Yeh, Chun-Sheng	Manager of United Steel Corporation		
Chen, Mei-Hui	Salesperson of Chien Shun Steel Co., Ltd.		
Wu, Chuan-Chuan	CPA of KPMG in Taiwan	<ol style="list-style-type: none"> <li>1. The individual, spouse, and relatives within the second degree of kinship are not directors, supervisors, or employees of the Company or its affiliated companies.</li> <li>2. The individual, spouse, and relatives within the second degree of kinship (or under the name of others) do not hold shares in the Company.</li> <li>3. Not a director, supervisor or employee of a company with specific relationship with the Company (please refer to Article 3, paragraph 1, subparagraphs 5~8 of the</li> </ol>	1
Lin, Hung-Tuan	Chairman of the Taiwan Resource Recycling Industries Association		-

Qualifications Name	Professional Qualifications and Experience	Independency	Number of other public companies where the individual concurrently serves as an independent director
Chang, Tien-Chin	Professor, Institute of Environmental Engineering and Management, National Taipei University of Technology, Managing Director of Taiwan Power Company	<p>Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies).</p> <p>4. Not a professional individual that has provided commercial, legal, financial, accounting services or consultations to the Company over the past 2 years.</p>	-
Huang, Xiao-Xin	Chairman of The Formosa Association of Resource Recycling		2

Note 1: None of the Company's directors (including independent directors) meet any of the criteria described in Article 30 of the Company Act.

## (5) Diversity and Independence of the Board of Directors:

### A. Diversity of the Board of Directors

To strengthen corporate governance and facilitate the sound development of the composition and structure of the Board, the Company stated in 4.5.3. of the Corporate Governance Best Practice Principles “In addition to considering the Company’s business model, future development needs, and major shareholders’ shareholdings, the Company shall evaluate various aspects of diversity of Board members, such as basic criteria and value (such as gender, nationality, age, and culture), professional backgrounds (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

The current Board of Directors of the Company is composed of 11 directors, including four independent directors. All members have extensive experience and expertise in the fields of industry knowledge, financial accounting, business, and management. Moreover, the Company pays attention to gender equality in the composition of the Board. We hope that there shall be at least one female director on the Board to bring the ratio of female directors to 9% or higher. The proportion of female directors on the Company’s board does not reach one-third, primarily due to the nature of the environmental protection industry, which traditionally employs a higher proportion of male personnel. To promote gender diversity, the Company has adopted measures to ensure compliance with relevant regulations by including at least one female director in board appointments, thereby supporting gender diversity at the board level. At present, the female director of the 10<sup>th</sup> Board of Directors is Ms. Chen, Mei-Hui. The implementation of the diversity of Board members is as follows:

● Basic composition, background, and experience

Name of director	Gender	Serves as an employee of the Company concurrently	Professional background	Professional skill	Industry experience
Mark Lin	Male	✓	✓	✓	✓
Liu, Ming-Tsung	Male		✓	✓	✓
Hsiao, Yao-ying	Male		✓	✓	✓
Huang, Wei-Han	Male		✓	✓	✓
Huang, Huang-Chang	Male		✓	✓	✓
Yeh, Chun-Sheng	Male		✓	✓	✓
Chen, Mei-Hui	Female		✓	✓	✓
Wu, Chuan-Chuan (independent director)	Male		✓	✓	✓
Lin, Hung-Tuan (independent director)	Male		✓	✓	✓
Chang, Tien-Chin (independent director)	Male		✓	✓	✓
Huang, Xiao-Xin (independent director)	Male		✓	✓	✓

● Diverse core capabilities

Name of director	Gender	Operational judgment	Accounting and financial analysis	Business management	Crisis management	Industry knowledge	International market perspective	Leadership	Decision-making
Mark Lin	Male	✓	✓	✓	✓	✓	✓	✓	✓
Liu, Ming-Tsung	Male	✓	✓	✓	✓	✓	✓	✓	✓
Hsiao, Yao-ying	Male	✓	✓	✓	✓	✓	✓	✓	✓
Huang, Wei-Han	Male	✓	✓	✓	✓	✓	✓	✓	✓
Huang, Huang-Chang	Male	✓	✓	✓	✓	✓	✓	✓	✓
Yeh, Chun-Sheng	Male	✓	✓	✓	✓	✓	✓	✓	✓
Chen, Mei-Hui	Female	✓	✓	✓		✓	✓	✓	✓
Wu, Chuan-Chuan (independent director)	Male	✓	✓	✓	✓		✓	✓	✓
Lin, Hung-Tuan (independent director)	Male	✓		✓	✓	✓	✓	✓	✓
Chang, Tien-Chin (independent director)	Male	✓		✓	✓	✓	✓	✓	✓
Huang, Xiao-Xin (independent director)	Male	✓		✓	✓	✓	✓	✓	✓

B. Independence of the Board of Directors

The Board of Directors of the Company consists of 4 independent directors and 7 directors, with independent directors making up approximately 36% of the Board. None of the Company's directors are related to each other as spouses or within the second degree of kinship.

2. Information on the Company's CEO, President, Vice Presidents, and the Heads of All the Company's Departments and Branch Units

March 29, 2025

Title	Nationality	Name	Gender	Date taking office	Shareholding		Spouse & minor shareholding		Shareholding by nominees		Experience (education)	Other position concurrently held at other companies	Managers who are spouses or within the second degree of kinship			Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chief Executive Officer	R.O.C.	Mark Lin	Male	2017.05.04	72,250	0.06%	609,000	0.55%	-	-	Business Administration Department, New Taipei Municipal Tamsui Commercial Industrial Vocational Senior High School Chairman of Feng Hsin Steel Co., Ltd. Chairman of the Taiwan Steel and Iron Industries Association Vice Chairman of the Chinese National Federation of Industries	Chairman of Great Fortune Holding Limited Chairman of FengYu Resources Co., Ltd.	General Manager	Lin, Tsai-Hsiang	Father and son	Note 1
General Manager	R.O.C.	Lin, Tsai-Hsiang	Male	2022.04.01	409,000	0.37%	668,000	0.60%	933,000	0.84%	Cal. State University Fullerton Marketing Assistant Administrator of the Business Department of Dragon Steel Corporation Vice General Manager of Taiwan Steel Union Co., Ltd.	Director of Feng Hsin Steel Co., Ltd. Chairman of Taiwan Steel Resources Co., Ltd. Director of Chengchuang Investment Co., Ltd Director of Fengshuo Investment Co., Ltd. Director of Dao-Zu Co., Ltd. Director of FengYu Resources Co., Ltd. Directors of Gwo Huei Iron & Steel Co., Ltd. Directors of Gwo Uei Metals Industry Co., Ltd. Chairman of Golden Empire Investment Co., Ltd.	Chief Executive Officer	Mark Lin	Father and son	-
Factory Manager of Production Department	R.O.C.	Hsieh, Tsung-Lin	Male	2024.01.01	-	-	-	-	-	-	Master's in Environmental Engineering, National Cheng Kung University Assistant Project Manager of AECOM Taiwan Corporation	None	-	-	-	-
Manager of Sales Department No. 1	R.O.C.	Chen, Yen-Chun	Female	2023.04.01	-	-	-	-	-	-	Master's in Environmental Engineering, National Chung Hsing University Director of Laboratory of Taiwan Steel Union Co., Ltd.	None	-	-	-	-
Head of Maintenance Department	R.O.C.	Yu, Ching-Nan	Male	2000.01.01	-	-	-	-	-	-	Department of Electrical Engineering, Affiliated College of Continuing Education, National Formosa University Engineer, Mechanical and Electrical Environmental Engineering Department, BES Engineering Inc.	None	-	-	-	-
Manager of Procurement Department	R.O.C.	Chang, Chih-Yang	Male	2004.05.06	12,000	0.01%	12,000	0.01%	-	-	Department of Navigation, National Taiwan Ocean University Sales Director of Taiwan Kansai Paint Co., Ltd.	None	Head of Audit Department	Chao, Yu-Chiao	Couple	-
Head of Audit Department	R.O.C.	Chao, Yu-Chiao	Female	2015.04.01	12,000	0.01%	12,000	0.01%	-	-	Department of Public Finance, Feng Chia University; auditor of Asia Pacific & Co., CPAs Leader of Cost Accounting Team, Lianxun Computer Co., Ltd.; Section Chief/Assistant Manager in Finance, Lianxun Computer Co., Ltd. Manager of Administration Department of Taiwan Steel Union Co., Ltd.	None	Manager of Procurement Department	Chang, Chih-Yang	Couple	-
Manager of Administration Department	R.O.C.	Lin, Kun-Chieh	Male	2015.04.01	-	-	-	-	-	-	Department of Accounting, Tamkang University Master's, Department of Accounting, College of Management, National Changhua University of Education Assistant Manager of the Audit Department of Deloitte & Touche	None	-	-	-	-
Manager of Environmental Safety Department	R.O.C.	Su, Wen-Hung	Male	2024.01.01	-	-	-	-	-	-	Departmant of Environmental Engineering, Vanung University	None	-	-	-	-
Manager of Sales Department No.	R.O.C.	Chen, Meng-Chia	Male	2021.04.06	-	-	-	-	-	-	Ph.D in Department of Environmental Engineering, National Taiwan University	None	-	-	-	-

Title	Nationality	Name	Gender	Date taking office	Shareholding		Spouse & minor shareholding		Shareholding by nominees		Experience (education)	Other position concurrently held at other companies	Managers who are spouses or within the second degree of kinship			Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
2																
Section Chief of Information Management Department	R.O.C.	Kang,Chih h-Chiang	Male	2022.08.12	-	-	-	-	-	-	Master's Program in Artificial Intelligence and Data Science, National Chung Hsing University Technical Manager of Hyweb Technology Co., Ltd Program Manager of Knowledge & Service Information Copr.	None	-	-	-	-
Section Chief of Warehouse Department	R.O.C.	Lu, Jui-Fu	Male	2021.02.27	-	-	-	-	-	-	Master's in of Human Resource and Public Relations, Dayeh University Warehouse management worker of Taiwan Steel Union Co., Ltd.	None	-	-	-	

Note 1: The Chairman and the CEO of the Company are the same person ,and the chairman and the general manager are first-degree relatives. As the CEO mainly directs the management team, establishes vision, strategies, and implements various business activities, having the same person serving as the Chairman and the CEO will facilitate the efficiency of the Company's leadership. More than 90% of the Company's directors are not also concurrently employees or managers and the number of independent directors for the 10th Board of Directors was increased to 4 seats when the shareholders' meeting were held on May,26 2022.

## II. Remuneration Paid During the Most Recent Fiscal Year to Directors, President, and Vice Presidents

### 1. Remuneration to Directors and Independent Directors

Unit: NT\$1,000

Title	Name	Remuneration						Sum of A, B, C, and D as amount and a percentage of net income	Relevant remuneration received by directors who are also employees						Sum of A, B, C, D, E, F, and G as amount and a percentage of net income	Compensation paid to directors from an investee other than the Company's subsidiaries or parent company		
		Base compensation (A)		Severance pay and pension (B)		Directors' compensation (C)			Salary, bonuses, and allowances (E)		Severance pay and pension (F)		Employee compensation (G)					
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	Cash	Stock		
Chairman	Representative of Feng Hsin Steel Co., Ltd.: Mark Lin	- - - 6,300	6,300	235	235	6,535/ 0.79%	6,535/ 0.79%	2,433	2,433	- - - 847	- - - 847	9,815/ 1.18%	9,815 1.18%	None				
Director	Representative of Tung Ho Steel Enterprise Corp.: Liu, Ming-Tsung																	
Director	Representative of Tung Ho Steel Enterprise Corp.: Hsiao, Yao-ying																	
Director	Representative of Hai Kwang Enterprise Corporation: Huang, Wei-Han																	
Director	Representative of Shyeh Sheng Fuat Steel & Iron Works Co., Ltd.: Huang, Huang-Chang																	
Director	Representative of Chien Shun Steel Co., Ltd.: Chen, Mei-Hui																	
Director	Representative of United Steel Corporation: Yeh, Chun-Sheng																	
Independent Director	Lin, Hung-Tuan	3,600	3,600	- - - 207	207	3,807/ 0.46%	3,807/ 0.46%	- - - -	- - - -	- - - -	- - - -	- - - -	- - - -	3,807/ 0.46%	3,807/ 0.46%	None		
Independent Director	Wu, Chuan-Chuan																	
Independent Director	Chang, Tien-Chin																	
Independent Director	Huang, Xiao-Xin																	

1. Please state the policy, system, standards, and structure of the remuneration paid to independent directors, and specify the connection between the amount of remuneration paid and their responsibilities and risks assumed, time invested, and other factors: Directors' remuneration is determined based on each director's contribution to the Company's operational performance.

2. Except as disclosed in the above table, the remuneration received by the Company's directors for services rendered to all companies included in the financial statements (such as serving as a consultant in a non-employee capacity) in the most recent year: NT\$0.

Note 1: The remuneration paid to the Chairman's chauffeur in 2024 was NT\$130,000.

### Range of remuneration

Range of remuneration paid to directors	Name of director			
	Sum of (A+B+C+D)		Sum of (A+B+C+D+E+F+G)	
	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements
Less than NT\$1,000,000	Feng Hsin Steel Co., Ltd. Representative: Mark Lin Tung Ho Steel Enterprise Corp. Representative: Liu, Ming-Tsung Tung Ho Steel Enterprise Corp. Representative: Hsiao, Yao-ying Hai Kwang Enterprise Corporation Representative: Huang, Wei-Han Shyeh Sheng Fuat Steel & Iron Works Co., Ltd. Representative: Huang, Huang-Chang Chien Shun Steel Co., Ltd. Representative: Chen, Mei-Hui United Steel Corporation Representative: Yeh, Chun-Sheng Lin, Hung-Tuan, Wu, Chuan-Chuan, Chang, Tien-Chin, Huang, Xiao-Xin	Feng Hsin Steel Co., Ltd. Representative: Mark Lin Tung Ho Steel Enterprise Corp. Representative: Liu, Ming-Tsung Tung Ho Steel Enterprise Corp. Representative: Hsiao, Yao-ying Hai Kwang Enterprise Corporation Representative: Huang, Wei-Han Shyeh Sheng Fuat Steel & Iron Works Co., Ltd. Representative: Huang, Huang-Chang Chien Shun Steel Co., Ltd. Representative: Chen, Mei-Hui United Steel Corporation Representative: Yeh, Chun-Sheng Lin, Hung-Tuan, Wu, Chuan-Chuan, Chang, Tien-Chin, Huang, Xiao-Xin	Tung Ho Steel Enterprise Corp. Representative: Liu, Ming-Tsung Tung Ho Steel Enterprise Corp. Representative: Hsiao, Yao-ying Hai Kwang Enterprise Corporation Representative: Huang, Wei-Han Shyeh Sheng Fuat Steel & Iron Works Co., Ltd. Representative: Huang, Huang-Chang Chien Shun Steel Co., Ltd. Representative: Chen, Mei-Hui United Steel Corporation Representative: Yeh, Chun-Sheng Lin, Hung-Tuan, Wu, Chuan-Chuan, Chang, Tien-Chin, Huang, Xiao-Xin	Tung Ho Steel Enterprise Corp. Representative: Liu, Ming-Tsung Tung Ho Steel Enterprise Corp. Representative: Hsiao, Yao-ying Hai Kwang Enterprise Corporation Representative: Huang, Wei-Han Shyeh Sheng Fuat Steel & Iron Works Co., Ltd. Representative: Huang, Huang-Chang Chien Shun Steel Co., Ltd. Representative: Chen, Mei-Hui United Steel Corporation Representative: Yeh, Chun-Sheng Lin, Hung-Tuan, Wu, Chuan-Chuan, Chang, Tien-Chin, Huang, Xiao-Xin
NT\$1,000,000 (inclusive)– NT\$2,000,000 (not inclusive)	None	None	None	None
NT\$2,000,000 (inclusive)– NT\$3,500,000 (not inclusive)	None	None	None	None
NT\$3,500,000 (inclusive)– NT\$5,000,000 (not inclusive)	None	None	Feng Hsin Steel Co., Ltd. Representative: Mark Lin	Feng Hsin Steel Co., Ltd. Representative: Mark Lin
NT\$5,000,000 (inclusive)– NT\$10,000,000 (not inclusive)	None	None	None	None
NT\$10,000,000 (inclusive)– NT\$15,000,000 (not inclusive)	None	None	None	None
NT\$15,000,000 (inclusive)– NT\$30,000,000 (not inclusive)	None	None	None	None
NT\$30,000,000 (inclusive)– NT\$50,000,000 (not inclusive)	None	None	None	None
NT\$50,000,000 (inclusive)– NT\$100,000,000 (not inclusive)	None	None	None	None
NT\$100,000,000 or more	None	None	None	None
Total	11 people in total	11 people in total	11 people in total	11 people in total

## 2. Remuneration to the President and Vice Presidents

Unit: NT\$1,000

Title	Name	Salary (A)		Severance pay and pension (B)		Bonuses and allowances (C)		Employee compensation (D)				Sum of A, B, C, and D as amount and a percentage of net income (%)	Compensation paid to directors from an investee other than the Company's subsidiaries or parent company		
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company		All companies in the consolidated financial statements					
								Cash	Stock	Cash	Stock				
Chief Executive Officer	Mark Lin	4,576	4,576	108	108	430	430	6,251	-	6,251	-	11,365/1.37	11,365 1.37		
General Manager	Lin, Tsai-Hsiang												None		

Note1: The remuneration paid to the CEO's chauffeur in 2024 was NT\$130,000.

### Range of remuneration

Range of remuneration paid to the president and vice presidents	Name of president and vice presidents	
	The Company	All companies in the consolidated financial statements
Less than NT\$1,000,000	-	-
NT\$1,000,000 (inclusive)– NT\$2,000,000 (not inclusive)	-	-
NT\$2,000,000 (inclusive)– NT\$3,500,000 (not inclusive)	Mark Lin	Mark Lin
NT\$3,500,000 (inclusive)– NT\$5,000,000 (not inclusive)	-	-
NT\$5,000,000 (inclusive)– NT\$10,000,000 (not inclusive)	Lin, Tsai-Hsiang	Lin, Tsai-Hsiang
NT\$10,000,000 (inclusive)– NT\$15,000,000 (not inclusive)	-	-
NT\$15,000,000 (inclusive)– NT\$30,000,000 (not inclusive)	-	-
NT\$30,000,000 (inclusive)– NT\$50,000,000 (not inclusive)	-	-
NT\$50,000,000 (inclusive)– NT\$100,000,000 (not inclusive)	-	-
NT\$100,000,000 or more	-	-
Total	2 people in total	2 people in total

### 3. Remuneration to Managers

Unit: NT\$1,000

	Title	Name	Stock	Cash	Total	Ratio of total amount to net income (%)
Managerial Officer	Chief Executive Officer	Mark Lin	-	15,219	15,219	1.83
	General Manager	Lin, Tsai-Hsiang				
	Factory Manager of Production Department	Hsieh, Tsung-Lin				
	Special assistant of Production Department	Yang, Ming-Chu				
	Manager of Sales Department No. 1	Chen, Yen-Chun				
	Head of Maintenance Department	Yu, Ching-Nan				
	Manager of Procurement Department	Chang, Chih-Yang				
	Head of Audit Department	Chao, Yu-Chiao				
	Manager of Administration Department	Lin, Kun-Chieh				

4. Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

(1) Remuneration paid to Directors, President, and Vice Presidents of the Company paid by the Company and companies included in the individual financial statements in proportion to the net income after tax referred to in the parent company only financial statements in the most recent two years:

Item	Year	2024		2023	
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements
Director		1.64%	1.64%	2.64%	2.64%
CEO, General Manager, and Vice General Managers		1.37%	1.37%	2.02%	2.02%

(2) Policy, standard, and combination for payment of remuneration, establishment of procedure of remuneration, and correlation between the business performance and future risk:

A. Policy, standard and combination for payment of remuneration

1. With regard to the remuneration of directors of the Company, according to Article 22 of the Articles of Incorporation, for the remuneration of all directors, the board of directors is authorized to determine remuneration of directors and independent directors based on the participation level and contribution value to the operation of the Company along with the consideration of the remuneration standards adopted in the domestic and foreign industries. In addition, according to Article 25 of the Articles of Incorporation, when there is a surplus earning after the final account of a fiscal year, less than 3% of the surplus shall be appropriated as the remuneration of directors. The Company periodically assesses the remuneration of directors according to the "Regulations for Performance Evaluation of Board of Directors", and relevant performance evaluation and remuneration policy, system, standard and structure are reviewed by the Remuneration Committee and the Board of Directors.
2. The number of months in which year-end bonuses are paid to all employees is linked to the company's operating performance (EPS). The higher the EPS, the more months the company will pay. With regard to the remuneration of managerial officers of the Company, the Company's

Regulations for Salaries specify various job allowances and bonuses, in order to provide care and reward to employees for their effort and contribution at work(end-of-year assessment results). Relevant bonuses are also issued according to the annual business performance, financial status, operation status of the Company and individual job performance. Furthermore, when the Company has profit for the current year, an amount not less than 1% of such profit is appropriated as the remuneration of employees according to Article 25 of the Articles of Incorporation of the Company. The Company uses the performance evaluation result (end-of-year assessment results) of the “Regulations for Performance Evaluation and Three-holiday Bonuses” as the reference basis for the issuance of bonuses of managerial officers. The managerial officers’ performance evaluation items are classified into financial indicators and non-financial indicators. A managerial officer’s target achievement rate and each unit’s target achievement result are reviewed in order to calculate his or her remuneration. In addition, the remuneration system is reviewed timely according to the actual operation status and relevant laws and regulations.

3. The combination of remuneration payment of the Company is specified according to the Remuneration Committee Charter and includes the cash remuneration, pension welfare and severance pay, various allowances and other measures for substantial rewards. Its scope is consistent with the remuneration of directors and managerial officers specified in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

#### **B. Procedure for remuneration establishment**

1. To periodically evaluate the remuneration of directors and managerial officers, the evaluation results performed according to the “Regulations for Performance Evaluation of Board of Directors” and the “Regulations for Performance Evaluation and Three-holiday Bonuses” applicable to managerial officers and employees are used as the determination basis. In addition, presently, the Company’s annual operation indicator results related to operation, governance and financial results are used as the measurement basis.
2. Relevant performance evaluation and remuneration reasonableness of directors and managerial officers of the Company are periodically evaluated and reviewed by the Remuneration Committee and the Board of Directors annually. In addition to the review of individual performance achievement rate and contribution to the Company, the overall operation performance, industry future risk and development trend of the Company are also considered. Furthermore, the actual operation status and relevant laws and regulations are reviewed timely with respect to the remuneration system, thus achieving balance between sustainable operation and risk control of the Company. The actual issuance amount of the 2024 remuneration of directors and managerial officers are reviewed by the Remuneration Committee, followed by submission to the Board of Directors for resolution.

#### **C. Correlation between business performance and future risk**

1. The review of the remuneration policy related payment standard and system of the Company is mainly based on the overall operation status of the Company, and the payment standard is determined according to the performance achievement rate and contribution level, in order to improve the overall organization and team performance of the Board of Directors and management departments. In addition, the remuneration standard adopted in the industry is also considered, in order to ensure that the remuneration for the management of the Company is competitive, thus retaining outstanding management talents.
2. The managerial officer performance goal of the Company is integrated with the risk control, in order to ensure that possible risks within the responsible scope may be managed. In addition, it is also linked to each relevant human resource and relevant remuneration policy according to the rating result of actual performance evaluation. For important decisions made by the management of the Company, various risk factors are considered in advance, and the performance of relevant decisions reflect in the profit status of the Company, in order to control the remuneration of risks of the management level.

### III. Implementation of Corporate Governance

#### 1. Operation of the Board of Directors

In the most recent year (2024), the Board of Directors had held 7 meetings (A), and the directors' attendance is as follows:

Title	Name		Attendance in person B	By proxy	Attendance rate (%) [B/A]	Remark
Chairman	Representative of Feng Hsin Steel Co., Ltd.	Mark Lin	7	-	100	
Director	Representative of Tung Ho Steel Enterprise Corp.	Liu, Ming-Tsung	7	-	100	
Director	Representative of Tung Ho Steel Enterprise Corp.	Hsiao, Yao-ying	7	-	100	
Director	Representative of Hai Kwang Enterprise Corporation	Huang, Wei-Han	7	-	100	
Director	Representative of Shyeh Sheng Fuat Steel & Iron Works Co., Ltd.	Huang, Huang-Chang	5	-	71	
Director	Representative of Chien Shun Steel Co., Ltd.	Chen, Mei-Hui	7	-	100	
Director	Representative of United Steel Corporation	Yeh, Chun-Sheng	7	-	100	
Independent Director	Lin, Hung-Tuan		7	-	100	
Independent Director	Wu, Chuan-Chuan		6	-	86	
Independent Director	Chang, Tien-Chin		7	-	100	
Independent Director	Huang, Xiao-Xin		7	-	100	

Other matters:

I. With regard to the operations of the Board of Directors, if any of the following circumstances occur, the dates, terms of the meetings, contents of motions, all independent directors' opinions and the Company's handling of such opinions shall be specified:

- (I) Matters referred to in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee, in accordance with the provisions of Article 14-5 of the Securities Exchange Act, so the provisions of Article 14-3 of the Securities Exchange Act do not apply.
- (II) Any recorded or written Board resolutions to which independent directors have objections or reservations to be noted in addition to the above: None.

II. Regarding recusals of directors from voting due to conflicts of interests, the names of the directors, contents of motions, reasons for recusal, and results of voting shall be specified:

Date of board meeting	Session/Term	Name of director	Content of motion	Reasons for recusal	Participation in voting
2024.01.31	9 <sup>th</sup> meeting of the 10 <sup>th</sup> Board of Directors	Mark Lin, Hsiao, Yao-ying, Liu, Ming-Tsung, Huang, Wei-Han, Huang, Huang-Chang, Chen, Mei-Hui, Yeh, Chun-Sheng	Discussion on the distribution of remuneration to directors for 2023	Involving self-interest	Except for the recusal of the director with a conflict of interest, the remaining directors present passed the motion as it was without objection.

			Mark Lin	Discussion on compensation for employees and managers Adjustment of the company's basic salary table		
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III. A publicly listed company shall disclose the cycle and period, scope, method, and content of the self-evaluation (or peer evaluation) of the Board of Directors:

Implementation of performance evaluation of the Board of Directors				
Cycle	Period	Scope	Method	Content
Once a year	The performance of the Board of Directors and functional committees from January 1, 2024 to December 31, 2024.	The performance of the Board of Directors, functional committees, and individual directors.	Internal self-evaluation of the Board of Directors and directors' self-evaluation.	(1) Board performance evaluation: It includes the degree of participation in the Company's operations, the quality of the Board's decisions, the composition and the structure of the Board, the selection and continuing education of directors, and internal control. (2) Performance evaluation of individual directors: It includes perception of the Company's goals and missions, awareness of directors' responsibilities, the degree of participation in the Company's operations, internal relationship management and communication, directors' professional and continuing education, and internal control. (3) Functional committee performance evaluation: The degree of participation in the Company's operations, awareness of the functional committees' responsibilities, the decision-making quality of the functional committees, the composition of the functional committees, the selection of members, and internal control.

IV. The goals of strengthening the functions of the Board of Directors in the year and the most recent year (such as setting up an audit committee or enhancing information transparency), and evaluation of the implementation:

1. The Company adopts a candidate nomination system for directors and independent directors, have re-elected such directors comprehensively on May 26, 2022 with the term of office from May 26, 2022 to May 25, 2025.
2. The Company's extraordinary shareholders' meeting resolved a decision to establish an audit committee and to abolish the system of supervisors on September 22, 2016
3. To strengthen the management mechanism and improve the supervisory function, the Board of Directors has established three functional committees: the Sustainable Development Committee, the Remuneration Committee and the Audit Committee, which convene meetings in accordance with the committee charters adopted by the Board of Directors to review and discuss relevant issues. They submit their conclusions and suggestions to the Board of Directors for resolution, and the operations are effective. The committee charters adopted by the Board of Directors cover the number of committee members, term of office, powers and responsibilities, rules of meeting procedures, and resources that the Company shall provide when executing duties.
4. The Company formulated, with the approval from the Board of Directors, the Rules of the Performance Evaluation of the Board of Directors. Performance evaluation of the Board of Directors and functional committees are conducted at the beginning of each year. The 2024 annual assessment results were approved by the board of directors on February 24, 2025. All directors are professional and responsible, and diligently perform their duties
5. Please refer to the sections dedicated to "Investors", "Shareholder Services", and "Corporate Governance" on the Company's website (<http://www.tsutw.com.tw>) for more information on the Company's corporate governance.
6. The Company's Board of Directors adopted a resolution to engage a corporate governance officer on February 23, 2021 to manage the corporate governance business comprehensively and provide the support required by the Board.

V. Succession planning for Board members and critical management personnel:
1. Succession planning for Board members:
Regarding the succession planning of the Board of Directors, the Company's directors are appointed by institutional shareholders, who designates personnel with relevant abilities in business, financial accounting, or corporate governance. As independent directors shall have work experience required for the fields of business, legal affairs, finance, accounting, or the Company's business in accordance with the law, they are selected by professionals from the domestic academic circle and the domestic industry.
2. Succession planning for management personnel:

The Company regularly reviews and selects a list of employees with potential at all levels, and offers internal/external training programs on professional skills, management skills, communication skills, or job rotation.

## 2. Operation of the Audit Committee

In the most recent year (2024), the Audit Committee had held 5 meetings (A), and the independent directors' attendance is as follows:

Title	Name	Attendance in person (B)	By proxy	Attendance rate (%) (B/A)	Remark
Independent Director	Lin, Hung-Tuan	5	0	100	-
Independent Director	Wu, Chuan-Chuan	5	0	100	-
Independent Director	Chang, Tien-Chin	5	0	100	-
Independent Director	Huang, Xiao-Xin	5	0	100	-

Other matters:

I. Main focus of annual work of the Audit Committee:  
The committee is composed of four independent directors with the main focus of the annual work to assist the Board in supervising the Company's fair expression of relevant financial statements; the selection (dismissal), independence, and performance of CPAs; the effective implementation of the Company's internal control system; compliance with the Company's relevant laws and regulations (such as internal control system, acquisition or disposition of assets, derivative trading, loans to others, endorsements/guarantees provided to others); management and control of the Company's existing or potential risks, and to execute other duties as required by law (appointment and dismissal of chief financial officer or chief internal auditor supervisor).

II. If any of the following circumstances occur to the Audit Committee during its operations, it shall state the date and period of the Audit Committee meeting, the content of the motion, the content of the objections, reservations or material recommendations of the independent directors, the results of the Audit Committee's resolutions and the Company's handling of the Audit Committee's opinions.:  
(I) Matters referred to in Article 14-5 of the Securities and Exchange Act:

Date of Audit Committee meeting	Content of motion	Audit Committee's resolution results, and the Company's handling of such opinions	Resolution results of the Board of Directors
7 <sup>th</sup> meeting of 3 <sup>rd</sup> term on 2024.02.21	Discussions on the Company's 2023 financial statements and business report	Submitted to the Board of Directors with the consent of all members present	Approved by all the directors present at the 10 <sup>th</sup> meeting of the 10 <sup>th</sup> Board of Directors on February 22, 2024
	The Company's 2023 Earnings Distribution Proposal.		
	Submitted a proposal for issue of the Company's 2023 statement on the internal control system		
	Designate the Audit Committee's contracting representative in the event of self-dealing between the Company's directors and the Company		
	Amendments on part of " Articles of Incorporation"		
	Amendments on part of " Procedure for Shareholders Meetings"		
	Proposal for appointment of Wu, Shao-Chun		

	and Chiang, Shu-Ching, CPAs at Deloitte & Touche, to audit the 2024 financial statements and tax reports and their professional audit fees			
	Proposed pre-approval of CPAs, their firms and their affiliates to provide non-assurance services to the Company and its subsidiaries			
	Proposed application for endorsement and guarantee of short-term financing for the Company's subsidiary Taiwan Steel Resources, Co., Ltd.			
8 <sup>th</sup> meeting of 3 <sup>rd</sup> term on 2024.04.03	The company intends to purchase land.	Submitted to the Board of Directors with the consent of all members present	Approved by all the directors present at the 11 <sup>th</sup> meeting of the 10 <sup>th</sup> Board of Directors on April 3, 2024	
9 <sup>th</sup> meeting of 3 <sup>rd</sup> term on 2024.04.22	Report on preparation of consolidated balance sheets, consolidated statements pf comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the first quarter of 2024.	Submitted to the Board of Directors with the consent of all members present	Approved by all the directors present at the 12 <sup>th</sup> meeting of the 10 <sup>th</sup> Board of Directors on April 23, 2024	
10 <sup>th</sup> meeting of 3 <sup>rd</sup> term on 2024.7.24	Report on preparation of consolidated balance sheets, consolidated statements pf comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the second quarter of 2024.	Submitted to the Board of Directors with the consent of all members present	Approved by all the directors present at the 14 <sup>th</sup> meeting of the 10 <sup>th</sup> Board of Directors on July 25, 2024	
11 <sup>th</sup> meeting of 3 <sup>rd</sup> term on 2024.10.28	Report on preparation of consolidated balance sheets, consolidated statements pf comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the third quarter of 2024. The company's change of CPA. Report on the Company's FY2024 annual audit plan Amendments on part of " Rules for Performance Evaluation of Board of Directors" Amendments on part of " Procedure for Board of Directors Meetings " Amendments on part of " Audit Committee Organizational Rules" Amendments on part of " Sustainable Information Management Guidelines" Amendments on part of " Internal Control System – General Principles" Amendments on part of " Implementation Rules for Internal Auditing" Proposed application for endorsement and guarantee of short-term financing for the Company's subsidiary Taiwan Steel Resources, Co., Ltd.	Submitted to the Board of Directors with the consent of all members present	Approved by all the directors present at the 15 <sup>th</sup> meeting of the 10 <sup>th</sup> Board of Directors on October 29, 2024	

Note: The independent directors have no objections, reservations or significant recommendations on the above proposals.

(II) Except for the above matters, other matters that have not been approved by the Audit Committee and approved by more than two-thirds of all directors: None.

III. Regarding recusals of directors from voting due to conflicts of interests, the names of the independent directors, contents of motions, reasons for recusal, and results of voting shall be specified: None.

IV. Communications between the independent directors, the Company's chief internal auditor, and CPAs

(shall include the material matters, methods, and results of communication on the Company's financial and business status).

1. In the quarterly Audit Committee meetings, independent directors listen to the chief internal auditor's report on the findings and deficiencies in the internal audits and improvements in the previous quarter, and provide opinions and instructions.
2. Independent directors may investigate the Company's business and financial status at any time, inspect documents, and request managers to submit a report. If they have any doubt, they can communicate with the heads of relevant units for review and improvement.
3. Independent directors and CPAs communicate and discuss issues regularly, such as issues communicated between the Company's corporate governance unit and the management, in the Audit Committee meetings every year

3. Corporate Governance Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
I. Does the Company establish and disclose its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has established the Corporate Governance Best-Practice Principles as approved by the Board of Directors on August 16, 2016, and approved the seventh version of said principles on April 25, 2023 in accordance with the amended Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies in the Taiwan Stock Exchange Official Letter No. 11100243661 dated December 23, 2022. The fourth version is also disclosed under "Corporate Governance" on MOPS.	No difference.
II. Shareholding structure & shareholders' rights				
(I) Has the Company established internal operating procedures to deal with shareholders' suggestions, doubts, disputes and litigations, and does the Company implement the procedures in accordance with the procedure?	✓		The Company has set up the Procedures for Processing Internal Material Information, and has engaged a spokesperson and a deputy spokesperson to respond to shareholders' suggestions, doubts, disputes, litigation, and other relevant matters, and appoint a stock affairs agency to handle relevant business.	No difference.
(II) Does the Company possess a list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders?	✓		The Company keeps abreast of the list of directors, managers, and major shareholders holding more than 10% of our shares, and files a report on changes in their shareholdings as scheduled every month.	No difference.
(III) Has the Company established, and	✓		The Company has formulated the Regulations on Relevant Financial	No difference.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
does it execute, a risk management and firewall system within its affiliated companies?			Operations between Affiliated Enterprises and implemented them in accordance with the relevant regulations, to manage the risk control between the affiliated companies.	
(IV) Has the Company established internal rules against insiders using undisclosed information to trade with?	✓		The Company has formulated the Insider Trading Prevention Management Regulations and the Code of Ethical Conduct to regulate the use of undisclosed information on the market by the Company's insiders to buy and sell securities.	No difference.
III. Composition and responsibilities of the Board of Directors  (I) Has the Board of Directors set a diversity policy, specific management objectives and implementation plans?	✓		According to the Corporate Governance Best Practice Principles approved by the Company's Board of Directors, in addition to considering the Company's business models, future development needs, and major shareholders' shareholdings, the Company shall evaluate various aspects of diversity of Board members.  The Company's current Board of Directors is composed of seven institutional directors and four independent directors with professional backgrounds, professional skills, and industry experience. The institutional directors all appoint representatives with sufficient expertise to participate in the Company's Board meetings. The Company has disclosed information on individual directors on the Company's website - Diversity of the Board of Directors, and the relevant information is available in the "Information on Directors" in the annual report.	No difference.
(II) In addition to the legally-required Remuneration Committee and Audit		✓	The Company has established the Remuneration Committee and the Audit Committee since 2016. And voluntarily set up the	No difference.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof																		
	Yes	No	Description																			
Committee, has the Company voluntarily established other functional committees?			Sustanability committee on January 21, 2022.																			
(III) Has the Company established standards to measure the performance of the Board, and does the Company implement such annually? And does the Company report the results of the performance evaluation to the Board, and use them as a reference for individual directors' remuneration and nomination for re-election?	✓		The Company has formulated the Rules of the Performance Evaluation of the Board of Directors on February 23, 2017, which has been approved by the Board of Directors. The 2024 performance evaluation of the Board of Directors was conducted at the beginning of 2025. All directors are professional and responsible, and diligently perform their duties. The result was reported to the Board of Directors on February 24, 2025, as a reference for the remuneration and nomination of individual directors for re-election.	No difference.																		
(IV) Does the Company regularly evaluate the independence of the CPAs?	✓		<p>The Company's Audit Committee and Board of Directors evaluate the independence and competence of CPAs with reference to the Audit Quality Indicators (AQIs), complete the CPA Independence Assessment Form, and obtain the Statement on Independence regularly every year in accordance with the Company's Corporate Governance Best Practice Principles. The evaluation results this year are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Evaluation item</th> <th colspan="2">Evaluation results</th> <th rowspan="2">Independence</th> </tr> <tr> <th>Yes</th> <th>No</th> </tr> </thead> <tbody> <tr> <td>1. Obtained the Statement on Independence.</td> <td>✓</td> <td></td> <td>Yes</td> </tr> <tr> <td>2. The CPA has not been replaced for seven consecutive years.</td> <td>✓</td> <td></td> <td>Yes</td> </tr> <tr> <td>3. Does not serve as a director, supervisor, or manager at the Company.</td> <td>✓</td> <td></td> <td>Yes</td> </tr> </tbody> </table>	Evaluation item	Evaluation results		Independence	Yes	No	1. Obtained the Statement on Independence.	✓		Yes	2. The CPA has not been replaced for seven consecutive years.	✓		Yes	3. Does not serve as a director, supervisor, or manager at the Company.	✓		Yes	No difference.
Evaluation item	Evaluation results		Independence																			
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Evaluation item	Implementation status					Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof	
	Yes	No	Description				
			4. Is not a shareholder of the Company, and does not receive salary from the company.	√		Yes	
			5. Deloitte & Touche is not an affiliate of the Company.	√		Yes	
			6. The CPA does not provide non-audit services that may affect his/her independence.	√		Yes	
			After assessment, CPA Ricky Hsu and CPA Rock Tseng of Deloitte Taiwan, except for the audit and tax related service fees, have no other financial benefit and business relationship with the Company. the family members of the CPAs have not violated the independence requirements and comply with the aforementioned independence evaluation standard. In addition, in accordance with the AQI indicator information, the CPAs and the accounting firm are verified to perform at a level higher than the average standard of the same industry with respect to the improvement request letters issued by the competent authority. Moreover, in the most recent three years, the audit innovative tools have also been implemented to improve the audit quality, such that they are assessed to be competent to act as the CPAs of the Company. Thus, on February 21, 2025, the appointment of the CPAs was approved at the 12 <sup>th</sup> meeting of the 3 <sup>rd</sup> Audit Committee, and was submitted to the 17 <sup>th</sup> meeting of the 10 <sup>th</sup> Board of Directors on February 24, 2025.				
IV. Has the Company appointed a appropriate number of suitable corporate governance personnel, and designated a corporate governance officer to be responsible for	✓		In 2021, the Company designated the Administration Department and its personnel to be in charge of corporate governance. In addition, Manager Lin, Kun-Chieh in the Administration Department was approved at the 11 <sup>th</sup> meeting of the 9 <sup>th</sup> Board of Directors on				

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
corporate governance-related matters (including but not limited to providing information to directors and supervisors to perform their functions, handling matters related to Board meetings and shareholders' meetings according to the law, and producing minutes of the Board meetings and shareholders' meetings)?			<p>February 23, 2021 to serve as the Company's corporate governance officer concurrently to protect shareholders' rights and interest, and to strengthen the functions of the Board of Directors. Manager Lin, Kun-Chieh has the qualifications of a CPA and has been in charge of the Company's affairs related to finance, stock affairs, and corporate governance for at least three years. The corporate governance officer's main responsibilities are: (1) handling company registration and change registration; (2) handling matters related to the Board meetings and shareholders' meetings in accordance with the law, and assisting the Company in complying with relevant laws and regulations on the Board meetings and shareholders' meetings; (3) producing minutes of the Board meetings and shareholders' meetings; (4) providing information required for directors to perform their duties, and the latest developments in laws and regulations related to the Company to assist directors in complying with laws and regulations; (5) handling matters related to investor relations.(6) Legality review of independent director qualifications (7) Handle matters related to director changes 。  The business execution in 2024 is as follows:</p> <ol style="list-style-type: none"> <li>1. Assisted independent directors and directors in performing their duties, provided them with necessary information, and arranged continuing education for directors: <ol style="list-style-type: none"> <li>(1). Provided necessary company information to directors, and maintained smooth communication and exchange with directors and business executives.</li> </ol> </li> </ol>	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
			<p>(2). Assisted independent directors in arranging relevant meetings when they needed to have a meeting with chief internal auditor or CPAs to understand the Company's financial business in accordance with the Corporate Governance Best Practice Principles.</p> <p>(3). Please refer to "2024 Directors' Continuing Education" of this annual report for information on at least 6 credits of continuing education courses taken by Board members every year.</p> <p>(4). Evaluated the purchase of appropriate directors' liability insurance.</p> <p>2. Assisted with the procedures of the Board meetings and shareholders' meetings and legal compliance related to resolutions.</p> <p>3. Set the agenda of the Board meetings and notified the directors seven days in advance, convened such meetings and provide directors with meeting materials, and reminded them in advance if any motions require recusal, and completed the meeting minutes within 20 days after such meetings.</p> <p>4. Handled the pre-registration of the date of the shareholders' meeting in accordance with the law, prepared the meeting notice, the meeting handbook, and meeting procedure prior to the legal deadline, and handled change registration for any amendments to the Articles of Incorporation or the re-election of directors.</p>	

Evaluation item	Implementation status					Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof																				
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2	BCSD Taiwan	Promoting a New Carbon Era through Sustainable Knowledge	2024/06/18	6																						
3	Taiwan Corporate Governance Association	Designing Governance and Management to Make Succession Planning No Longer a Barrier to Sustainable Operations	2024/10/29	3																						

<p>V. Has the Company established communication channels and built a dedicated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers) to respond to material corporate social responsibility issues in a proper manner?</p>	<p>✓</p>	<p>The Company has set up sections dedicated to "Investors" and "Corporate Social Responsibility" on the official website with a detailed description of our efforts in governance, environment, and society. In addition, we have engaged a spokesperson and disclosed contact information of various business-related units on the Company's official website, allowing stakeholders to contact corresponding contact points based on different business activities while we can respond to various issues, including corporate social responsibility, appropriately. The relevant information is as follows:</p> <table border="1" data-bbox="968 536 1792 1306"> <thead> <tr> <th>Item Category</th><th>Issue of concern</th><th>Contact point</th><th>Communication channel</th><th>Communication frequency</th></tr> </thead> <tbody> <tr> <td rowspan="4">Shareholders</td><td rowspan="4">Business overview and operational performance</td><td rowspan="4">Administration Department Manager Lin #200</td><td>Spokesperson and deputy spokesperson system</td><td>Ongoing</td></tr> <tr> <td>"Shareholder Services" on the Company's official website</td><td>Ongoing</td></tr> <tr> <td>Shareholders' meetings</td><td>Once a year</td></tr> <tr> <td>Investor conference</td><td>Several times a year</td></tr> <tr> <td rowspan="4">Customers</td><td rowspan="4">Customers' ideas and opinions</td><td rowspan="4">Sales Department No. 1 (Zinc oxide sales, EAF dust, zinc-containing resources, waste filtration bags) Manager Chen #800 Sales Department No. 2 (Incineration fly ash, electroplating sludge, RDF, calorific resources, contaminated soil) Manager Chen #880</td><td>Customer satisfaction survey</td><td>Once a year</td></tr> <tr> <td>Telephone calls from time to time</td><td>Ongoing</td></tr> <tr> <td>Emails from time to time</td><td>Ongoing</td></tr> <tr> <td>Dedicated contact points</td><td>Ongoing</td></tr> <tr> <td rowspan="6">Employees</td><td rowspan="6">Employees' opinions and satisfaction</td><td rowspan="6">Manager Lin at the Administration Department #200</td><td>Remuneration Committee meetings</td><td>Twice a year</td></tr> <tr> <td>Employees' Welfare Committee meetings</td><td>Once a quarter</td></tr> <tr> <td>Labor-management meetings</td><td>Once a quarter</td></tr> <tr> <td>Employee feedback mailbox</td><td>Ongoing</td></tr> <tr> <td>Grievance mailbox</td><td>Ongoing</td></tr> <tr> <td>Training &amp; education</td><td>Ongoing</td></tr> <tr> <td rowspan="3">Suppliers</td><td rowspan="3">Supplier availability</td><td rowspan="3">Manager Chang at the Procurement Department #300</td><td>Supplier survey</td><td>Ongoing</td></tr> <tr> <td>Assessment of suppliers</td><td>Once a year</td></tr> <tr> <td>Supplier meetings</td><td>Once a year</td></tr> </tbody> </table>	Item Category	Issue of concern	Contact point	Communication channel	Communication frequency	Shareholders	Business overview and operational performance	Administration Department Manager Lin #200	Spokesperson and deputy spokesperson system	Ongoing	"Shareholder Services" on the Company's official website	Ongoing	Shareholders' meetings	Once a year	Investor conference	Several times a year	Customers	Customers' ideas and opinions	Sales Department No. 1 (Zinc oxide sales, EAF dust, zinc-containing resources, waste filtration bags) Manager Chen #800 Sales Department No. 2 (Incineration fly ash, electroplating sludge, RDF, calorific resources, contaminated soil) Manager Chen #880	Customer satisfaction survey	Once a year	Telephone calls from time to time	Ongoing	Emails from time to time	Ongoing	Dedicated contact points	Ongoing	Employees	Employees' opinions and satisfaction	Manager Lin at the Administration Department #200	Remuneration Committee meetings	Twice a year	Employees' Welfare Committee meetings	Once a quarter	Labor-management meetings	Once a quarter	Employee feedback mailbox	Ongoing	Grievance mailbox	Ongoing	Training & education	Ongoing	Suppliers	Supplier availability	Manager Chang at the Procurement Department #300	Supplier survey	Ongoing	Assessment of suppliers	Once a year	Supplier meetings	Once a year	<p>No difference.</p>
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Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
VI. Has the Company appointed a professional shareholder service agency to deal with shareholder affairs?	✓		The Company has appointed the Transfer Agency of CTBC Bank Co., Ltd. to handle the affairs of our shareholders' meetings.	No difference.
VII. Information disclosure (I) Does the Company have a website to disclose both the Company's financial standing and corporate governance status?	✓		The Company has set up a website to disclose the scope of our business and business-related information, and has set up a section dedicated to Investors.	No difference.
(II) Does the Company have other information disclosure channels (e.g., setting up an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, and webcasting investor conferences)?	✓		The Company has designated dedicated personnel responsible for the collection and disclosure of the Company's information, and has engaged a spokespersons and a deputy spokesperson. We also disclose the information on our financial business to shareholders and investors on MOPS while implementing the spokesperson system.	No difference.
(III) Has the Company announced and filed its annual financial report within two months after the end of a fiscal year, and announced and filed the financial reports for the first, second, and third quarters and a report on the operational situation of each month prior to a specified deadline?	✓		We have uploaded the Company's 2024 financial report to MOPS on February 24, 2025. We have also announced and filed our financial reports for the first, second, and third quarters and report on the operational situation of each month in advance before the specified deadline.	No difference.
VIII. Is there any other important information to	✓		(1) Employee rights and employee wellness	No difference.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
facilitate better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, directors' and supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and purchase of liability insurance for directors and supervisors)?			<p>The Company has set up sound and complete systems, including a pension system and an Employees' Welfare Committee system; our employees are entitled to labor and health insurance, group insurance for accidents, medical insurance, and bonuses for three major holidays in Taiwan; irregular employee gatherings, hospitalization allowances, parking spaces, and regular employee health examination and on-the-job training from time to time every year. In addition, we manage to learn about employees' opinions through labor-management meetings and employee suggestion mailboxes to ensure a harmonious labor-management relationship.</p> <p>(2) Investor relations</p> <p>The Company discloses information on MOPS honestly according to laws and regulations to protect our investors' rights and interest. Email for investors and the contact information of the spokesperson are available on the Company's website to maintain a healthy and harmonious relationship between the Company and shareholders.</p> <p>(3) Supplier relations</p> <p>We have maintained a positive collaborative relationship with our suppliers, and worked with at least two suppliers for the same material; as such, we can respond quickly to maintain the stability of the delivery in the case of abnormal quality. The Company's material procurement is conducted through bidding, and the principle of winning the bid is the lowest price. The</p>	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
			<p>change in suppliers is because of changes in market supply and demand that influence the increase or decrease of the purchase amount.</p> <p>(4) Directors' continuing education In accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies, we invite relevant units to offer courses on corporate governance, finance, and law occasionally for directors to continue their education, and assist them to sign up for relevant courses as appropriate.</p> <p>(5) Implementation of the risk management policy and the risk measurement standards We have identified our risk factors based on the operational goals, and formulated corresponding internal control procedures, and implements them to alleviate the risk impact. Please refer to "Risk Analysis" of this annual report for other details.</p> <p>(6) Implementation of the customer policy To ensure that customer complaints are responded to, and to prevent the recurrence of customer complaints while understanding customers' satisfaction with our services, the Company conducts a satisfaction survey at the end of each year, and discusses improvement suggestions internally to make improvements accordingly.</p> <p>(7) Purchase of liability insurance for directors The Company has purchased liability insurance for our directors,</p>	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
			and submitted a report on the important contents, such as the insured amount, coverage, and contribution rates, to the Board of Directors.	
IX. Please explain the improvements made in accordance with the Corporate Governance Evaluation results released by the Taiwan Stock Exchange's Corporate Governance Center, and provide the priorities and plans for improvement with items yet to be improved:	<p>The Company will prioritize improvements based on the corporate governance evaluation results, focusing on the completeness of information disclosed on the company's website and in the annual report, as well as presenting the sustainability report to the Board of Directors for discussion.</p>			

#### 4. Composition and Operation of the Remuneration Committee

To improve the salary and remuneration system for directors and managers, the Board of Directors resolved a decision to formulate the Remuneration Committee Charter and to establish the Remuneration Committee in accordance with the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange on August 4, 2016. The number of members of this committee is four, and should include at least one independent director, all of whom are appointed by a resolution of the Board of Directors.

##### (1) Professional Qualifications and Independence Analysis of Remuneration Committee Members

Title	Qualifications		Professional Qualifications and Experience	Independency	Number of other public companies where the individual concurrently serves as a remuneration committee member			
	Name							
Independent Director (Convene)	Huang, Xiao-Xin	Please refer to "Disclosure of Professional Qualifications of Directors and Independence of Independent Directors".						
Independent Director	Chang, Tien-Chin							
Independent Director	Lin, Hung-Tuan							
Independent Director	Wu, Chuan-Chuan							

(2) Operation of the Remuneration Committee

- A. There are four members of the Company's Remuneration Committee.
- B. The term of office of the current term is from May 26, 2022 through May 25, 2025. In the most recent year (2024), the Remuneration Committee had held two meetings(A), and the qualifications and the attendance of the members are as follows:

Title	Name	Attendance in person (B)	By proxy	Attendance rate (%) (B/A)	Remark
Convener	Huang, Xiao-Xin	2	0	100	-
Member	Chang, Tien-Chin	2	0	100	-
Member	Lin, Hung-Tuan	2	0	100	-
Member	Wu, Chuan-Chuan	2	0	100	-

Other matters:

- I. Key Focus Areas of the Remuneration Committee for the Year:  
The Committee is composed of four independent directors. Its main responsibilities during the year included reviewing the performance evaluation criteria for the Company's directors and managerial officers, as well as both annual and long-term performance goals. The Committee also reviewed the policies, systems, standards, and structure of remuneration to ensure that the Company's compensation arrangements comply with relevant regulations and are sufficient to attract and retain top talent.
- II. If the Board of Directors refuses to adopt or amend a suggestion of the Remuneration Committee, the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (e.g., if the remuneration passed by the Board of Directors exceeds the suggestion of the Remuneration Committee, the circumstances and cause for the difference shall be specified) shall be specified: None.
- III. If there were resolutions of the Remuneration Committee to which members objected or expressed reservations, and for which there is a record or declaration in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion shall be specified: None.
- IV. The function of the Company's Remuneration Committee is to evaluate the salary and remuneration policy and system of our directors and managers from a professional and objective perspective, and to make suggestions to the Board of Directors as a reference for decision-making. The powers and responsibilities of the Company's Remuneration Committee include:
  - (1). Review the Company's remuneration policy and propose amendments regularly.
  - (2). Formulate and review the Company's performance evaluation standards for directors and managers, annual and long-term performance targets, as well as policy, system, standards, and structure of remuneration regularly.
  - (3). Evaluate the achieving of the performance targets of the Company's directors and managers regularly, and determine the content and amount of their individual remuneration based on the evaluation results on the basis of the performance evaluation standards.
- V. The Remuneration Committee's motions, resolution results, and the Company's handling of such opinions in the most recent year:

Date of the Remuneration Committee meeting	Content of motion	Resolution results	The Company's handling of the Remuneration Committee's opinions
6 <sup>th</sup> meeting of 4 <sup>th</sup> term on 2024.01.30	Proposal for the Company's personnel change	Passed by all members of the committee	Submitted to the Board of Directors and approved by all the directors present
	Discussion on the Distribution of Directors' Remuneration for 2023		
	Discussion on the Distribution of Employees' Remuneration for 2023		
	Review of the Employees' Remuneration for Executive Officers for 2023		
	Proposal for Adjustments to the Company's Base Salary Grade Table		
7 <sup>th</sup> meeting of 4 <sup>th</sup> term on 2024.10.28	Amendment to the "Remuneration Committee Charter" of the Company		
	Amendment to the "Regulations for Directors' Compensation" of the Company		

## 5. Sustainable Development Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Evaluation item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies						
	Yes	No	Description							
I. Has the Company established a governance structure to promote sustainable development and set up a dedicated (part-time) unit for implementation of sustainable development measures, which is authorized by the board of directors to be carried out by senior management, and supervised by the Board of Directors?	✓		<p>At the 15th board meeting of the 9th session on January 21, 2022, the Company approved the establishment of the "Sustainable Development Committee", which is fully composed of independent directors and consists of two functional groups, Corporate Sustainable Development and Sustainable Governance, under the responsibility of the Environmental Safety Division and the Management Division respectively. Through oversight by senior executives with expertise in different fields to review the company's core operational capabilities, the Company seeks to develop medium- and long-term sustainability plans.</p> <p>The "Sustainable Development Committee" serves as a cross-departmental communication platform that integrates vertically and links horizontally to identify sustainability issues of concern to the Company's operations and stakeholders, formulates corresponding strategies and directions, plans and implements annual programs, and tracks the effectiveness of implementation to ensure that sustainability strategies are fully implemented in the Company's daily operations.</p> <p>The "Sustainable Development Committee" reports semi-annually to the Board of Directors on the results of sustainability implementation and future work plans. In 2024, a total of three meetings were held, and the proposal content included (1) Evaluation of the material issues requiring special attention of the management team and feasibility of response actions;(2) Amendment to the "Sustainability Committee Charter" of the Company; (3) Review of the 2023 ESG Report, evaluation of the Company's ESG implementation status, and report of the aforementioned matters in the board of directors' meeting.</p> <p>The Board must evaluate the likelihood of success of these strategies and frequently reviews the progress of the strategies, while urging the management team to make adjustments when necessary.</p>	No difference.						
II. Has the Company established a governance structure to promote sustainable development and conducted risk assessments on environmental, social and corporate governance (ESG) issues related to the Company's operations in accordance with the principle of materiality, and formulated relevant risk management policies or strategies?	✓		<p>This disclosure information covers the performance of the Company's sustainable development in its major business operations from January 2024 to December 2024. The risk assessment boundary is based on the Company and includes the subsidiary Taiwan Steel Resources Co., Ltd. based on its relevance to its operations and the extent of its impact on major topics.</p> <p>The Sustainable Development Committee conducts analysis based on the materiality principle of the Company's sustainability report, communicates with internal and external stakeholders, and evaluates ESG issues of materiality by integrating assessment information from various departments and subsidiaries, and formulates risk management policies and takes specific action plans to effectively identify, measure, evaluate, monitor and control these issues in order to reduce the impact of related risks. Based on the evaluated risks, the relevant risk management policies or strategies are formulated as follows.</p> <table border="1"> <thead> <tr> <th>Material issue</th> <th>Risk assessment item</th> <th>Risk management policy or strategy</th> </tr> </thead> <tbody> <tr> <td>Environmental</td> <td>Climate strategy</td> <td> <ol style="list-style-type: none"> <li>Formulating greenhouse gas management policies, conducting climate change risk assessment, and implementing action plans under the TCFD framework.</li> <li>Disclosing key performance indicators in the corporate social responsibility report, and tracking and reviewing the progress of each target regularly to ensure that the target is achieved.</li> <li>Implementing energy conservation and carbon reduction measures, and improving the efficiency of process equipment.</li> </ol> </td> </tr> </tbody> </table>	Material issue	Risk assessment item	Risk management policy or strategy	Environmental	Climate strategy	<ol style="list-style-type: none"> <li>Formulating greenhouse gas management policies, conducting climate change risk assessment, and implementing action plans under the TCFD framework.</li> <li>Disclosing key performance indicators in the corporate social responsibility report, and tracking and reviewing the progress of each target regularly to ensure that the target is achieved.</li> <li>Implementing energy conservation and carbon reduction measures, and improving the efficiency of process equipment.</li> </ol>	No difference.
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		<p>kiln is less prone to slagging, thereby reducing the use of combustion gas for heating. Diesel consumption in 2024 decreased by 27,770 liters compared to the previous year.</p> <p>The Company obtained ISO 50001 Energy Management System certification in 2024. It conducted an inventory of all energy-consuming equipment across the plant, reduced idle operation of equipment, and minimized the use of air conditioning and lighting. Together with the official operation of solar power equipment, the plant's total electricity consumption in 2024 decreased by 1,752 MWh compared to the previous year. Based on the Energy Administration's latest announced emission factor for electricity in 2022 (0.495 kg CO<sub>2</sub>e/kWh), this reduction corresponds to approximately 867 metric tons of greenhouse gas emissions avoided.</p> <p>Use of renewable energy: The planned installation of rooftop solar power generation panels with a capacity of 7,686 m<sup>2</sup> (approximately 1,356kW) has been completed. The factory roof-type solar power generation device has been completed in December 2023. Furthermore, in 2025, the Company will install an additional 15,670 m<sup>2</sup> of solar panels on its other rooftops and TSR, providing about 3.0 MW of green electricity, reducing Scope 2 electricity consumption, and delivering tangible carbon reduction benefits.</p> <p>Use electric vehicles to replace diesel: In order to reduce the use of diesel, evaluate the feasibility of replacing diesel vehicles in the factory, including forklifts, forklifts, transport vehicles and trucks, with electric vehicles. Reduce greenhouse gas emissions.</p> <p>Process adjustment: Evaluate the feasibility of high-temperature gas and kiln shell heat recovery in the rotary kiln. Install rain shielding equipment on the rotary kiln to prevent climate factors from affecting the temperature drop in the rotary kiln, which would lead to more fuel investment to raise the temperature and therefore increase carbon emissions.</p>	
(III) Has the Company assessed the potential risks and opportunities arising from climate change to the Company now and in the future, and taken measures to respond to climate-related issues?	✓	<p>Taiwan Steel Union follows the management framework advocated by the Task Force on Climate-Related Financial Disclosures (TCFD) in the development of climate change management and information disclosure.</p> <p>Taiwan Steel Union uses its "Sustainable Development Best Practice Principles" in assessment and management of risks and opportunities due to climate change, formulates, identifies and evaluates strategies, and conducts action plans on climate change. The purpose is to adapt to and mitigate climate change impacts. Corresponding adaptation and action plans are mapped out according to risk analysis and assessment. Emerging business opportunities are explored.</p> <p>A detailed description of the Company's analysis of climate change risks and opportunities is included in the Company's Sustainability Report:  <a href="https://www.tsutw.com.tw/tsucsr/index.php">https://www.tsutw.com.tw/tsucsr/index.php</a></p>	No difference.
(IV) Has the Company compiled statistics on greenhouse gas emissions, water consumption, and total waste weight in the past two years, and formulated policies on energy conservation and carbon reduction, greenhouse gas reduction, water reduction, or other waste management?	✓	<p>Please refer to the Company's Sustainability Report:  <a href="https://www.tsutw.com.tw/tsucsr/index.php">https://www.tsutw.com.tw/tsucsr/index.php</a></p>	No difference.
IV. Social issues (I) Has the Company formulated appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓	<p>To fulfill our corporate social responsibility and protect the basic human rights of our employees, customers, and stakeholders, we support and follow the principles of the United Nations Universal Declaration of Human Rights and other international human rights conventions, respect internationally recognized basic human rights policies, and implement our responsibilities for respecting and protecting human rights. Meanwhile, we treat and respect our employees in a dignified manner, and abide by the labor laws and regulations where the Company is located. The Company's human rights policy applies to the Company and our subsidiaries. Please refer to the Company's official website for the human rights issues and policies about which we are concerned.</p>	No difference.

<p>(II) Has the Company formulated and implemented reasonable employee benefit measures (including salary, leave, and other benefits), and reflect operational performance or results in employee compensation appropriately?</p>	<input checked="" type="checkbox"/>	<p><b>Employee Remuneration</b> The Company has established complete employee benefits and retirement benefits, and shares the Company's profits with its employees. The Company's year-end bonus system reflects the performance and results of the Company's operations in the remuneration to employees, and the number of months of bonus payment is calculated based on earnings per share. In addition, the annual performance evaluation of the employees will be considered and distributed to the employees in order to motivate them to work hard to realize the Company's goals. The Articles of Incorporation also stipulate that no less than 1% of any profit made during the year shall be set aside for employee remuneration. Details of the remuneration policy are as follows:</p> <ul style="list-style-type: none"> <li>➢ Production performance bonus The Company has established the production performance standard according to the monthly production quantity and quality result. If the production result of the current month exceeds the standard, 30%~45% of production performance bonus is issued according to the equation calculation, in order to provide a return to employees contributing at work.</li> <li>➢ Number of months for year-end bonus Since 2018, the Company has linked the number of months of the year-end bonus with the Company's business performance (EPS). When the EPS is higher, the number of months for the year-end bonus issuance is greater; provided that there are upper and lower limits to the issuance.</li> </ul> <p><b>Employee Welfare Measures</b> The Company issues birthday gift money and subsidies for weddings and funerals, and hosts year-end dinner parties. In terms of the leave system, the Company provides employees with leave policies that comply with the Labor Standards Act. In the event that employees need to take leave for a longer period of time due to childcare or a major accident, they can apply for leave without pay in order to take care of their personal and family needs.</p> <p><b>Employee Pension System</b> The Company's pension system is a defined pension plan administered by the government in accordance with the Labor Standards Act. The Company contributes 8% of each employee's total monthly salary to the Supervisory Committee of Labor Retirement Reserve as pension to deposit it into a special account with the Bank of Taiwan in the name of the Committee. We have implemented the new pension system since July 1, 2005. The Company contributes no less than 6% of each employee's monthly salary to his/her labor pension account in accordance with the Labor Pension Act. The Company handles pension-related matters in accordance with the relevant provisions of the Labor Pension Act and the Company's Appointment and Dismissal Regulations.</p> <p><b>Diversity and Equality in the Workplace</b> There is no difference in remuneration due to gender or ethnicity for new hires of the same roles and the same levels. Basic salary ratio for female and male employees is 1:1. As our company is involved in the high-tech environmental protection industry, the majority of our employees are male, while the average percentage of female employees is 15% and the average percentage of female supervisors is 17%.</p>	<p>No difference.</p>
<p>(III) Does the Company provide a healthy and safe work environment, and does it offer health and safety training for its employees on a regular basis?</p>	<input checked="" type="checkbox"/>	<p><b>Occupational Safety and Health Policy</b> To create a healthy and safe workplace for employees, Taiwan Steel Union revised its occupational health and safety management system into ISO 45001. The Company strives to create a healthy and safe organizational culture, and is committed to improving and offering a healthy and safe work environment so that our employees and their families can have peace of mind. Taiwan Steel Union's annual statistics on occupational disasters are based on the disability indicators published by the Ministry of Labor. A comprehensive reporting procedure and an event investigation mechanism are in place, to report the investigation findings to relevant departments. Corrective and preventive measures are initiated to reduce the likelihood of the same events and continue to improve workplace safety. Taiwan Steel Union reported no major occupational disasters in 2024. Our contractors reported no occupational injury during the year.</p> <p><b>Occupational Safety and Health Education</b></p>	<p>No difference.</p>

		<p>To enhance the caliber, technical and core competencies of the Company's personnel, to establish awareness in health and safety and the ability to prevent hazards, the Company organizes periodical and ad-hoc training and education in health and safety while holding fire drills every six months. All the internal training, external training and license acquisitions are in compliance with laws and regulations.</p> <p>In addition, the Company signed a temporary on-site nursing and occupational doctor services contract with Chang Bing Show Chwan Memorial Hospital to provide employees with health consultation and analysis of personnel health problems and provide professional advice.</p> <p><u>Fire incident Disclosure</u></p> <p>In 2024, the Company experienced one fire incident. The fire was caused by a spark from electrical wiring, which fell onto a bulk bags due to wet weather conditions. It resulted in a minor fire that was promptly detected and extinguished, with no injuries reported.</p>	
(IV) Has the Company established effective career development and training plans for its employees?	✓	<p>The Company plans and provides complete functional and competency training for supervisors and employees at all levels, including the implementation of various educational trainings or hiring professional technicians from abroad to assist in guiding the technical staff in the plants to improve their professional skills; the Company also encourages employees to participate in various training, lectures and professional training outside the factory and trains new employees to take various certification tests to obtain operational qualifications.</p> <p>A detailed description of the implementation of the Company's education and training is disclosed in the Company's Sustainability Report: <a href="https://www.tsutw.com.tw/tsucsr/index.php">https://www.tsutw.com.tw/tsucsr/index.php</a></p>	No difference.
(V) Does the Company follow relevant laws and regulations and international standards regarding customer health and safety, customer privacy, as well as marketing and labeling of products and services, and has the Company formulated relevant consumer protection policies and complaint procedures?	✓	<p>Upholding the concept of honesty and integrity, we always keep our promises. We provide customers with the technology, rigorous production, as well as excellent quality and services in line with their requirements.</p> <p>The Company's sales department conducts annual satisfaction surveys for EAF dust, polluted earth and zinc oxide customers, and has established "Customer Service Management Regulations" to verify the implementation of various customer policies and to receive and handle customer complaints in order to protect customer rights.</p>	No difference.
(VI) Has the Company formulated a supplier management policy to require suppliers to comply with relevant regulations on issues, such as environmental protection, occupational safety and health, and labor human rights, and how is the implementation?	✓	<p>The Company has also established a "Code of Business Conduct" that clearly communicates expectations to our suppliers and service providers in terms of ethics, health, safety, environment, labor and human rights.</p> <p>To enhance the sustainability management of supply chains, the Company has put in place "Supplier Management and Assessment Guidelines" to regulate suppliers and provide a standard for contractor whitelisting and assessment.</p> <p>The contents of the contracts between the Company and our suppliers include that the suppliers must meet the Company's environmental safety requirements. Any violators shall be punished as required in the contract, and the violation will be included in the Company's annual supplier evaluation.</p>	No difference.
V. Does the Company refer to the internationally accepted standards or guidelines for preparing reports to prepare Sustainable Development reports and other reports that disclose the Company's non-financial information? Has the Company obtained the assurance or an assurance opinion from a third-party certification unit about said reports?	✓	<p>The Company has prepared the 2023 Sustainability Report in accordance with the latest GRI guidelines and has passed the SGS external assurance procedures to meet the AA1000 AccountAbility Series of Standards v3Type1 medium assurance level, which has been published on the Company's website.</p>	No difference.
VI. If the Company has the Sustainable Development Best Practice Principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, describe the implementation and any deviations from the principles: <u>The Company has established the Sustainable Development Best Practice Principles, and duly implements the principles without any difference.</u>			
VII. Other important information to facilitate better understanding of the Company's sustainable development practices:		<ol style="list-style-type: none"> <li>1. The Company has passed the ISO14001, ISO14064, and ISO 45001 environmental safety and health management system, ISO50001energy management system certification, and obtained CDP B management level, with a complete management system.</li> <li>2. To respond to the policy of energy conservation, environmental protection, and waste heat recovery, the Company installed slag and waste heat recovery facilities in the rotary kiln to collect, recycle, and reuse waste heat from the process to reduce the use of coke and greenhouse gases from oil fuels, to achieve the purpose of carbon reduction.</li> <li>3. To ensure the environmental quality of the area where the Company's plants are located, the Company allocates a certain amount of a fund to the Shengang Township and the Xianxi Township, Changhua County, every month based on the actual volume of EAF dust, to enhance the harmony and prosperity of the local community.</li> <li>4. The Company is actively installing rooftop solar energy systems and utilizing renewable energy to achieve energy-saving and carbon-reduction goals.</li> </ol>	

## 6. Implementation of Climate-Related Information

Item	Implementation status								
<p>1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</p> <p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</p> <p>3. Describe the financial impact of extreme weather events and transformative actions.</p> <p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p>	<p>1.~4.</p> <p>1. Governance :The Company has established the Sustainable Development Committee, composed of all independent directors. The committee confirm environment performances, climate change issues and corporate concerns each year. The committee formulates GHG policies and continues to promote energy conservation and carbon reduction.</p> <p>The Company offers incentives for proposals of improvement measures regarding climate change. Bonuses of an appropriate amount are provided to the reviewed and adopted proposals in energy,water conservation and cost reduction. Employees are encouraged to enhance awareness and enthusiasm in work efficiency, energy saving and carbon reduction.</p> <p>2. Strategy: The Company formulates its climate change strategies on products, low-carbon investments and operating activities.</p> <table border="1" data-bbox="961 779 2039 980"> <thead> <tr> <th data-bbox="961 779 1477 834">Strategic aspects</th><th data-bbox="1477 779 2039 834">The Company's responding strategy</th></tr> </thead> <tbody> <tr> <td data-bbox="961 834 1477 874">Products</td><td data-bbox="1477 834 2039 874">Circular economy product: crude zinc oxide</td></tr> <tr> <td data-bbox="961 874 1477 914">Low-carbon investments</td><td data-bbox="1477 874 2039 914">Low-carbon transition projects to achieve carbon reduction goals</td></tr> <tr> <td data-bbox="961 914 1477 980">Operating activities</td><td data-bbox="1477 914 2039 980">Continued energy conservation and carbon reduction</td></tr> </tbody> </table> <p>➤ <u><a href="#">Response to climate change impact on financials</a></u>  The climate change impact on the Company's financials includes a possible increase in operating expenses such as carbon management fees and fines for breaching total control limits.</p> <p>➤ <u><a href="#">NDC scenario analysis-transition risk assessment</a></u>  Regarding the carbon reduction targets of the Company, the plan is to achieve a 34% reduction of greenhouse gas in 2030" compared to 2012 and to achieve zero emission in 2050 in accordance with the "Climate Change Response Act. Set this as a scenario analysis of the Company's transformation risks.</p>	Strategic aspects	The Company's responding strategy	Products	Circular economy product: crude zinc oxide	Low-carbon investments	Low-carbon transition projects to achieve carbon reduction goals	Operating activities	Continued energy conservation and carbon reduction
Strategic aspects	The Company's responding strategy								
Products	Circular economy product: crude zinc oxide								
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Operating activities	Continued energy conservation and carbon reduction								

Item	Implementation status																		
	<p>➤ <b><u>SSP5-8.5- Physical Risk Scenario Assessment</u></b></p> <p>The purpose of future climate scenario analysis is primarily to enhance decision-making quality by adopting "climate change risk and opportunity assessments," followed by mitigation and adaptation actions based on the results. The physical risk scenario uses the "Shared Socioeconomic Pathways" (SSPs) model, specifically the SSP5-8.5 scenario, to analyze the potential physical risks and opportunities that may impact the company's strategy, in order to evaluate or adjust relevant response strategies.</p> <p>3. Risk and Opportunity: The Company uses its Practical Guides on Sustainable Development in assessment and management of risks and opportunities due to climate change, formulates, identifies and evaluates strategies, and conducts action plans on climate change. The purpose is to adapt to and mitigate climate change impacts. Corresponding adaptation and action plans are mapped out according to risk analysis and assessment. Emerging business opportunities are explored.</p> <p>4. Assessment of key risks, potential financial impacts and risk management measures</p> <p style="text-align: center;"><b>TSU's climate change risk assessments and action plans</b></p> <table border="1"> <thead> <tr> <th data-bbox="961 758 1192 853">Risk type</th><th colspan="2" data-bbox="1192 758 2023 853">Transition risks</th></tr> <tr> <th data-bbox="961 853 1192 917">Item</th><th data-bbox="1192 853 1619 917">Policies and regulations</th><th data-bbox="1619 853 2023 917">Market</th></tr> <tr> <th data-bbox="961 917 1192 980">Time</th><th data-bbox="1192 917 1619 980">Long-term</th><th data-bbox="1619 917 2023 980">Mid-term</th></tr> </thead> <tbody> <tr> <th data-bbox="961 980 1192 1044">Climate related risks</th><td data-bbox="1192 980 1619 1044">Higher GHG emission prices</td><td data-bbox="1619 980 2023 1044">Rising raw material costs - rising electricity prices</td></tr> <tr> <th data-bbox="961 1044 1192 1107">Potential financial impacts</th><td data-bbox="1192 1044 1619 1107">Increase of operating costs</td><td data-bbox="1619 1044 2023 1107">Increase of operating costs</td></tr> <tr> <th data-bbox="961 1107 1192 1307">Financial impact analysis (Quantitative explanations)</th><td data-bbox="1192 1107 1619 1307">Expected costs and expenses Short-term 2024~2025 of approximately NT\$50 million Mid-term 2026~2030 of approximately NT\$120 million Long-term 2031~2035 of approximately NT\$100 million</td><td data-bbox="1619 1107 2023 1307">Expected costs and expenses Short-term 2024~2025 of approximately NT\$20 million Mid-term 2026~2030 of approximately NT\$110 million</td></tr> </tbody> </table>	Risk type	Transition risks		Item	Policies and regulations	Market	Time	Long-term	Mid-term	Climate related risks	Higher GHG emission prices	Rising raw material costs - rising electricity prices	Potential financial impacts	Increase of operating costs	Increase of operating costs	Financial impact analysis (Quantitative explanations)	Expected costs and expenses Short-term 2024~2025 of approximately NT\$50 million Mid-term 2026~2030 of approximately NT\$120 million Long-term 2031~2035 of approximately NT\$100 million	Expected costs and expenses Short-term 2024~2025 of approximately NT\$20 million Mid-term 2026~2030 of approximately NT\$110 million
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Item	Implementation status																						
	<b>Responses</b>	1. Risk transfer (price increase) 2. Risk mitigation (energy saving, carbon reduction, low-carbon investment )	Risk mitigation: (power saving measures, ISO 50001 energy management system)																				
	<b>Estimated costs of responding measures</b>	Carbon reduction investment of approximately NT\$150 million (renewable energy and energy saving measures)	Electricity saving measures amount to approximately NT\$7.85 million.																				
<p>Potential financial impact assessment and risk management measures for the real opportunities:</p>																							
<p style="text-align: center;"><b>TSU's climate change opportunity assessments and action plans</b></p> <table border="1"> <thead> <tr> <th data-bbox="945 647 1185 695">Opportunities</th><th data-bbox="1185 647 1619 695">Slag/zinc oxide/other new waste</th><th data-bbox="1619 647 2043 695">Energy sources</th></tr> </thead> <tbody> <tr> <td data-bbox="945 695 1185 742">Time</td><td data-bbox="1185 695 1619 742">Short-term</td><td data-bbox="1619 695 2043 742">Short-term</td></tr> <tr> <td data-bbox="945 742 1185 822">Climate related risks</td><td data-bbox="1185 742 1619 822">Recycle and reuse</td><td data-bbox="1619 742 2043 822">Use of low-carbon energy (Renewable and fuel alternatives)</td></tr> <tr> <td data-bbox="945 822 1185 901">Potential financial impacts</td><td data-bbox="1185 822 1619 901">Increased incomes</td><td data-bbox="1619 822 2043 901">Capital expenditures</td></tr> <tr> <td data-bbox="945 901 1185 1112">Financial impact analysis (Quantitative explanations)</td><td data-bbox="1185 901 1619 1112">Increase of business lines such as incineration fly ash, electroplating sludge, zinc contained waste or industrial waste with high calorific value, to boost the Company's revenue, and to reduce the use quantity of coke and lime.</td><td data-bbox="1619 901 2043 1112">The installation of solar panels is expected to generate approximately 1,670,000 kWh each year and to save an estimated electricity bill of NT\$3.83 million based on a tariff of approximately NT\$2.3 per kWh.</td></tr> <tr> <td data-bbox="945 1112 1185 1207">Responses</td><td data-bbox="1185 1112 1619 1207">Additional personnel and equipment for pre-treatment before manufacturing process</td><td data-bbox="1619 1112 2043 1207">Additional installation of solar energy generation facility to increase the energy source</td></tr> <tr> <td data-bbox="945 1207 1185 1299">Estimated costs of responding measures</td><td data-bbox="1185 1207 1619 1299">Additional installation of solar energy generation facility to increase the energy source</td><td data-bbox="1619 1207 2043 1299">Approximately NT\$50 million for rooftop solar panel installation</td></tr> </tbody> </table>			Opportunities	Slag/zinc oxide/other new waste	Energy sources	Time	Short-term	Short-term	Climate related risks	Recycle and reuse	Use of low-carbon energy (Renewable and fuel alternatives)	Potential financial impacts	Increased incomes	Capital expenditures	Financial impact analysis (Quantitative explanations)	Increase of business lines such as incineration fly ash, electroplating sludge, zinc contained waste or industrial waste with high calorific value, to boost the Company's revenue, and to reduce the use quantity of coke and lime.	The installation of solar panels is expected to generate approximately 1,670,000 kWh each year and to save an estimated electricity bill of NT\$3.83 million based on a tariff of approximately NT\$2.3 per kWh.	Responses	Additional personnel and equipment for pre-treatment before manufacturing process	Additional installation of solar energy generation facility to increase the energy source	Estimated costs of responding measures	Additional installation of solar energy generation facility to increase the energy source	Approximately NT\$50 million for rooftop solar panel installation
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Item	Implementation status
<p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</p> <p>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</p> <p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p> <p>8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</p> <p>9. Greenhouse gas inventory and assurance status , reduction targets, strategies and specific action plans (separately fill out in point 1-1 and 1-2 below).</p>	<p>5.~9. :None.</p>

7. Greenhouse gas inventory and assurance status of the company for the past two years

(1). Greenhouse Gas Inventory Information

<b>Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years</b>							
<b>Year</b>	<b>Scope</b>	<b>Scope 1</b>		<b>Scope2</b>		<b>Scope3</b>	
		<b>Emissions (Tons of CO2e)</b>	<b>Intensity (Tons of CO2e/NT\$ Million)</b>	<b>Emissions (Tons of CO2e)</b>	<b>Intensity (Tons of CO2e/NT\$ Million)</b>	<b>Emissions (Tons of CO2e)</b>	<b>Intensity (Tons of CO2e/NT\$ Million)</b>
2023	TSU	73,130.9103	35.8232	9,399.6703	4.6044	61,053.5103	29.9071
2024	TSU	80,015.4754	33.6417	8,534.0935	3.5880	54,703.5763	22.9996

Note 1: Direct emissions (Scope 1: Direct emissions from sources that are owned or controlled by the Company), energy indirect emissions (Scope 2:

Indirect greenhouse gas emissions from imported electricity, heat or steam) and Other indirect emissions (Scope 3: Indirect emissions from company activities, not from energy indirect emissions, but from sources that are owned or controlled by Other).

Note 2: The data coverage of direct and indirect energy emissions shall be processed according to the schedule specified in Paragraph 2 of Article 10 of

this Code, and the information of indirect other emissions may be disclosed on a voluntary basis.

Note 3: Greenhouse gas inventory standard: ISO 14064-1 published by Greenhouse Gas (GHG) Protocol or International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions can be calculated by each unit of product/service or turnover, but at least the data calculated by turnover (NT \$million) should be stated.

Note 5: The greenhouse gas emissions for 2024 are based on the Company's internal inventory results and have not yet been externally verified. The complete and assured data will be disclosed in the sustainability report.

(2). Greenhouse Gas Assurance Information

<b>Describe the assurance situation for the most recent two years as of the publication date of the annual report, including the assurance scope, assurance agency, assurance standards and assurance opinions.</b>				
<b>Year</b>	<b>Assurance scope</b>	<b>Assurance agency</b>	<b>Assurance standards</b>	<b>Assurance opinions</b>
2023	TSU	SGS	ISO14064-1:2018	Unqualified opinion
2024	Complete assurance information will be disclosed in sustainability report			

(3). Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

<b>Explanation of Greenhouse Gas Reduction Baseline Year, Data, Reduction Targets, Strategies, Specific Action Plans, and Progress Toward Targets</b>	
Baseline Year for Reduction	2012
Greenhouse Gas Emissions in Baseline Year	120,459.063 tons
Reduction Target	Reduce emissions to 80,000 tons by 2030
Strategies and Specific Action Plans	1. Establish Solar Power Systems Phase 1 of self-use solar power (1,356 KW) was completed in 2024. Plan to build 1,100KW solar power generation system in TSU and 1,800KW solar power

<b>Explanation of Greenhouse Gas Reduction Baseline Year, Data, Reduction Targets, Strategies, Specific Action Plans, and Progress Toward Targets</b>	
	<p>generation system in TSR by 2025.</p> <ol style="list-style-type: none"> <li>2. Implement ISO 50001 Energy Management System Certification obtained in 2024; gradually phasing out old, energy-intensive equipment.</li> <li>3. Install Rotary Kiln Rain Shelters. Reduce thermal energy loss due to rainy weather conditions.</li> <li>4. Adopt AI System Tools. Establish material traceability and intelligent feeding monitoring Secured a subsidy program from the Industrial Development Administration, Ministry of Economic Affairs, to enhance process operation quality and improve coke usage efficiency.</li> <li>5. Continue Monitoring International Carbon Reduction Technology Developments, including hydrogen application technologies and carbon capture and storage (CCS) technologies.</li> </ol>
Progress Toward Reduction Target	By 2023, emissions have been reduced by 32% relative to the baseline year.

## 8. Ethical Corporate Management Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
I. Establishment of ethical corporate management policies and programs				
(I) Does the Company formulate an ethical corporate management policy approved by the Board of Directors, and declare its ethical corporate management policies and procedures in its guidelines and external documents? Do the Board of Directors and the management work proactively to implement their commitment to those management policies?	✓		<p>The Company's Board of Directors has approved the formulation of the Principles of Ethical Business and placed it on the MOPS, demonstrating the Company's Board of Directors' and management's commitment to ethical management to the society.</p>	No difference.
(II) Has the Company established policies to prevent unethical conduct, analyzed and evaluated business activities with a high risk of unethical conduct within the business scope regularly, and established an appropriate prevention program against unethical conduct, which contains the preventive measures for activities stated in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	✓		<p>The Company shall not provide or promise any bribery, and requires our personnel to avoid engaging in business dealings with distributors, suppliers, customers, or other business partners with unethical conduct. Upon discovery of unethical conduct in business transactions or partners, we stop business dealings with them immediately and blacklist them accordingly.</p> <p>In addition, with a whistleblowing system and internal audits for irregular monitoring, we ensure that our employees are not engaged in business activities with a risk of unethical conduct.</p>	No difference.
(III) Has the Company clearly specified relevant procedures, conduct guidelines, punishments for violation, and rules for appeal in said prevention program, and does the Company implement it accordingly and review and revise it regularly?	✓		<p>The Company's Board of Directors has adopted the Procedures for Ethical Management and Guidelines for Conduct to clearly regulate the procedures for avoidance of personal interest and improper interest, and to duly implement them in accordance with the measures while reviewing and revising such measures regularly based on actual operations or amendments to laws and regulations.</p>	No difference.
II. Fulfillment of Ethical Corporate Management				
(I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in the business contracts signed with the counterparties?	✓		<p>When the Company signs a contract with a supplier, the contract contains the clauses of ethical conduct. In addition, we conduct investigations into customers' credit to avoid unethical conduct that harm the Company's interests.</p>	No difference.
(II) Has the Company established an exclusively (or concurrently) dedicated unit under the Board to implement ethical corporate management, and report to the Board regularly (at least once a year) on its ethical management policy, the unethical conduct prevention program, and the supervision and implementation status?	✓		<p>The Company designated the Administration Department as a dedicated unit to be responsible for assisting the Board of Directors and the management in formulating and supervising the implementation of the ethical management policy and the prevention program to ensure the implementation of the Principles of Ethical Business.</p> <p>The dedicated unit reported on the implementation of the 2024 ethical management operations at the 16<sup>th</sup> meeting and 10<sup>th</sup> Board of Directors on January 20, 2025.</p> <p>1. Training &amp; education</p> <p>To strengthen ethical management and ethical concepts, we hold awareness-raising events and tests regarding the Principles of Ethical Business, material information processing procedures, and insider trading-related regulations every year, and offered the online learning class "Ethical Management Regulations Compliance, Internal Material Information Processing Procedures, and Insider Trading Prevention Policy" and required our employees to take an online test after the class in 2024. The completion rate was 100%, and the class and the test lasted for around one hour.</p> <p>2. Whistleblower system</p> <p>We have established a specific whistleblower system in the Corporate Governance Best Practice</p>	No difference.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
			Principles, the Principles of Ethical Business, and the Procedures for Ethical Management and Guidelines for Conduct, to prevent unethical conduct actively and encourage internal and external personnel to report unethical conduct or improper behavior. We have designated the Administration Department to be responsible for accepting reports of employees engaging in unethical conduct. In "Contact Us" on the official website, we have set up "Illegal or Unethical Conduct Reporting System" and we ensure the confidentiality of the informant's identity and the content of the report and promises that the informant will not be treated improperly for such reporting. In 2024, we received zero report.	
(III) Has the Company established policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?	✓		In addition to formulating the Principles of Ethical Business and operating guidelines for all employees to follow, the Company raises employees' awareness from time to time to prevent conflicts of interest.	No difference.
(IV) Has the Company established effective systems for both accounting and internal control to implement ethical corporate management, and the internal audit unit devised relevant audit plans based on the assessment results of unethical conduct risks, and audited the compliance with the unethical conduct prevention program accordingly, or appointed a CPA to perform the audit?	✓		<p>The Company has an accounting system in place, which is revised in a timely manner in response to the laws and regulations of the competent authority, the International Financial Reporting Standards and International Accounting Standards endorsed by the Financial Supervisory Commission (FSC), or actual business needs.</p> <p>The Company's internal control system is revised in response to the operational situation, and changes in the environment and relevant laws and regulations to ensure that our system continues to be effective. This year's internal audit was based on the risk assessment results and therefore was not included in the annual audit plan.</p>	No difference.
(V) Does the Company regularly hold internal and external educational trainings on ethical corporate management?	✓		The Company duly implements the ethical management policy. To strengthen ethical management and ethical concepts, we hold awareness-raising events and tests regarding the Principles of Ethical Business, material information processing procedures, and insider trading-related regulations every year, and offered the online learning class "Ethical Management Regulations Compliance, Internal Material Information Processing Procedures, and Insider Trading Prevention Policy" and required our employees to take an online test after the class in 2024. The completion rate was 100%, and the class and the test lasted for around one hour.	No difference.
III. Operation of the Whistleblowing System	✓		The Company has established a specific whistleblower system in the Corporate Governance Best Practice Principles, the Principles of Ethical Business, and the Procedures for Ethical Management and Guidelines for Conduct, to prevent unethical conduct actively and encourage internal and external personnel to report unethical conduct or improper behavior. We have designated the Administration Department to be responsible for accepting reports of employees engaging in unethical conduct. In "Contact Us" on the official website, we have set up "Illegal or Unethical Conduct Reporting System" and we ensure the confidentiality of the informant's identity and the content of the report and promises that the informant will not be treated improperly for such reporting. In 2024, we received zero report.	No difference.
(I) Has the Company established both a whistleblowing/reward system and convenient whistleblowing channels? Are appropriate personnel assigned to investigate the accused party?	✓		The Company has established the Procedures for Ethical Management and Guidelines for Conduct, which specifies the whistleblowing investigation procedures and the confidentiality mechanisms.	No difference.
(II) Has the Company established standard operating procedures for the investigation into reported matters, subsequent measures to be taken after the investigation is completed, and relevant confidentiality mechanism?	✓		The Company keeps whistleblowers' personal information confidential, and promises to protect whistleblowers from improper treatment due to whistleblowing.	No difference.
(III) Does the Company provide protection to whistleblowers against receiving improper treatment?	✓			
IV. Enhanced disclosure of corporate social responsibility information	✓		The Company discloses the content of the Company's Principles of Ethical Business and the	No difference.
(I) Does the Company disclose its ethical corporate management policies and the	✓			

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
results of its implementation on the Company's website and MOPS?			implementation thereof during the year under the Corporate Governance of the MOPS and the Company's official website.	
V. V. If the Company has established its own ethical corporate management principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe the implementation and any deviations from the Principles: <u>The Company has established the Principles of Ethical Business, and duly implements the principles without any difference.</u>				
VI. VI. Other important information to facilitate better understanding of the Company's ethical corporate management (e.g., review of and amendments to ethical corporate management policies) None.				

9. Other important information to facilitate better understanding of the operation of the Company's corporate governance

(1) The Company's internal material information processing operating procedures:

The Company has established the Procedures for Processing Internal Material Information, which clearly regulates the handling and disclosure mechanism of internal material information as the guidelines for our directors, managers, and employees to follow. Relevant regulations have been submitted to and approved by the Board of Directors, and have been announced inside the Company while relevant education and training have been offered to all employees.

(2) The licenses designated by the competent authority obtained by the Company's personnel related to financial and internal audit:

License	Financial accounting and internal audit
Certified Public Accountant of the Republic of China	4 people

(3) Directors' continuing education in 2024

Title	Name	Date	Organizer	Class title	Training hours
Chairman	Mark Lin	2024/02/22	Taiwan Corporate Governance Association	The Board's Response and Application to Corporate Governance Evaluation	3
Director	Liu, Ming-Tsung				
	Yeh, Chun-Sheng				
	Hsiao, Yao-ying				
	Huang, Huang-Chang				
	Chen, Mei-Hui				
Independent Director	Lin, Hung-Tuan				
	Chang, Tien-Chin				
	Huang, Xiao-Xin				
Chairman	Mark Lin	2024/10/29	Taiwan Corporate Governance Association	How to design governance and management so that succession is no longer an obstacle to sustainable business operations	3
Director	Yeh, Chun-Sheng				
	Huang, Huang-Chang				
	Chen, Mei-Hui				
Independent Director	Lin, Hung-Tuan				
	Chang, Tien-Chin				
	Huang, Xiao-Xin				
Director	Huang, Wei-Han	2024/05/08	Taiwan Corporate Governance Association	How can enterprises implement energy conservation and carbon reduction to increase company profits?	3
		2024/08/09	Taiwan Corporate Governance Association	Understanding related-party transactions and unconventional transactions from practical cases	3
Independent Director	Huang, Xiao-Xin	2024/04/02	Corporate Management and Sustainable Development Association	2024 Global Political and Economic Trends	3
		2024/06/18		Corporate Governance and Securities Regulations: The Perception of Listed Company Executives on Supervision by the Competent Authority	3
Chairman	Mark Lin	2024/06/13	Securities and Futures Institute	Global Net Zero Carbon Emission Trend and How Companies Can Respond	3
Independent Director	Wu, Chuan-Chuan	2024/08/07	Accounting Research and Development Foundation	Global Economic Situation and Industry Outlook	3
		2024/11/06		How can the board of directors formulate ESG sustainable governance strategies?	3
Independent Director	Chang, Tien-Chin	2024/04/10	Taiwan Institute of Directors	How corporate governance leads enterprises forward	3
Director	Liu, Ming-Tsung	2024/04/30	Taiwan Corporate Governance Association	Carbon management trends and responses towards Net-Zero	3
	Hsiao, Yao-ying				

## 10. Implementation of Internal Control System

### (1) Statement on Internal Control System

#### TAIWAN STEEL UNION CO., LTD Statement of Internal Control System

February 24, 2025

Based on the findings of a self-assessment, Taiwan Steel Union CO., LTD (TSU) states the following with regard to its internal control system during the year 2024:

- I. TSU's Board of Directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Internal control system is designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency and regulatory compliance of our reporting, and compliance with applicable rulings, laws and regulations.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and TSU takes immediate remedial actions in response to any identified deficiencies.
- III. TSU evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control:
  1. control environment,
  2. risk assessment,
  3. control activities,
  4. information and communication, and
  5. monitoring activities.Each component also includes several items which can be found in the "Regulations".
- IV. TSU has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
- V. Based on the findings of such evaluation, TSU believes that, on December 31, 2024, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency and regulatory compliance of reporting, and compliance with applicable rulings, laws and regulations.
- VI. This Statement is an integral part of TSU's annual report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
- VII. This Statement was passed by the Board of Directors in their meeting held on February 24, 2025, with none of the eleven attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Taiwan Steel Union CO., LTD

Mark Lin,  
Chairman  
Lin, Tsai-Hsiang  
General Manager

(2) If a CPA has been hired to carry out a special audit of the internal control system, the CPA audit report shall be disclosed: The Company did not appoint a CPA to review the internal control system.

11. Major resolutions of shareholders' meeting and the Board meetings during the most recent fiscal year up to the date of publication of the Annual Report

(1) Major Resolutions of Shareholders' Meeting and Implementation

Date/Meeting	Major resolutions	Implementation
<b>May 30, 2024</b> <b>2024 Annual Shareholders' Meetings</b>	Ratification the 2023 business report and financial statements.	N/A
	Ratification of the 2023 earnings distribution proposal.	The ex-dividend record date is April 5, 2024, and cash dividends were be paid out on April 26, 2024.
	Amendment to the Company's "Articles of Incorporation"	Proceeded in accordance with the amended procedures.
	Amendment to the Company's "Procedure for Shareholders' Meetings"	

(2) Important resolutions of the Board of Directors

Meeting Date	Major resolutions
<b>January 31, 2024</b>	<ol style="list-style-type: none"> <li>1. Application for extension of general loans for working capital</li> <li>2. Proposal for the operating budget for the FY2024</li> <li>3. Proposal for the Company's personnel change</li> <li>4. Discussions on the distribution of remuneration to Directors for FY2023</li> <li>5. Discussions on the distribution of remuneration to employees for FY2023</li> <li>6. Review of the remuneration of the Company's managerial officers for FY2023</li> <li>7. Proposal for the adjustment of the Company's base salary schedule</li> </ol>
<b>February 22, 2024</b>	<ol style="list-style-type: none"> <li>1. Discussions on the Company's FY2023 financial statements and business report</li> <li>2. Proposal for the Company's FY2023 earnings distribution</li> <li>3. Proposal for payout of the Company's FY2023 cash dividends</li> <li>4. Submitted a proposal for issue of the Company's FY2023 statement on the internal control system</li> <li>5. Amendments on part of " Articles of Incorporation"</li> <li>6. Amendments on part of " Rules of Procedure for Shareholders Meetings"</li> <li>7. Proposal for holding of the Company's 2024 annual shareholders' meeting, acceptance of shareholders' proposals, and other relevant matters</li> <li>8. Appointment of attesting CPAs Wu, Shao-Chun and Tseng, Done-Yuin of Deloitte &amp; Touche Taiwan to audit the 2024 annual tax return and public expenditures</li> <li>9. Proposal for non-assurance services by CPA, their firms and their affiliates to the company and its subsidiaries</li> <li>10. Proposed application for endorsement and guarantee of short-term financing for the Company's subsidiary Taiwan Steel Resources, Co., Ltd.</li> </ol>

Meeting Date	Major resolutions
<b>April 3, 2024</b>	<ol style="list-style-type: none"> <li>1. Land Purchase</li> <li>1. Report on preparation of consolidated balance sheets, consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the 1st quarter of 2024.</li> <li>2. Proposed application for loaning of funds for the Company's subsidiary Taiwan Steel Resources, Co., Ltd.</li> <li>3. Proposal for the amendment of operating budget for the FY2024</li> </ol>
<b>April 23, 2024</b>	
<b>May 30, 2024</b>	<ol style="list-style-type: none"> <li>1. Bank loan application for land purchase</li> <li>1. Report on preparation of consolidated balance sheets, consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the 2nd quarter of 2024</li> <li>2. Application for extension of general loans for working capital</li> <li>3. Proposed application for endorsement and guarantee of short-term financing for the Company's subsidiary Taiwan Steel Resources, Co., Ltd.</li> </ol>
<b>July 25, 2023</b>	<ol style="list-style-type: none"> <li>1. Report on preparation of consolidated balance sheets, consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the third quarter of 2024.</li> <li>2. The change of CPAs.</li> <li>3. Application for extension of general loans for working capital</li> <li>4. Submission of the Company's 2025 annual audit plan</li> <li>5. International Bills Finance Corporation Credit Loan Application</li> <li>6. Taipei Fubon Bank Credit Loan Application</li> <li>7. Amendments on part of "Board of Directors Performance Evaluation Guidelines"</li> </ol>
<b>October 29, 2023</b>	<ol style="list-style-type: none"> <li>8. Amendments on part of "Rules of Procedure for Board Meetings"</li> <li>9. Amendments on part of "Audit Committee Organization Charter"</li> <li>10. Amendments on part of "Sustainability Committee Organization Charter"</li> <li>11. Amendments on part of "Compensation Committee Organizational Rules"</li> <li>12. Amendments on part of "Director Salary and Remuneration Rules"</li> <li>13. Amendments on part of "Sustainable Information Management Regulations"</li> <li>14. Amendments on part of "Internal Control System - General Principles"</li> <li>15. Amendments on part of "Internal Audit Implementation Rules"</li> <li>16. Proposed application for endorsement and guarantee of short-term financing for the Company's subsidiary Taiwan Steel Resources, Co., Ltd.</li> </ol>
<b>January 20, 2025</b>	<ol style="list-style-type: none"> <li>1. Proposal for the operating budget for the FY2025</li> <li>2. Established "Fengli Interconnect Co., Ltd." with Fenghsin Steel, Co., Ltd and FengYu Resources Co., Ltd.</li> <li>3. Discussions on the distribution of remuneration to Directors for FY2024</li> <li>4. Discussions on the distribution of remuneration to employees for FY2024</li> <li>5. Review of the remuneration of the Company's managerial officers for FY2024</li> <li>6. Proposal for the adjustment of the Company's base salary schedule</li> <li>7. Taichung Bank Financing Application</li> </ol>
<b>February 24, 2025</b>	<ol style="list-style-type: none"> <li>1. Discussions on the Company's FY2024 financial statements and business</li> </ol>

Meeting Date	Major resolutions
report	2. Proposal for the Company's FY2024 earnings distribution 3. Proposal for payout of the Company's FY2024 cash dividends 4. Submitted a proposal for issue of the Company's FY2043 statement on the internal control system 5. Amendments on part of " Articles of Incorporation" 6. Taishin International Commercial Bank Financing Application 7. Proposal for holding of the Company's 2025 annual shareholders' meeting, acceptance of shareholders' proposals, and other relevant matters 8. Discussion on the general re-election of directors (including independent directors) and the acceptance of shareholders' nomination rights 9. Proposed approval of the Board of Directors to nominate candidates for election as directors (including independent directors) 10. Release of managerial officers from non-compete agreements 11. Assignment of corporate representative director and supervisor to the Company's investee company, Taiwan Steel Resources Co.,Ltd. 12. Appointment of attesting CPAs Hsu, Jui-Lung and Tseng, Done-Yuin of Deloitte & Touche Taiwan to audit the 2025 annual tax return and public expenditures 13. Proposal for non-assurance services by CPA, their firms and their affiliates to the company and its subsidiaries 14. Proposed application for endorsement and guarantee of short-term financing for the Company's subsidiary Taiwan Steel Resources, Co., Ltd. 15. Proposed application for loaning of funds for the Company's subsidiary Taiwan Steel Resources, Co., Ltd. 16. Application for extension of general loans for working capital
12. Any dissenting opinion expressed by a director with respect to a major resolution passed by the Board of Directors during the most recent fiscal year and up to the date of publication of the Annual Report, where said dissenting opinion has been recorded or prepared as a written declaration: None.	

#### IV. Information on CPA Professional Fees:

Unit:NT\$1,000

CPA Firm	Name of CPAs		Audit period	Audit Fee	Non-Audit Fee	Total	Remarks
Deloitte & Touche	Wu,Shao-Chun	Tseng, Done-Yuin	January 1, 2024 through December 31, 2024	2,200	-	2,200	—
	Hsu,Jui-Lung						

Note : Due to the internal adjustment of the CPA firm, the CPA has been changed from Wu,Shao-Chun to Hsu,Jui-Lung from 3<sup>rd</sup> quarter of 2024

- When the company has replaced its accounting firm and the audit fees paid for the fiscal year in which such replacement took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the replacement and the reasons shall be disclosed: None.
- When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) thereof shall be disclosed: None.

#### V. Information on Replacement of CPAs:

Due to the internal adjustment of the CPA firm, the CPA has been changed from Wu,Shao-Chun to Hsu,Jui-Lung from 3<sup>rd</sup> quarter of 2024.

##### 1. About the former CPA

Date of Change	2024.9.27		
Reasons and explanations for replacement	Internal rotation of the accounting firm		
The appointment was terminated or not accepted by the appointee or accountant.	Party involved	Name of CPA	Appointer
	Description Voluntary termination of appointment	(Note)	(Note)
Opinions on audit reports issued within the last two years without qualification and reasons thereof		(Note)	
Any disagreement with the issuer	Yes	Accounting principles or practices	
		Disclosure of financial reports	
		Scope or steps of the auditing process	
		Others	
	None	V	
Explanation			
Other matters to disclose Other disclosures (Items 1.4 to 1.7 of paragraph 6 of Article 10 of this Standard should be disclosed)	None		

Note: This is an internal rotation of the commissioned accounting firm, and does not involve the Company's termination of attesting CPAs or non-acceptance of the appointment.

2. About the successor CPA

CPA firm	Deloitte & Touche
Name of CPA	Hsu,Jui-Lung
Appointed Date	N/A (Note)
Matters and results of consultation on the accounting treatment or accounting principles for specific transactions and on the possible opinions on financial statements prior to the appointment	N/A (Note)
Written opinion of the successor CPA on matters on which he/she disagreed with the predecessor CPA	None

Note: This is an internal rotation of the commissioned accounting firm, and does not involve the Company's termination of attesting CPAs or non-acceptance of the appointment.

3. The predecessor CPA's response to Item 1 of Paragraph 6 and Item 2-3 of Article 10 of this Standard: None.

VI. Where Company Chairman, President, or Any Manager in Charge of Finance or Accounting Matters in the Most Recent Fiscal Year Holding a Position at the Company's CPA Firm or at an Affiliated Enterprise of Such CPA Firm, Name, Title, and Period of Employment in Such Firms Shall be Disclosed: None.

**VII. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests by a Director, Manager, or Shareholder with a Stake of More than 10 Percent:**

**1. Share changes by directors, managers, and major shareholders**

Unit: Shares

Title	Name	2024 (Note 1)		2025 (as of March 29, 2025)	
		Shareholding increase (decrease)	Pledged share increase (decrease)	Shareholding increase (decrease)	Pledged share increase (decrease)
Director, CEO, and major shareholder	Feng Hsin Steel Co., Ltd.	92,000	—	—	—
Legal representative of director	Mark Lin	—	—	—	—
Chairman					
Director and major shareholder	Tung Ho Steel Enterprise Corp.	—	—	—	—
Legal representative of director	Liu, Ming-Tsung	—	—	—	—
Legal representative of director	Hsiao, Yao-Ying	—	—	—	—
Director	Hai Kwang Enterprise Corporation	—	—	—	—
Legal representative of director	Huang, Wei-Han	—	—	—	—
Director	Shyeh Sheng Fuat Steel & Iron Works Co., Ltd.	—	—	—	—
Legal representative of director	Huang, Huang-Chang	—	—	—	—
Director	Chien Shun Steel Co., Ltd.	—	—	—	—
Legal representative of director	Chen, Mei-Hui	—	—	—	—
Director	United Steel Corporation	—	—	—	—
Legal representative of director	Yeh, Chun-Sheng	—	—	—	—
Independent Director	Lin, Hung-Tuan	—	—	—	—
Independent Director	Wu, Chuan-Chuan	—	—	—	—
Independent Director	Chang, Tien-Chin	—	—	—	—
Independent Director	Huang, Xiao-Xin	—	—	—	—
General Manager	Lin, Tsai-Hsiang	52,000	—	25,000	—
Manager of Procurement Department	Chang, Chih-Yang	—	—	—	—
Head of Audit Department	Chao, Yu-Chiao	—	—	—	—
Factory Manager of Production Department	Hsieh, Tsung-Lin	—	—	—	—
Special Assistant of Production Department	Yang, Ming-Chu	—	—	—	—
Head of Maintenance Department	Yu, Ching-Nan	—	—	—	—
Manager of Administration Department	Lin, Kun-Chieh	—	—	—	—
Manager of Sales Department No. 1	Chen, Yen-Chun	—	—	—	—

Note : The changes in the shareholdings of retired directors and managers were counted as of the last day of work.

**2. Information on the counterparty of the share transfer: None.**

**3. Information on the counterparty of the share pledged: None.**

VIII. Relationship among the Company's 10 Largest Shareholders, Who Are Related Parties, Spouses, or Relatives within Second Degree of Kinship to Each Other:

Record date: March 29, 2025; unit: share/%

Name	Current shareholding		Spouse & minor shareholding		Shareholding by nominees		Among the ten largest shareholders, name and relationship if they are related parties, spouses, or relatives within the second degree of kinship to each other.		Remark
	Shares	%	Shares	%	Shares	%	Name	Relation	
Feng Hsin Steel Co., Ltd. Representative: Lin,Ta-Chun	26,758,587	24.05	—	—	—	—	None	None	
	178,000	0.16	—	—	61,000	0.05	Lin,Yu-Li	Brother and sister	
Tung Ho Steel Enterprise Corp. Representative: Hou, Chieh-Teng	24,829,009	22.31	—	—	—	—	None	None	
	—	—	—	—	—	—	None	None	
Hai Kwang Enterprise Corporation Representative: Huang, Wei-Han	9,691,512	8.71	—	—	—	—	None	None	
	—	—	—	—	—	—	None	None	
Shyeh Sheng Fuat Steel & Iron Works Co., Ltd. Representative: Huang, Huang-Chang	9,677,573	8.70	—	—	—	—	None	None	
	9,000	0.01	45,000	0.04	—	—	None	None	
Chien Shun Steel Co., Ltd. Representative: Wang, Pi-Chang	6,116,469	5.50	—	—	—	—	None	None	
	—	—	—	—	—	—	None	None	
Lung Ching Steel Enterprise Co., Ltd. Representative: Hsieh, Chin-Nan	4,037,637	3.63	—	—	—	—	None	None	
	—	—	—	—	—	—	None	None	
Cheng Chuang Investment Co., Ltd Representative: Lin, Yu-Li	4,023,000	3.62	—	—	—	—	None	None	
	34,000	0.03	190,000	0.17	—	—	Lin,Ta-Chun	Brother and sister	
United Steel Corporation Representative: Yeh, Shih-Cheng	3,767,671	3.39	—	—	—	—	None	None	
	—	—	—	—	—	—	None	None	
Wei Chih Steel Industrial Co., Ltd. Representative: Kuo,Su-Hui	3,351,449	3.01	—	—	—	—	None	None	
	—	—	—	—	—	—	None	None	
Li,Yen-Ching	3,300,000	2.97	—	—	—	—	None	None	

IX. Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, Its Directors, Managers, and Any Companies Controlled Either Directly or Indirectly by the Company:

Unit: Shares/%

Investee (Note)	Investment by the Company		Investment by directors/managers and by companies directly or indirectly controlled by the Company		Total investment	
	Shares	%	Shares	%	Shares	%
Taiwan Steel Resources	149,000,000	100	—	—	149,000,000	100
Fengli Internet Co., Ltd.	900,000	30	1,560,000	52	2,460,000	82

Note: Long-term investment made by the Company using the equity method.

### Three. Capital Overview

#### I. Capital and Shares

##### 1. Sources of capital

###### (1) Capital formation process

Unit: NT\$1,000/1,000 shares

Month / year	Issue price (NTD)	Authorized capital		Paid-in capital		Remark		
		Shares	Amount	Shares	Amount	Sources of capital	Capital increase by assets other than cash	Others
5/1995	10	5,000	50,000	1,500	15,000	Capital for incorporation	None	Note 1
12/1996	10	50,000	500,000	30,000	300,000	Capital increase in cash by issue of 28,500,000 shares	None	Note 2
9/1998	10	50,000	500,000	40,000	400,000	Capital increase in cash by issue of 10,000,000 shares	None	Note 3
8/2005	10	100,000	1,000,000	91,560	915,600	Capital increase in cash by issue of 50,000,000 shares and capitalization of earnings by issue of 1,560,000 shares	None	Note 4
7/2007	10	120,000	1,200,000	112,436	1,124,357	Capitalization of earnings by issue of 20,876,000 shares	None	Note 5
7/2008	10	130,000	1,300,000	128,402	1,284,015	Capitalization of earnings by issue of 15,966,000 shares	None	Note 6
8/2013	10	160,000	1,600,000	135,592	1,355,920	Capitalization of earnings by issue of 7,190,000 shares	None	Note 7
7/2014	10	160,000	1,600,000	142,778	1,427,784	Capitalization of earnings by issue of 7,186,000 shares	None	Note 8
12/2015	10	160,000	1,600,000	99,945	999,449	Capital reduction in cash by cancellation of 42,833,000 shares	None	Note 9
2/2018	86	160,000	1,600,000	111,271	1,112,709	Capital increase in cash by issue of 11,326,000 shares	None	Note 10

Note 1: Incorporation was approved by the Letter Jian-San-Yi-(84) No. 342715 dated May 24, 1995

Note 2: Approved by Letter Jing-(85)-Shang No. 121465 dated December 20, 1996.

Note 3: Approved by Letter Jing-(087)-Shang No. 087124918 dated September 1, 1998.

Note 4: Approved by Letter Jing-Shou-Shang No. 09401153940 dated August 12, 2005.

Note 5: Approved by Letter Jing-Shou-Shang No. 09601156390 dated July 6, 2007.

Note 6: Approved by Letter Jing-Shou-Shang No. 09701160200 dated July 4, 2008.

Note 7: Approved by Letter Jing-Shou-Shang No. 10201175800 dated August 27, 2013.

Note 8: Approved by Letter Jing-Shou-Shang No. 10301148930 dated July 28, 2014.

Note 9: Approved by Letter Jing-Shou-Shang No. 10401266360 dated December 14, 2015.

Note 10: Approved by Letter Jing-Shou-Shang No. 10701016820 dated February 13, 2018.

###### (2) Types of shares

Unit: Shares

Types of shares	Authorized capital			Remark
	Outstanding shares	Unissued shares	Total	
Ordinary shares	111,270,887	48,729,113	160,000,000	Listed stock

###### (3) Information related to the shelf registration system: None.

## 2. List of major shareholders

March 29, 2025

Shareholding Name of shareholder	Shares	%
Feng Hsin Steel Co., Ltd.	26,758,587	24.05%
Tung Ho Steel Enterprise Corp.	24,829,009	22.31%
Hai Kwang Enterprise Corporation	9,691,512	8.71%
Shyeh Sheng Fuat Steel & Iron Works Co., Ltd.	9,677,573	8.70%
Chien Shun Steel Co., Ltd.	6,116,469	5.50%
Lung Ching Steel Enterprise Co., Ltd.	4,037,637	3.63%
Cheng Chuang Investment Co., Ltd	4,023,000	3.62%
United Steel Corporation	3,767,671	3.39%
Wei Chih Steel Industrial Co., Ltd.	3,351,449	3.01%
Li, Yen-Ching	3,300,000	2.97%

## 3. Dividend policy and implementation

### (1) Dividend policy:

If there is a surplus at the end of a fiscal year, the Company shall first pay taxes to compensate the cumulative deficit; then, allocate 10 percent for the legal reserve unless the legal reserve has reached the amount of Company's paid-in capital. Then, the Company shall allocate an amount for or reverse the special reserves in accordance with relevant laws and regulations or the regulations of the competent authority. Any remaining balance and the undistributed earnings accumulated from the past shall be the earnings that can be distributed to shareholders. If the Company has no major capital expenditures, it shall appropriate at least 70% of the net income after tax for the year as dividends for shareholders.

The Company's dividend can be distributed in the form of cash dividends and stock dividends. However, considering the company's current and future investment environment, capital needs, domestic and overseas competition conditions, and capital budgets, as well as shareholders' interest, and balance of dividends and the Company's long-term financial planning, the ratio of cash dividend for distribution shall not be less than 10% of the total dividends to be distributed.

### (2) Proposed dividend distribution for this year's shareholders' meeting:

The Company's Board of Directors, on February 24, 2025, proposed to distribute a dividend of NT\$667,625,322 with NT\$6 per share to shareholders, all of which is distributed in cash. If subsequent repurchases of the Company's shares or the transfer, conversion, or cancellation of treasury shares affects the

number of outstanding shares, and changes the shareholder's payout ratio as a result, the Company will propose to request the shareholders' meeting to authorize the Chairman to handle it with full authority.

The Company will propose to request the shareholders' meeting to ratify the earnings distribution proposal, and to authorize the Chairman to determine the record date and the payout date of cash dividends.

- (3) In the case of an expected major change in the dividend policy, the distribution shall be further explained: N/A.
- 4. Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting: N/A.
- 5. Compensation of employees and directors
  - (1) The percentages or ranges with respect to employee and director compensation, as set forth in the Company's Articles of Incorporation:

The Company shall allocate not less than 1% of annual net income before tax before employee and director compensation is deducted as employee compensation. The Board of Directors resolves a decision to distribute it in stock or cash, and the recipients include employees of controlling or affiliated companies who meet the criteria set by the Board of Directors. The Company's Board of Directors may resolve a decision to allocate no more than 3% of said net income before tax as director compensation. If the Company still has a cumulative deficit (including adjustments to the amount of undistributed earnings), it shall reserve an amount for compensation in advance, and then allocate an amount for employee and director compensation based on the percentages in the preceding paragraph.

- (2) The basis for estimating the amount of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

The compensation payable by the Company to employees and directors is estimated based on the provisions set forth in the Company's Articles of Incorporation, with the past experience and the amount that may be paid in the future considered, and is recognized as the current year's expenses. The discrepancy is treated by being recognized as the changes in accounting estimates in the profit or loss of the year in which the resolution of the Board

of Directors took place when the Board of Directors passed the resolution. If there is a significant discrepancy between the amount as resolved by the Board of Directors and the estimated amount, the original annual expenses will be adjusted. If there is still a change in the amount after the financial report has been passed, it will be treated as a change in accounting estimates and adjusted and recognized in the following year.

(3) Information on any approval by the Board of Directors of distribution of compensation:

I. The amount of any employee compensation distributed in cash or stocks and compensation for directors and supervisors. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed:

As per the resolution adopted by the Board of Directors on January 20, 2025, the Company will distribute NT\$36,724,043 for employee compensation and NT\$6,300,000 for director compensation for 2024 in accordance with the Company's Articles of Incorporation, both of which will be paid in cash.

There is no discrepancy between the employee and director compensation approved by the Board of Directors and the amount recognized for 2024.

II. The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company-only financial reports or individual financial reports for the current period and total employee compensation:

The amount of employee compensation distributed in stocks is NT\$0, accounting for 0 percent of the sum of the after-tax net income stated in the parent company-only financial reports for the current period and total employee compensation.

(4) The actual distribution of employee and director compensation for the previous fiscal year (2023) (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee and director compensation, the discrepancy, cause, and how it is treated shall be specified: As per the resolution adopted by the Board of Directors on January

31, 2024, the Company will distribute NT\$26,788,700 for employee compensation and NT\$6,300,000 for director compensation for 2023 in accordance with the Company's Articles of Incorporation, both of which will be paid in cash.

- 6. Share repurchases: None.
- II. Corporate Bonds: None.
- III. Preference Shares: None.
- IV. Global Depository Shares: None.
- V. Employee Stock Options: None.
- VI. New Restricted Employee Shares: None.
- VII. Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies: None.
- VIII. Implementation of the fund utilization plan: As of the quarter prior to the publication date of the Annual Report, the Company did not have any unfinished issue or any issue completed within the last three years with the benefits not yet happening, hence not applicable.

## Four. Operational Highlights

### I. Business Activities

#### 1. Scope of Business

##### (1) Principal business activities

J101030	Waste Disposing
J101040	Waste Treatment
CA01990	Other Non-ferrous Metal Basic Industries
C901030	Cement Manufacturing
C901040	Manufacture of Ready-mix Concrete
C901050	Cement and Concrete Products Manufacturing
C901990	Other Non-Metallic Mineral Products Manufacturing
J101080	Resource Recycling
J101090	Waste Disposal
I199990	Other Consulting Service
ZZ99999	All business items that are not prohibited or restricted by law, except those that are subject to special approval.

##### (2) Proportion of main products

Unit: NT\$1,000

Product	Year		2024		2023	
			Amount	%	Amount	%
Sales of zinc oxide			1,619,231	68	1,275,243	62
Removal and reuse			712,613	30	728,052	36
Sales of concrete			38,596	2	37,710	2
Others			8,021	-	436	-
Total			2,378,461	100	2,041,441	100

##### (3) The Company's current products (services)

- A. Clearance and reuse of EAF dust, reducing slags, and oxidizing slag.
- B. Reuse of off-site contaminated soil (contaminated soils, such as heavy metals and TPH, treated off-site).
- C. Sale of crude zinc oxide.
- D. Reuse of EAF dust from other steel mill plant.
- E. Reuse of EAF dust collected at disposal sites.
- F. Reuse of other zinc-containing waste.
- G. Reuse of incineration fly ash.
- H. Reuse of waste alkaline zinc-manganese batteries.
- I. Reuse of zinc-containing dewatered sludge from electroplating processes.
- J. Solid (business) waste with high calorific value, SRF/RDF solid derived (renewable) fuel
- K. Reuse of waste filtration bags from electric furnace steel mills.
- L. Sale of concrete aggregate; base materials or aggregates for the base of pavement engineering (roads, pedestrian walks, container yards or parking spaces); asphalt concrete aggregate; controlled low-strength backfill material aggregates; concrete products aggregates.
- M. Sale of controlled low-strength materials (CLSMs) and non-structured ready-mixed concrete

##### (4) New products (services) planned to be developed

- A. Reuse of other waste sources as approved by government agencies.

## 2. Industry Overview

### (1) Current situation and development in the industry

After decades of overdevelopment and overuse, global resources are increasingly depleted. Countries around the world are gradually coming to terms with the limitedness of metal resources. Therefore, the pursuit of sustainable utilization and development of resources has become a key determinant of economic activities going forward. Among the various greenhouse gas reduction measures, resource regeneration is regarded as a low-cost and more effective way of reduction. Therefore, all countries in the world have adopted "effective use of resources" as the new direction and the focus of their environmental policies.

The amount of waste generated is highly correlated with the effective use of resources. Considering the variety and complex composition of industrial waste, the resource regeneration industry plays a critical role in how to transform such waste into a new resource for various industries as an alternative raw material to allow resources to be recycled between industries, thereby moving towards a recycling-oriented society with sustainable development of resources.

With the global environmental protection trend, waste recycling has become one of the important emerging industries in this century. The term "waste recycling" refers to the recycling of various industrial waste sources to produce raw materials or products.

In accordance with the "Regulations Governing the Permission and Management of Public and Private Waste Clearance and Disposal Organizations" and the "Regulations for the Management of the Reuse of Industrial Waste," industrial waste-related organizations can be classified into clearance organizations, disposal organizations, and reuse organizations. A clearance organization refers to an entity entrusted with transporting waste either abroad or to a disposal facility designated by the client. A disposal organization is responsible for handling and processing waste. A reuse organization is capable of recovering waste into resource-recyclable products. The Company is a comprehensive organization qualified to conduct clearance, disposal, and reuse operations.

#### A. Current situation of the EAF steel mill waste treatment industry

In recent years, our country's industrial and business development has

been rapid, and the amount of industrial waste has also surged. In the face of several pollution incidents caused by hazardous waste in our country and other industrially advanced countries, people have come to realize the seriousness of improper disposal of hazardous waste. In addition, from the viewpoint of effective use of resources, with high population density in Taiwan, it is very difficult to obtain sites for landfill. Faced with the dilemma of shortage of land for landfill, waste reduction and recycling are the only feasible methods. Moreover, there is a thin line between "waste" and "resources". Effective use of resources can not only reduce the burden on the environment but also reduce the cost of raw materials and create business opportunities. As such, the resources on Earth can be fully utilized. At present, domestic EAF steel mill plants produce around 120,000 to 140,000 metric tons of EAF dust a year. However, in the early days, there was not adequate treatment equipment to recycle EAF dust and domestically, resulting in a storage of over 500,000 tons of EAF dust. If there is no proper treatment facilities, there will be more frequent illegal dumping by unscrupulous businesses.

The EAF steel mill plants generate smoke and dust during the steelmaking process. After the smoke and dust are collected by dust collectors, they are called EAF dust. The EAF dust is classified as hazardous industrial waste in the Standards for Defining Hazardous Industrial Waste, so it must be treated properly to prevent impact on the environment. As the EAF dust produced by the EAF steel mill plants is small in the particle size and contains hazardous substances, if it is discarded at will or disposed of improperly, it will cause a significant impact on the environment. Therefore, Article 20 of the Methods and Facilities Standards for the Storage, Clearance and Disposal of Industrial Waste stipulates that the dust from the steel industry shall first undergo intermediate treatment, and shall be treated through recycling, stabilization, or solidification to avoid secondary pollution caused by the hazardous waste. However, the final disposal sites for solidification and stabilization are insufficient, and the facilities of the disposal sites will also cause subsequent environmental problems, so the treatment method is generally based on recycling. To cooperate with the government's environmental protection policy, the Company disposes of hazardous industrial waste dust and ash generated from the EAF steel mills industry actively. Under the joint guidance of the Ministry of Environment(EPA) and the Industrial Development Administration Ministry of Economic

Affairs (Industrial Development Bureau), the EAF dust recycle plant of the Taiwan Electric Arc Furnace Steel Mill Industry Waste Joint Treatment System was established in May 1995, and is an environmental protection business to treat such dust. In addition to solving the problem of disposing of domestic EAF dust, it can recycle valuable heavy metals, such as zinc and lead, in the dust. The slag produced from the process, as determined by Toxicity Characteristic Leaching Procedure (TCLP), belongs to general industrial waste as No. 35 rotary kiln slag in line with the type and management method listed in the table under Article 3 of the Reuse of Industrial Waste Management Regulations of the Ministry of Economic Affairs, which is a good material and resource for the sand and gravel or concrete industry.

At present, only a very small portion of EAF dust around the world is treated by solidification and landfill, and most of the dust is recycled for the regeneration of valuable resources. The EAF dust is rich in 18%-24% of valuable metal—zinc, which is much higher than the 5%-6% of zinc contained in zinc minerals, so the value of recycling is high. At present, China ranks first in the world's demand for zinc ingots. Therefore, with the limited resources of zinc mines in the world, the recycling of EAF dust for zinc has become more important, and the trend is gaining traction around the world.

The product after treatment of dust by the Company is crude zinc oxide, which is a recycled material. We mainly supply it to foreign zinc smelters to replace part of zinc ore as raw material for zinc smelting. The product is in short supply, and the prices are linked to the price of zinc on the London Metal Exchange (LME), hence they are greatly influenced by the international business and zinc prices.

## B. Overview of Domestic Waste And Contaminated Soil Remediation

Domestic industrial waste mainly comes from industry, construction, agriculture, medical care, schools, and national defense. Among them, the land pollution caused by the petrochemical and the chemical industries and the waste earthwork from the construction industry all fall within the scope of waste and contaminated soils as stipulated in the environmental protection regulations. Therefore, the market for remediating major domestic companies' contaminated factory sites has emerged.

In recent years, due to improper landfill or discarding, the soil and

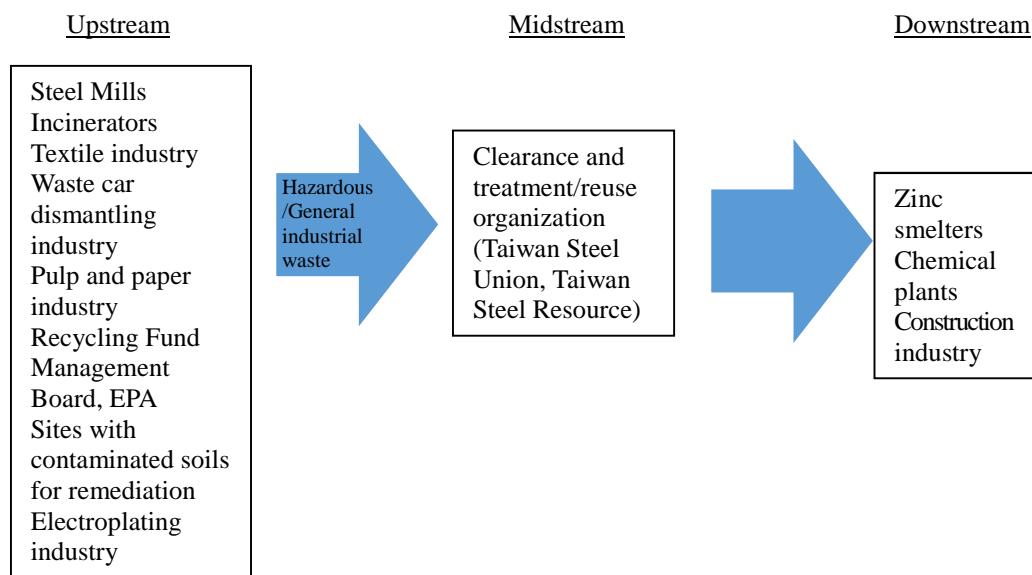
groundwater at illegal dumpsites in various regions have been polluted indirectly, all of which has been caused by improper disposal of industrial waste. After the Soil and Groundwater Pollution Remediation Act has been adopted in Taiwan, in the investigations into the impact of long-term storage of waste at low-hazard sites on nearby soils and groundwater have been conducted, and sites with the soils and groundwater polluted have been found. According to the latest announcement by the EPA on March 16, 2023, there are 344 sites controlled, 104 sites for remediation, and 33 areas with restricted access to groundwater among the sites with soil and groundwater under watch. It shows that there are still many dumpsites with contaminated soils that need to be remediated in the future.

The following problems exist with the disposal of contaminated soils in domestic landfills:

- (A) The capacity of the existing domestic final disposal facilities will be insufficient gradually: The landfills in operation will limit the volume of waste or shorten its useful years due to the insufficient remaining useful years and insufficient landfill capacity.
- (B) The problem of the sales of products after the intermediate treatment and reuse of contaminated soil: Domestic heavy metal-contaminated soil treatment professional technology is inadequate, and the wastewater from wet treatment will lead to secondary pollution. The cement kiln fire is stable but the requirements on the quality and quantity of waste to be treated are strict, and the public has a poor perception of the existing treatment companies and doubts about their quality. All of this has made it difficult to sell the products, so the reuse channels are limited.

The Company's production is conducted at a high temperature in the rotary kiln, so the quality is relatively stable compared to traditional wet technology. The Company also leads the industry because of our professional technical talents and excellent treatment capabilities, and our excellent corporate image is recognized by all parties in society.

- (2) The relations between the up-, mid-, and downstream sections of the industry



The Company's business is still mainly focused on the removal and reuse of hazardous industrial waste, including EAF dust, reducing slag, and oxidizing slags from domestic EAF steel mill plants. Therefore, the upstream businesses are the domestic EAF steel mill plants, which mainly engage in the pyrometallurgical process to make scrap steel (iron) as main raw materials into billet steel for sales.

In the EAF smelting process, the recycled scrap iron and steel are smelted at a high temperature in the EAF to make steel materials. The residue is slag. The particulate particles and gases emitted during the steelmaking process are collected and called "EAF dust". As the raw materials for steelmaking come from imported scrap iron and metals, the EAF dust from steelmaking usually contains heavy metals, including zinc, lead, chromium, and cadmium. The heavy metals in the dust are mainly valuable metals, such as iron and zinc. If the metal oxides with economic values therein can be recovered and the remaining oxides can be used as materials for building materials, it will not only reduce the burden on the environment but also create business opportunities for recycling and regeneration.

The Company's 100%-owned subsidiary, Taiwan Steel Resources, mainly engages in stabilizing the reducing slag from EAF steelmaking as the world's first fully automated stabilization chemical plant that has adopted 21kgf/cm<sup>2</sup> high-pressure steam (saturated steam at 215°C). The core technology of stabilization is to make f-CaO and f-MgO react with water in a high-temperature autoclave for three to six hours to decompose into stabilized calcium hydroxide and magnesium hydroxide. After stabilization,

the volume of the slag will not expand when it meets water. The stabilization time is shortened significantly compared to natural storage in the open air in foreign countries (it takes 6 to 12 months for stabilization). Thus, the production of stabilized aggregates can be achieved in a short time, and the sales can also be accelerated.

The Company's downstream businesses are mainly international zinc smelters and chemical plants at home and abroad mainly because of the fact that crude zinc oxide products can be sold to zinc smelters to produce zinc ingots, or sold to chemical plants to refine ZnO and ZnCO<sub>3</sub>. We also supply our products to rubber, footwear, industrial products and ceramic products as additives to achieve the purpose of recycling.

The Company's main customers are the largest zinc smelters in Japan, Thailand, Belgium, and Poland, which together accounts for 93% of the Company's sales of crude zinc oxide products. We also have several domestic and foreign chemical plants, accounting for 7% of our sales.

The final product of the Company's process—slag—is general industrial waste with stable properties and reusable properties as No. 35 rotary kiln slag in line with the type and management method listed in the table under Article 3 of the Reuse of Industrial Waste Management Regulations of the Ministry of Economic Affairs. The slag is rich in ferric oxide, lime, and silica sand. Therefore, our slag is made by Taipei Steel Resources Co., Ltd., a 100% invested subsidiary of the company that is as raw materials for cement, cement product concrete aggregates, asphalt concrete aggregates, asphalt concrete aggregates, raw material for asphalt concrete aggregates, raw material for non-structural concrete aggregates, or raw material for base-level aggregates.

### (3) Development Trends of Products

Zinc oxide produced by the Company is an oxide of zinc, which is hardly soluble in water, but soluble in acids and strong bases. Zinc oxide is a commonly used chemical additive, and mainly applied in rubber, ceramics, chemicals, pharmaceuticals, cosmetics, personal care, and agriculture. It is widely used in tires, rubber, electronic products, chemicals, coatings, agriculture, and ceramics.

With the stable supply of materials, our zinc oxide is stable in the composition, and our delivery time is stable compared with mining companies. As the demand for zinc increases and the number of zinc

concentrates mines decreases, recycling is very crucial when zinc resources are running short in the future, and resource regeneration equipment and technology are also the key to success. In recent years, the Company has continuously improved equipment to reduce costs. The zinc oxide produced by us is less expensive than the zinc ore purchased from international zinc smelters. The Company's products are high in purity, and price is lower than recycled zinc oxide powder imported from overseas or chemical zinc oxide made directly using pure zinc ingots. Therefore, our supply cannot barely meet the demand of the two domestic zinc oxide chemical plants.

#### (4) Competition

Our country is paying more attention to environmental protection, such as promoting energy conservation and carbon reduction, and resource recycling. As EAF dust is rich in heavy metals, including zinc, iron, lead, and cadmium, the treatment method at home and abroad is mainly recycling and reuse. The main technology is pyrometallurgical process, which is applied in 90% of the cases in the world. The process is the technology adopted by the domestic treatment/reuse institutions. The domestic dust treatment/reuse organizations are detailed in the table below:

Domestic dust pyrometallurgical process treatment/reuse organizations

Company	Taiwan Steel Union	Katec Creative Resources Corp.	Shin Hwa Silup Co., Ltd.	China Steel Corporation
Waste	Dust from carbon steel	Dust from stainless steel	Dust from stainless steel	Dust from on-stop operation of steelmaking
Treatment technology	Waelz process (rotary kiln)	JRCM process (appliances melting)	Inmetco process (Rotary kiln and open hearth furnace and RHF)	DRyIron Process (Rotary kiln and open hearth furnace and RHF)
Product and zinc content	55-62% of zinc oxide and slag	40-55% of zinc oxide, reducing iron, and slag	Reducing iron, slag, and zinc	40-55% of zinc oxide, reduced iron, and slag

Source: Compiled by Taiwan Steel Union.

The Company is currently Asia's largest EAF dust and zinc recycling plant. In 2024, we removed and reused 118,025 metric tons of EAF dust. At present, more than 80% of the total output of EAF dust in Taiwan is treated by the Company. Thus, we occupy a leading position in the recycling market for domestic EAF dust from steel mill plants, which brings many business opportunities to the Company.

### 3. Technology and R&D Overview

#### (1) Technological level, and R&D of the Company's business

The Company is engaged in the removal of hazardous industrial waste and the recycling and reuse of resources. The Waelz kiln process adopted by the

Company is well-developed, and has been developed for more than 50 years; 90% of the world adopts this technology to recycle EAF dust in the steelmaking industry. The Company is the only one in the country that has introduced this critical technology, and our technological level has reached the top level internationally, so technological factors have little impact on our development in this industry.

(2) R&D personnel and their education and experience

Year		2023	2024	April 28, 2025
Item				
Distribution of education levels	Ph.D	2	2	1
	Master's	1	1	1
	University	11	9	9
Total		14	12	11

(3) R&D Expenses Invested Each Year in the Last Five Years

Year	Item	Amount
2020	Research project on reducing slag as a raw material	500
2020	Backfill material ratio design	600
2022	Test on impact of SRP grain size on products	500
2023-2025	High-value technology for low-carbon smelting of zinc by-products	49,577
2023	Research on Incineration plant incineration fly ash reuse	850
2023	Research on the effectiveness of reducing slag application to road construction	1,000
2024-2025	Feasibility Assessment of CO Emission Reduction in the Electric Arc Dust Recovery Process	1,714

(4) Successfully Developed Technologies or Products

Except for the used batteries and reducing slag as a raw material in the brick kilns in the preceding paragraph, other technologies have been developed successfully and introduced into two rotary kilns or our subsidiary's processes for control and application. Among them, the R&D of waste heat recovery equipment has not only improved the overall efficiency but also saved energy and reduced carbon emissions, thereby cutting costs by more than 50%. The effect is excellent.

## (5) Future R&D Plans

As environmental protection laws and regulations become more stringent, and the government's enforcement stricter, the demand for waste treatment in the future is expected to increase year by year in the future. The Company will enhance R&D of the reuse of other waste sources that are difficult to be treated through industry-academia collaboration, to move towards the goal of diversification of the business.

## 4. Long-term and Short-term Business Development Plans

### (1) Short-term Business Development Plan

With the rising awareness of environmental protection at home and abroad in recent years, environmental protection issues have attracted the attention of the public, and businesses have all been under pressure. Having adhered to the business philosophy of environmental protection since the incorporation, the Company has spared no effort to continue to invest in improvements to our environmental protection equipment, thereby fulfilling our corporate social responsibility. The Company's plan for the improvement to environmental protection technologies in the future is as follows:

- A. With reference to the evolution of relevant processes in Europe, the Company has adopted the alkaline operating process model on a trial basis and developed new process equipment in March 2011. At present, our alkaline process technology has been significantly improved, not only increasing the treatment volume of dust but reducing the consumption of coke and other indirect materials, which is positively beneficial to environmental sustainability.
- B. The Company plans to continue to strengthen technical exchanges with relevant industries at home and abroad, and will arrange relevant operators to visit businesses abroad as appropriate to learn from other factories' experience and to improve our professional techniques. In addition, we have been committed to the improvement to the pyrometallurgical process of the rotary kilns and the improvement of the treatment technology of dust in recent years. We have hired German professional technicians to guide our personnel at our plants for years. We have improved our process equipment, and offered education and training on operation of relevant processes to improve our process operators' skills. The Company has not only improved the dust reuse capabilities of the rotary kiln facilities greatly but also reduced coke consumption and operating costs. With advancements in EAF

dust reuse technology, we have already achieved successful cases of technology export. Looking ahead, these improvements are expected to attract international partners interested in similar newly established processes, thereby increasing the potential for further technology exports.

- C. In the short term ,an application will be submitted to increase the types and quantities of waste treated.
- D. Expand the market for recycling the waste slag from our plant's process through our subsidiary, and study the feasibility of recycling other difficult-to-treat waste materials.

#### (2) Long-term Business Development Plan

- A. Promote the reuse of other waste resources that are difficult to be treated.
- B. We do not rule out the feasibility of seeking technical cooperation with businesses abroad or joint ventures to build plants overseas.

## II. Analysis of the Market as Well as Production and Marketing Situation

### 1. Market analysis

#### (1) Sales (provision) regions of major products (services)

Sales region	Year	2024		2023	
		Sales	Percentage (%)	Sales	Percentage (%)
Zinc oxide (export)	Japan	882,786	37.12	668,902	32.77
	Europe	280,836	11.81	389,720	19.09
	Thailand	278,393	11.70	102,334	5.01
	Korea	68,884	2.90	-	-
	Others	-	-	-	-
Zinc oxide (domestic sales)		108,332	4.55	114,287	5.60
Clearance and reuse		712,613	29.96	728,052	35.66
Others		46,617	1.96	38,146	1.87
Total		2,378,461	100.00	2,041,441	100.00

## (2) Market share

### A. Domestic clearance and recycle of EAF dust

Year	Total domestic disposal volume	Taiwan Steel Union	Domestic competitors	Unit: Ton	
				Market share of Taiwan Steel Union	Market share of domestic competitors
2018	152,649	146,152	6,497	95.74%	4.26%
2019	152,642	145,125	7,517	95.08%	4.92%
2020	145,673	142,022	3,651	97.49%	2.51%
2021	165,008	145,075	19,933	87.92%	12.08%
2022	156,557	135,976	20,581	86.85%	13.15%
2023	133,201	124,369	8,832	93.37%	6.63%
2024	126,905	116,900	10,005	92.12%	7.88%

Note : Source of data: Environmental Management Administration Ministry of Environment and compiled by Taiwan Steel Union.

### B. Zinc oxide

At present, the domestic zinc oxide manufacturers are very few on a relatively small scale. Their downstream customers are mainly scattered in the global market. Therefore, it is not easy to collect information on the market share of the industry. If it is estimated based on recycling of zinc resource from dust, the domestic market share of the zinc oxide recycled by the Company exceeds 80%.

## (3) Future Supply and Demand and Growth of the Market

### A. Treatment and reuse of dust

With ongoing public infrastructure projects, semiconductor plant construction, and the development of green energy facilities in Taiwan, domestic demand for steel continues to increase. According to market research forecasts, Taiwan's construction market is expected to grow by 4% in 2025. The strong performance of the steel industry is anticipated to have a positive impact on the Company's EAF dust recycling business. In the future, we will continue to increase customers and sources of materials in terms of other waste resources that are difficult to be treated, and to increase the volume of treatment/reuse. This will not only give us an excellent advantage in the domestic competition but also diversify our operational risks.

### B. Acceptance of EAF dust collection from other domestic EAF steel mill plant (carbon steel and stainless steel furnaces)

On July 21, 2017, the Company was approved by the Industrial

Development Bureau of the Ministry of Economic Affairs to transform into a general-purpose EAF dust collection and reuse facility, and therefore the Company can receive EAF dust from all domestic sources (waste code: A-7101). Grounded on the purpose of recycling waste resources and in line with the government's "circular economy" policy, the Company received EIA approval in 2022 to accept EAF dust collected from other EAF steel mill plant. Upon verification, other domestic EAF steel plants, such as Luodong Carbon Steel Plant, Tang Eng Stainless Steel Plant, GMTC Stainless Steel Plant and Walsin Lihwa Stainless Steel Plant, produces EAF dust that features the same characteristics as the EAF dust from the 12 steel plants that the Company currently receives, and the source entities had to use overseas or other treatment methods due to the Company's insufficient capacity in the past. However, the Company currently still has a surplus EAF dust processing capacity of about 60,000 metric tons/year, and the recycling technology is mature and stable, which will help reduce the comprehensive environmental risks of the Hazardous industrial waste and long-distance transportation.

#### C. Acceptance of EAF dust from various disposal sites in Taiwan

In view of the fact that the EAF collected from EAF plants has been found to be disposed of at various sites in Taiwan, and that such dust is still essentially dust collected from steel production in electric arc furnaces, and is therefore similar in nature to the dust collected by the Company, the Company can provide another proper disposal pipeline for the EAF dust collected from the disposed sites. The Company has also assisted in the recycling of EAF dust collected from disposal sites in Hsinfeng Township, Hsinchu County and Dadu River, Changhua County. This is expected to accelerate the removal of EAF dust from domestic disposal sites, revitalize the use of land, and benefit the overall environment of Taiwan.

#### D. Sales of zinc oxide

In 2024, zinc oxide benefited from rising LME zinc prices and lower processing costs. The improvement in the global industrial production environment and production disruptions at major mines increased demand for metallic zinc under supply pressure. Additionally, the continued rise of the USD index contributed to the Company's zinc oxide revenue growth compared to the previous year. In 2024, the annual average LME zinc price was USD 2,777.34, an increase of 5% from the annual average zinc price of USD 2,649.04 in 2023, such that the zinc oxide sales unit price of the current period increased by NTD 6,189 from the same period of last year, an increase of 24%. Total revenue from zinc oxide sales increased by NTD 343,988, an

increase of 27% compared to the same period last year..

The Company's product after treating the dust is crude zinc oxide, which is a recycled material. It can mainly supply foreign zinc smelters to replace part of zinc ore as a raw material for zinc smelting, so the product is in short supply.

#### E. Acceptance of waste zinc-manganese alkaline batteries (Waste Code: R-2404)

Waste zinc-manganese alkaline batteries are also rich in zinc, carbon, iron and other resource components, but there is no domestic facility that can fully conduct resource recovery operations. In line with the environmental protection policy of the Environmental Protection Administration (EPA) to actively promote zero-waste resource recycling, and in accordance with the EPA's "Standards for Waste Dry Battery Recycling, Storage, Removal and Treatment Methods and Facilities", the Company is able to fully utilize the surplus energy and EAF dust to recover the valuable metal zinc in waste manganese zinc/cylinder alkaline manganese dry batteries or other similar small batteries (excluding button-type batteries and lithium batteries) by thermal treatment and resource recovery in our existing rotary kiln high-temperature smelting facilities, and produce crude zinc oxide products to provide a proper resource treatment channel to achieve the goal of complete resource recovery.

#### F. Acceptance of products with 15~40% zinc content from recycling or processing facilities

The domestic industry is often faced with the problem of insufficient purity of recycled zinc oxide/zinc flakes/zinc scraps, and the lack of relevant technology and equipment to improve the purity, which leads to the impairment of sales and environmental problems resulting from long-term storage. The Company's rotary kiln high-temperature smelting process can provide a purification channel for lower purity zinc oxide/zinc flakes/zinc scraps, etc. The raw material can be mixed with EAF dust and then smelted together at high temperature in the rotary kiln to recover valuable heavy metal zinc, further purifying and refining the zinc purity to a fully marketable quality, achieving complete resource utilization and harmless reuse, thus helping to solve landfill and environmental problems that may arise from the difficulty of selling some low purity resource products in Taiwan.

#### G. Acceptance of scrap zinc (R-1303)

The source of this material is waste zinc from various industrial processes, and it is a waste single metal (zinc) R-1303, which is recognized by the Industrial Development Bureau of the Ministry of Economic Affairs as a

directly reusable material for industry, and its characteristics need to meet the following requirements: (a) It does not contain mercury components. (b) Metallic in nature (e.g. metal, alloy or electroplated metal). (c) Does not contain powder, sludge, ash or hazardous waste liquids. (d) Should contain 40% or more of zinc content. Therefore, this type of reusable resource waste has high zinc content and is also classified as an urban mineral resource waste, which meets the target of zinc recycling in this resource recycling plant. Therefore, the Company can fully utilize the surplus capacity to recycle and reuse zinc resources by high temperature smelting together with EAF dust to produce crude zinc oxide products and achieve the purpose of complete resource recovery.

H. Acceptance of EAF dust or sludge with zinc content  $\geq 2.5\%$ .

The dust or sludge containing zinc produced by the domestic hardware industry and zinc-copper alloy industry. This type of waste is similar to lead-zinc ore and EAF dust, and has value for further industrial purification. It is an urban mineral resource waste, so it can make full use of the surplus capacity to receive the resource waste and reuse the zinc resource through high-temperature smelting together with the EAF dust to produce crude zinc oxide products, and achieve the purpose of complete resource recovery, and also help solve the environmental pollution problem that may arise from the resource waste having no means to be recycled or disposed of.

I. Acceptance of dewatered sludge from electroplating wastewater plant with zinc content  $\geq 2.5\%$ .

There are many electroplating factories in central Taiwan and there is also a specialized electroplating zone in the Changbin Industrial Park. All electroplating factories have wastewater treatment facilities, and the wastewater generated from the electroplating process in factories of the electroplating zone are processed by the Changbin Industrial Park Service Center for treatment. Dewatered sludge (A-8801) are produced after treatment at the aforementioned electroplating wastewater treatment plant. The main composition of electroplating wastewater dewatering sludge waste is heavy metals, which can be recovered by the Company's rotary kiln high-temperature smelting process to produce crude zinc oxide products from the low melting point heavy metals such as zinc, lead, cadmium, etc., while the high melting point heavy metals such as chromium, copper, nickel, etc. are sintered at high temperature into reusable rotary kiln slag (R-1207). In this way, not only are the valuable metals in the waste recovered, but also 100% of the waste can be properly treated and disposed.

#### J. Reuse of incineration fly ash

In line with the EPA's active promotion of source reduction, the introduction of Sustainable Material Management (SMM) and the Cradle to Cradle (C2C) concept, and the gradual promotion of Taiwan's environmental protection policy towards resource recycling and zero waste. In 2024, the Company acquired the land in Longjing to build a washing plant. In the future, the Company will strive for the recycling of incineration fly ash from waste incineration plants and incinerators set up by public and private waste treatment institutions. It can not only greatly reduce the problems arising from the existing incineration fly ash that must be solidified and buried for a long period of time, but also reduce the demand for land for domestic landfill sites to extend their life and revitalize the land resources, and achieve the goal of zero waste of waste resources.

#### K. Acceptance of RDF solid recovered fuels

After undergoing the rotary kiln high-temperature smelting process, the RDF/SRF can be reused as auxiliary fuel, which can not only help the Industrial Development Bureau to solve the problem of disposal, but also conform with the government's policy objectives of resource recovery for a circular economy.

#### L. Acceptance of solid industry waste with high calorific value

Assist in providing solutions to the problem of eliminating solid waste and solid waste with calorific value in domestic solid waste disposal sites. The solid waste with high calorific value (calorific value  $\geq 1,500$  Kcal/kg) produced by pre-treatment sieving can be reused as auxiliary fuel for rotary kiln high-temperature smelting process, which not only has waste reuse efficiency, it can also help to solve the problem of eliminating domestic solid waste and solid waste with calorific value at disposal sites, and accelerating the removal of waste from disposal sites and revitalize national land resources, which is beneficial to maintaining the overall environment.

#### M. Acceptance of discarded EAF dust filtration bags from EAF steel plants

Based on the position of recycling and reuse of waste resources and the best way of waste treatment and elimination, dust collection filtration bags from equipment used by steel mills for the prevention of air pollution often contain EAF dust on surfaces. If the filtration bag is reused in the rotary kilns, it can not only provide additional auxiliary heat required for treatment processes, the valuable metal (zinc) in the EAF dust can be recycled, not only providing for the proper treatment of the waste reuse, but also reduces the risk of improper treatment of the waste.

### (4) Competitive niche

Taiwan Steel Union adopts Waelz kiln process, which has been in use in the US, Europe, and Japan for dust treatment for over five decades, so it is a commercially mature technology. Furthermore, the Company is an EAF dust removal and recycling organization for the steelmaking industry under the guidance of the Ministry of Economic Affairs, which is equivalent to the Grade A waste clearance and disposal organization certified by the EPA. The Company is currently the largest EAF dust recycling plant in Asia, and is also the largest and the only domestic company that has introduced the Waelz kiln process technology. Due to its low cost, we have a leading position in Taiwan without comparable competitors.

(5) Favorable and Unfavorable Factors of Development Prospects and Countermeasures

A. Favorable factors:

- (A) Due to the rising public awareness of environmental protection, the government's policy has become stricter for enterprises, which is beneficial for the Company to expand the waste treatment business.
- (B) We adopt the highest standards and have introduced the most advanced German Waelz rotary kiln process for heat recovery. After years of investment in and R&D of new equipment and operating technology, our cost is low and technology is in the lead without comparable domestic competitors.
- (C) The crude zinc oxide recycled and reused by the Company is excellent and stable in quality and high in purity, and is preferred by domestic and foreign customers. We are the seller of first choice, so the crude zinc oxide is in short supply.
- (D) The 1300°C of the pyrometallurgical process of the rotary kilns can simultaneously treat/recycle domestic waste sources that are difficult to be treated/disposed, such as incineration fly ashes, used dry cells, organic sludge, and highly toxic contaminated soils, and our treatment cost is lower than our domestic competitors.
- (E) We have complete management mechanisms and implemented ISO-9000, ISO-14000, ISO-14064, ISO-45000 and ISO50001.
- (F) We fully recycle waste with zero waste, invest in factory facilities, and conduct excellent management, has become a model plant selected by the Industrial Development Administration Ministry of Economic Affairs(Industrial Development Bureau) and the Ministry of Environment (EPA).

B. Unfavorable Factors and Countermeasures

(A) The source of raw materials is affected by the business of the iron and steel industry:

The Company mainly treats EAF dust produced during the steelmaking process. Generally, as the volume of smoke and dust generated is roughly 1.2%–1.8% of the steel output, the source of raw materials is affected by the business of the iron and steel industry and the volume of EAF dust.

#### Countermeasures

As our treatment technology is mature, we are actively seeking other dust sources (stainless steel plants, dumpsites, etc.) and other hazardous industrial waste sources (containing zinc or with high calorific value), which can be used as alternative materials for natural silica sand, slaked lime, or lime, to reduce the consumption of natural resources and to increase our revenue. At present, we have obtained 13 contaminated soil reuse permits and passed the review of the environmental impact comparative analysis at the environmental impact assessment conference by the EPA on November 25, 2020 successfully. In the future, we will include another 12 types of waste sources to make full use of our remaining production capacity while in alignment with the government's Resource Sustainable Recycling Implementation Program.

(B) Local residents' lack of knowledge of the green environmental protection industry:

As the general public has stricter requirements for the quality of living, they cannot accept that factories treating hazardous industrial waste are located around their living environment as they are concerned about the negative impact on their health. Therefore, they call on groups to stage protests, prompting such factories to engage in continuous communication and explanation.

#### Countermeasures

The Company has always attached great importance to environmental protection. In the principles of openness and transparency, we opened our plants to local environmentalists and local residents, and they also praised our efforts in environmental protection. We also allowed the inspection and testing companies designated by the Shengang and the Xianxi Township Offices to measure the exhaust volume from our smokestacks to assure the public. In addition, we took the initiative to place the monitoring

information on our official website for free access by the public, to demonstrate the Company's determination to protect the environment.

(C) The price of zinc oxide is affected by the fluctuation of the LME zinc price

The price of zinc oxide from the dust collected by the Company is positively correlated with the LME international zinc price. When the LME zinc price rises or falls, the price of zinc oxide sold to customers also rises or falls with the LME zinc price, which will further affect the Company's overall revenue and gross profit.

#### Countermeasures

As the LME zinc price depends on the supply and demand of the global zinc market and the flow of capital in the capital market, it is difficult to predict the price trend. Therefore, we tend to focus on our core business, continue our existing technological advantages, continue to strive to develop diverse products and services and customer groups, and expand and increase the waste sources that can be reused. The Company also has a competitive advantage in raising the treatment fees with the aim of reducing the impact of zinc oxide on the overall profitability.

## 2. Important Functions and Production Process of Main Products

### (1) Important Functions of Main Products

The main and by-products produced from the pyrometallurgical process of EAF dust are zinc oxide and slag. After the zinc oxide produced from the rotary kilns was collected by dust collection equipment (cyclone and bag filter dust collectors), around 93% of it is exported and sold to metal refining companies in Japan, Europe, and other countries in 2024 to extract zinc ingots for recycling and reuse. Reuse (refined into zinc ingots with 99.995% of purity), and the remaining 7% was sold to Taiwan to be made into zinc white as an additive for the footwear and tire industries.

The slag produced in the production process is a non-hazardous recyclable resource as defined in the Ministry of Economic Affairs Announcement No. 35. After crushing, magnetic separation, and recycling of iron, the remaining tailings are used as alternative materials for CLSM concrete and general concrete aggregates and road and subgrade filling-graded materials.

### (2) Production process

EAF dust recycling and treatment process is mainly conducted through the pyrometallurgical process of the rotary kiln facility to process the EAF dust, and to recycle the crude zinc oxide from the dust. The treatment method adopted is

based on the nature and characteristics of the dust collected and the international general technology trends, so we invested in the introduction of the pyrometallurgical process from Germany at a high price 20 years ago to treat the EAF dust in the steelmaking industry, the total annual processing capacity of the two kilns approved is 198,900 metric tons. The Company adopts Waelz kiln process, which has been in use in the US, Europe, and Japan for dust treatment for decades, so it is a commercially mature and stable technology.

### 3. Supply of main raw materials

The Company's current supply of main raw materials is as follows:

Main raw materials	Supplier	Supply
Coke	Diafriend Corporation, China Steel Chemical Corporation, and Ta Ease Industrial Co., Ltd.	Good and stable
Slaked lime	Lime-Crown Industrial Co., Ltd., Ho Hsing Lime Factory Co., LTD.	Good and stable
Quick lime	Lime-Crown Industrial Co., Ltd., Kun Yan Trading Co., Ltd., Shin Foo Sheng Co., Ltd., and Kuanyu Development Co., LTD.	Good and stable

### 4. Names of Customers Who Have Accounted For at Least 10% of Total Purchases (Sales) in Any of the Last Two Years, the Purchase (Sales) Amount and Proportion, and the Reasons for the Increase or Decrease

#### (1) Information on major suppliers in the last two years

Unit: NT\$1,000

Item	2023				2024				Quarter 1 of 2025			
	Name	Amount	Proportion to annual net purchases (%)	Relation with the issuer	Name	Amount	Proportion to annual net purchases (%)	Relation with the issuer	Name	Amount	Proportion to net purchases as of the previous quarter in the current year (%)	Relation with the issuer
1	Ever Low	78,000	17.53	None	Diafriend Corporation	88,552	25.82	None	RHI	21,246	18.69	None
2	Diafriend Corporation	68,131	15.31	None	Ta Ease	41,212	12.02	None	Ever Low	18,234	16.04	None
3	Ta Ease	64,393	14.47	None	China Steel Chemical	36,499	10.64	None	Ta Ease	13,942	12.26	None
4	Others	234,353	52.69		Others	176,695	51.52		Others	60,262	53.01	
	Net purchase	444,877	100.00		Net purchase	342,958	100.00		Net purchase	113,684	100.00	

We have maintained a positive collaborative relationship with our suppliers, and worked with at least two suppliers for the same material; as such, we can respond quickly to maintain the stability of the delivery in the case of abnormal quality. The Company's material procurement is conducted through bidding, and the principle of winning the bid is the lowest price. The change in suppliers is because of changes in market supply and demand that influence the increase or decrease of the purchase amount.

(2) Information on major customers in the last two years

Unit: NT\$1,000

Item	2023				2024				Quarter 1 of 2025			
	Name	Amount	Proportion to annual net sales (%)	Relation with the issuer	Name	Amount	Proportion to annual net sales (%)	Relation with the issuer	Name	Amount	Proportion to net sales as of the previous quarter in the current year (%)	Relation with the issuer
1 MMS	519,284	25.44	None	MMS	653,671	27.48	None	MMS	206,548	41.91	None	
2 TFG	326,891	16.01	None	GCC	278,393	11.70	None					
3 Others	1,195,266	58.55		Others	1,446,397	60.82		Others	286,233	58.09		
Net purchase	2,041,441	100.00		Net purchase	2,378,461	100.00		Net purchase	492,781	100.00		

The changes in the Company's zinc oxide customers were mainly attributed to the customers' adjustment to the Company's zinc oxide shipments to respond to the changes in market supply and demand, and the impact of international zinc prices.

III. Number of Employees for the Two Most Recent Fiscal Years, and During the Current Fiscal Year Up to the Date of Publication of the Annual Report, Their Average Years of Service, Average Age, and Education Levels (Including Percentage of Employees at Each Level)

Year		2023	2024	April 28, 2025
No. of employees	Managerial Officer	27	23	23
	General employee	41	40	39
	Operator	131	123	123
	Total	199	186	185
Average age		40.30	40.87	41.05
Average years of service		6.49	7.40	7.59
Distribution of educational level	Ph.D	3	3	2
	Master's	15	14	15
	University	106	99	97
	Senior high school	47	56	55
	Below senior high school	28	14	16

#### IV. Disbursements for Environmental Protection

In the most recent year and up to the publication date of the Annual Report, any losses suffered due to environmental pollution (including damages and violation of environmental protection laws and regulations in the environmental protection inspection results, the date of penalty, the document number, the laws and regulations violated, the content of violations, and the content of the penalty shall be specified), and the estimated amount and countermeasures that may occur now and in the future shall be disclosed. If it cannot be estimated reasonably, the fact that it cannot be estimated reasonably shall be specified:None.

#### V. Labor Relations

1. The Company's employee benefit measures, continuing education, training, pension system, and the implementation thereof, as well as the agreements between labor and management and protection measures for employees' rights and interest:
  - (1) Implementation of employee benefit measures, and continuing education and training
    - A. Group accident insurance.
    - B. Year-end party.
    - C. Bonuses upon three major holidays.
    - D. Regular employee health examination.
    - E. Education and training subsidies.
  - F. The Employees' Welfare Committee has been established in accordance with the law, and the benefit measures are as follows:
    - (A) Marriage cash gift, birthday cash gift, and funeral condolence money.
    - (B) Scholarships for employees and their children.
- (2) Pension system and implementation
  - A. The Company's pension system belongs to the government-managed defined benefit pension plan in accordance with our country's Labor Standards Act. The Company contributes 8% of each employee's total monthly salary to the Supervisory Committee of Labor Retirement Reserve as pension to deposit it into a special account with the Bank of Taiwan in the name of the committee.
  - B. We have implemented the new pension system since July 1, 2005. The Company contributes no less than 6% of each employee's monthly salary to his/her labor pension account in accordance with the Labor Pension Act.
  - C. We handle pension-related matters in accordance with the relevant provisions of the Labor Pension Act and the Company's Appointment and Dismissal Regulations.

(3) Agreements between labor and management and protection measures for employees' rights and interest

- A. Hold regular labor-management meetings.
- B. Set up employee suggestion mailboxes to motivate employees to make suggestions at any time.
- C. Established the Work Rules.

2. In the most recent year and up to the publication date of the Annual Report, any losses suffered due to labor disputes (including violation of the Labor Standards Act in the labor inspection results, the date of penalty, the document number, the laws and regulations violated, the content of violations, and the content of the penalty shall be specified), and the estimated amount and countermeasures that may occur now and in the future shall be disclosed. If it cannot be estimated reasonably, the fact that it cannot be estimated reasonably shall be specified: None.

3. Protection measures for work environment and employees' personal safety:

(1) Monitoring of work environment: The Company's main processes are to treat hazardous industrial waste, and the work environment is at a high temperature with dust. We conduct risk assessments of hazardous operational environments with noise, dusts and ionizing radiation. Relevant health and safety operational standards are set up accordingly. Operational environmental monitoring plans are drawn in line with regulations. The sampling items and frequencies for operational environmental monitoring are listed in the table below. Environmental monitoring and inspection and personnel health checks are conducted regularly by commissioned external parties. Specialty doctors are hired to visit the sites and observe the operational environment, in order to provide health and safety assessments and suggestions for improvement.

No.	Item	Monitoring frequency
1	Total dust amount	Once every six months
2	Respirable dust	Once every six months
3	Lead	Once every six months
4	Manganese	Once every six months
5	Cadmium	Once every six months
6	Zinc	Once every six months
7	CO <sub>2</sub>	Once every six months
8	Oxygen	Once every six months
9	Noise	Once every six months
10	Wet Bulb Globe Temperature (WBGT)	Once a quarter
11	Sulfuric acid	Once every six months
12	Wind velocity	Once every six months
13	Health examination for employees in special operations	Once a year

(2) Employees' personal safety protection: The Company provides periodical

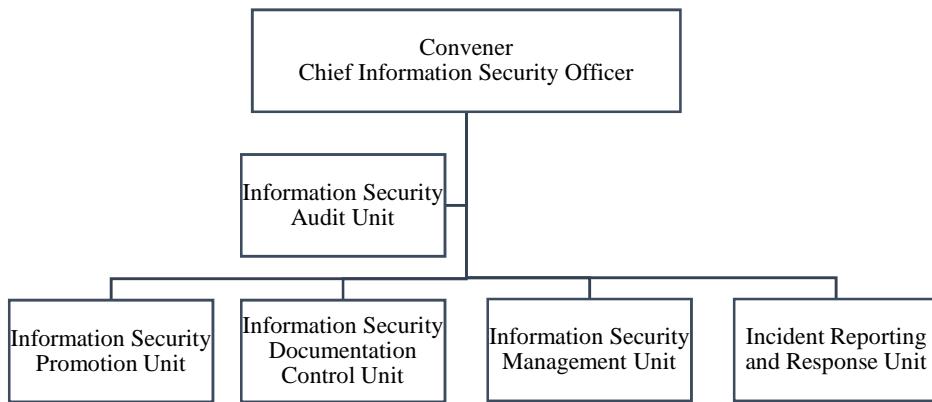
health checks and personal protective equipment to employees. This is to protect the health of employees and avoid injury to physical health due to work process or damage to laborers' right to life. The jobs with high risks or high incidence of specific diseases include slag removal from rotary kilns, process air pipe (PAP) replacement, corrugated roof sheet replacement, replacement of fire-retardant materials and filter bags for rotary kilns during annual maintenance. Strict management is exercised on occupational health and safety.

- (3) To enhance the caliber, technical and core competences of our personnel, to establish awareness in health and safety and the ability to prevent hazards, the Company organizes periodical and ad-hoc training and education in health and safety while holding fire drills every six months. All the internal training, external training and license acquisitions are in compliance with laws and regulations.
- (4) Taiwan Steel Union's annual statistics on occupational disasters are based on the disability indicators published by the Ministry of Labor. A comprehensive reporting procedure and an event investigation mechanism are in place, to report the investigation findings to relevant departments. Corrective and preventive measures are initiated, to reduce the likelihood of the same events and continue to improve workplace safety.

## VI. Information Security Management

### 1. Information Security Risk Management Framework

In accordance with Article 3 of the "Information Security Control Guidelines for Listed Companies" for this year, an "Information Security Management Promotion Committee" has been established as the functional organization for the governance and operational management of the company's information security. A PDCA (Plan-Do-Check-Act) cyclical management approach is adopted to ensure the achievement and continuous improvement of the reliability objectives of the information security risk management framework.



- A. With the approval of the General Manager, the company has established the Information Security Management Promotion Committee.
- B. Responsible for establishing policies, processes, and procedures for managing core business, core business systems, and system risks.
- C. Ensure that the information security management policies are clearly communicated to employees at all levels.
- D. Clearly define the responsibilities and hierarchical reporting relationships regarding risk management across all management levels of the company.
- E. Supervise and assist in the planning and integration of information security initiatives and the promotion of information security affairs.
- F. Periodically submit information security execution reports for the Board 's review.

## 2. Information Security Policy

The "Information Security Management Promotion Committee," in order to ensure the smooth operation of the company's business and to prevent unauthorized access, use, control, disclosure, destruction, alteration, or other violations of information or information systems, as well as to ensure their confidentiality, integrity, and availability, hereby establishes this policy for all employees to follow:

- A. In response to changes in information security threat landscapes, employees shall participate in relevant information security education and training to enhance the overall awareness of information security within the company.
- B. Protect the confidentiality and integrity of the company's sensitive information and information systems, preventing unauthorized access and tampering.
- C. Establish and publish various information security management procedures

and measures, and review and adjust them periodically based on actual circumstances.

- D. Conduct regular internal audits to ensure the effective implementation of all operations.

### 3. Information Security Objectives

- A. All personnel operating information systems shall receive information security training once per year, with a 100% participation rate.
- B. All information security personnel shall receive professional information security training once per year, with a 100% participation rate.
- C. Vulnerability scans shall be conducted once per year, with 100% of high-risk vulnerabilities controlled within one week.
- D. Penetration testing shall be conducted once per year, with 100% of high-risk vulnerabilities controlled within one week.
- E. Social engineering drills shall be conducted once per year, with 100% pass rate.
- F. Upon awareness of an information security incident, reporting, response, and recovery must be completed within the specified timeframe (no more than 1 major incident per year).
- G. The number of unresolved information security-related findings from the previous internal audit shall be  $\leq 2$  items.

### 4. Specific management plan

The Information Security Management Promotion Committee has planned and will execute the following items:

- A. Compliance assessment and planning based on the "Information Security Control Guidelines for Listed Companies.".
- B. Establishment of the company's "Information Security Management Promotion Committee," defining personnel responsibilities, and setting information security policies and objectives.
- C. Incorporation of information security incident reporting procedures and internal major information notifications.
- D. Inventory of core business and information systems, conducting risk assessments, and planning for management-level reporting.
- E. Inventory of legal and contractual requirements, planning of a confidentiality classification system, and human resources requirements.
- F. Information security education, training, and social engineering drills.
- G. Collection of cyber threat intelligence and establishment of a vulnerability patching framework.
- H. Information security testing operations for core information systems.

- I. Personnel device usage regulations and equipment usage and decommissioning procedures.
- J. System and equipment monitoring, access code management, and physical area access control operations.
- K. System security planning and testing, data processing and storage protection, and account review operations.
- L. Information security protection controls and continuity of core business operations.
- M. Outsourced security management and planning for internal and external information security audits.

## 5. Resources Invested in Information Security Management

Manpower	Designation of 3 personnel for the company's information security management.
	Information security awareness training for 100% of system users (80 people).
	Professional information security training for 100% of information security management personnel (3 people).
Actions	Establishment of the "Information Security Management Promotion Committee."
	One information security management review meeting.
	Inventory and risk assessment of core information systems.
	Social engineering drills / vulnerability scanning of core information systems / penetration testing of core information systems.
Budget	Costs related to the implementation of multi-factor authentication for remote access, compliance consulting, MDR (Managed Detection and Response) maintenance, and other relevant expenses.

The company will continue to evaluate and adopt information security technologies to enhance and refine its information security management practices.

- 6. For the most recent year and as of the publication date of the annual report, the losses suffered as a result of major information security incidents, their possible effects and the measures taken in response. If it cannot be reasonably estimated, the reason why it cannot be reasonably estimated should be stated: None.

## VII. Important Contracts

Nature of contract	Party involved	Contract period	Main content	Restrictive clause
Harmonious Neighborhood Environmental Protection Agreement	Shengang and the Xianxi Township Offices	2006.11.03 until the end of the operation	Providing a fund money to the Shengang and the Xianxi Township Offices based on the monthly tons of treatment	None

## **Five. Review and Analysis of the Company's Financial Position and Financial Performance, and Risks**

### I. Financial Position:

Unit: NT\$1,000

Item	Year	2024	2023	Difference	
				Amount	%
Current assets		1,192,857	1,113,915	78,942	7
Non-current assets		4,242,460	3,435,746	806,714	23
Total assets		5,435,317	4,549,661	885,656	19
Current liabilities		441,366	425,783	15,583	4
Non-current liabilities		527,878	11,711	516,167	4408
Total liabilities		969,244	437,494	531,750	122
Share capital		1,112,709	1,112,709	-	-
Capital surplus		999,216	999,216	-	-
Retained earnings		2,354,148	2,000,242	353,906	18
Total equity		4,466,073	4,112,167	353,906	9

The analysis of any change in the financial ratios by 20% or more, and the changes in the amount by at least NT\$10 million are as follows:

1. Non-current assets: Increased in 2024 due to the purchase of land. Property, plant, and equipment increased.
2. Non-current liabilities and total liabilities : Increased in 2024 due to additional long-term loans for the purchase of land.

## II. Financial Performance:

1. The main reasons for the major changes in operating revenue, net operating income, and net income before tax in the last two years:

Item	Year	2024	2023	Difference	
				Amount	%
Operating revenue		2,378,461	2,041,441	337,020	17
Operating cost		1,108,970	1,167,773	(58,803)	(5)
Gross profit		1,269,491	873,668	395,823	45
Operating expenses		282,810	230,408	52,402	23
Net operating income		986,681	643,260	343,421	53
Non-operating income and expenses		23,485	(9,328)	32,813	352
Net income before tax		1,010,166	633,932	376,234	59
Income tax		179,081	129,310	49,771	38
Net income for the year		831,085	504,622	326,463	65

The analysis of any change in the financial ratios by 20% or more, and the changes in the amount by at least NT\$10 million are as follows:

1. The increase in profit was mainly due to the rise in LME zinc prices in 2024.
2. The increase in operating expenses was primarily due to higher shipping costs.
3. The increase in non-operating income this year was mainly due to higher foreign exchange gains.

2. The expected sales volume and the basis therefor, the potential impact on the Company's future financial business and our response plan:

The Company has not prepared and announced financial forecasts, so the estimated sales volume and the basis therefor do not apply, and the Company as a whole did not encounter any major unusual circumstances, so there should be no need to draw up a response plan.

### III. Cash Flow:

#### 1. Cash flow analysis for the recent years:

Item	Year	Difference			Unit: NT\$1,000
		2024	2023	Amount	
Net cash inflows from operating activities	1,063,724	684,561	379,163	55	
Net cash inflows (outflows) from investing activities	(937,163)	2,216	(930,379)	(42,391)	
Net cash inflows (outflows) from financing activities	78,150	(920,708)	998,858	(108)	
Analysis of changes in cash flow:					
1. Increase in net cash inflow from operating activities: It was mainly due to higher LME zinc prices and increased cash collections from customers.					
2. Increase in net cash outflow from investing activities: It was mainly due to the purchase of land.					
3. Increase in net cash inflow from financing activities: It was due to additional long-term loans for the purchase of land..					

2. Improvement plan for insufficient liquidity: The Company's current borrowing facilities are still around NT\$670 million, which should be sufficient to cope with the risk of short-term insufficient liquidity.
3. Analysis of Cash Liquidity in the Coming Year (2025):

Opening balance of cash (1)	Estimated annual net cash flow from operating activities (2)	Estimated annual cash flows from investing and financing activities (3)	Estimated cash surplus (deficit) (1)+(2)+(3)	Remedial measures for estimated cash shortage		Unit: NT\$1,000
				Investment plan	Financing plan	
756,988	1,878,364	(2,314,422)	320,930	-	-	

#### Analysis and explanation:

1. Estimated annual net cash inflow from operating activities: Continuous profitability is estimated in 2025.
2. Estimated net cash outflows from investing activities and financing activities throughout the year: It is mainly related to the purchase of property, plant and equipment, and payout of cash dividends.
3. Remedial measures for estimated inadequate cash flow and liquidity risk: None.

IV. Effect Upon Financial Operations of Any Major Capital Expenditures During the Most Recent Fiscal Year: None.

V. Company Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Reinvestment Profitability, and Investment Plans for Coming Year:

1. Reinvestment policy for the most recent year: The Company's reinvestment in Taiwan Steel Resources is conducted in accordance with the Procedures for Acquisition or Disposal of Assets, and we evaluated and implemented the policy after it was approved by the Board of Directors.
2. The main reason for profit or loss: The invested subsidiary, Taiwan Steel Resources Co., Ltd., started its trial operation in November 2019, and started to operate at a profit in 2022, which was mainly due to that its production process improvement result met the expectation. Presently, the stabilization process reducing slag qualification rate has reached 100%. Accordingly, its treatment capacity will be progressively increased in the future.
3. Investment plan for the coming year: As of March 2021, the Company's estimated budget for the investment in the subsidiary Taiwan Steel Resources was NT\$2.3 billion.

VI. Risk Analysis:

1. The impact of changes in interest rate and exchange rate, and inflation on the Company's profit or loss and future countermeasures:

(1) Interest rate changes:

The Company's net interest expenses in 2024 and 2023 were NT\$488,000 and NT\$2,003,000, respectively, which accounted for 0.02% and 0.1% of the net operating revenue of 2024 and 2023, respectively; thus, interest expenses had little impact on the Company's profit or loss.

Building on a stable and conservative financial foundation, the Company has maintained close contact with our correspondent banks, and monitored changes in market interest rates, to dispatch funds and adjust borrowing rates at any time appropriately, thereby reducing the impact of changes in interest rates on the Company's profit or loss.

(2) Exchange rate:

The Company is mainly export-oriented, and our operating revenue is denominated in USD, so exchange rate changes have a certain impact on the Company's profit or loss. The Company's exchange gain for 2024 and

exchange losses for 2023 were NT\$12,009,000 and NT\$4,630,000, respectively, which accounted for 0.5% and 0.23% of the net operating revenue of 2024 and 2023, respectively. The Company's personnel in charge of the financial affairs keep abreast of the information on foreign exchange markets to take advantage of situations that are more beneficial to the Company.

(3) Inflation:

The Company's profit or loss was not significantly impacted by inflation.

2. Policy for engaging in high-risk and high-leverage investments, loans to others, endorsements/guarantees, and derivatives trading, the main reasons for profit or loss, and future countermeasures:

(1) High-risk and high-leverage investments:

The Company is focused on running our core business without engaging in high-risk and high-leverage investments.

(2) Loans to others:

As of the end of 2024, the Company has short-term financing loans and actual working expenditure for the subsidiary's (Taiwan Steel Resources Co., Ltd.) operating turnover requirements of NT\$0 (Thousands of New Taiwan Dollars). The maximum amount of the Company's loan is 40% of the net value; The credit limit for a single enterprise is 40% of net worth, the Company's loaning of funds to others are handled in accordance with the "Procedures for Extending Loans to Others" of the Company and its subsidiaries

(3) Endorsements/Guarantees:

The Company has formulated the Regulations on Endorsements and Guarantees as the basis for endorsements/guarantees by the Company. The Company only provided to endorsements/guarantees to our wholly-owned subsidiary Taiwan Steel Resources Co., Ltd. (hereinafter referred to as "Taiwan Steel Resources") for bank loans in the most recent year and up to the publication date of the Annual Report, and the risk assessment procedures were conducted in accordance with the Regulations on Endorsements and Guarantees.

(4) Derivatives trading:

The Company's financial hedging strategy aims to avoid the risk of exchange rate fluctuations for our net assets and liabilities denominated in foreign currencies, and the relevant operations are conducted in accordance with the Company's Procedures for Engaging in Derivatives Trading. The

Company did not engage in derivatives trading in the most recent year and upto the publication date of the Annual Report.

3. Future R&D plan and estimated R&D expenses:

- (1) Future R&D plan:
  - A. Increase waste to partially replace auxiliary raw materials to reduce the consumption of natural resources.
  - B. Improve processes to reduce material consumption and operating costs
- (2) Estimated R&D expenses:

The amount of investment in R&D expenses will be budgeted gradually based on the research progress. In the future, funds will be allocated for R&D based on operating conditions to support future R&D plans and to increase the Company's competitiveness in the industry and the market.

4. The impact of important domestic and foreign policies and legal changes on the Company's financial business and countermeasures:

The Company's operations are in compliance with relevant domestic and foreign laws and regulations. We always pay attention to domestic and foreign policy development trends and changes in laws and regulations, consult relevant professionals, and collect relevant information and provide it to the management as a reference for decision-making, to fully keep abreast of and respond to changes in the market environment, and to adjust our relevant operating strategies in due course. There was no major changes in the domestic and foreign policies and legal changes with a material impact on the Company's financial business in the most recent year and up to the publication date of the Annual Report.

5. The impact of technological and industrial changes (Including information security risks) on the Company's financial business and countermeasures:

The Company has been working in the industry for many years, adopted the highest standards, and introduced the most advanced German Waelz rotary kiln heat recovery process technology, so we have occupied a place in the industry. We always pay attention to the development and evolution of industrial technologies, and evaluate the impact of such development on the Company's operations to make adjustments accordingly. We currently adopt a stable financial management strategy and business model to respond to the impact of technological changes on the Company. Technological and industrial changes did not have material impact on the Company's financial business and operations in the most recent year and up to the publication date of the Annual Report. Please refer to pages 100~103 "VI.

Information Security Management "for the impact of information security risks on the Company's financial business and countermeasures.

6. The impact of changes in corporate image on corporate crisis management and countermeasures:

The establishment of the Company aims to recycle EAF dust in the steelmaking industry, to achieve the goal of zero waste. We have been sticking with the goal along the way, and fulfilling our social responsibilities for environmental protection, to contribute our share for the sustainable "blue sky, green land, green mountains, and clean water" in Taiwan. The Company did not have any changes in corporate image that caused any crisis in the most recent year and up to the publication date of the Annual Report.

7. Estimated benefits and potential risks of mergers and acquisitions, and countermeasures:

The Company had no plan for merging/acquiring other companies in the most recent year and up to the publication date of the Annual Report.

8. Estimated benefits and potential risks of factory expansion, and countermeasures:

In May 2024, the company acquired a total of 4,468.53 ping of land in Longjing District, Taichung City. In the future, the Washing Plant will provide water washing and reuse services for incineration fly ash from incineration plants. We not only expand the fly ash business but also achieve the environmental protection effect of reuse. The initial target annual processing capacity is 30,000 tons, with official operations expected to begin in 2027.

Due to the high capital requirements and longer payback period of the plant expansion, the company faces financial and subsequent operational risks. However, the company maintains sound financial health, with continued profitability from the current plant and appropriate use of bank financing facilities to support operations. Additionally, the company is the largest and only domestic facility utilizing rotary kiln technology for the resource recycling of EAF dust. It has also begun to diversify its operations and maintains strong cost control, ensuring competitive market pricing.

9. Risks associated with any supplier or customer concentration, and countermeasures:

The Company's sources of suppliers are evenly distributed, with multiple material supply channels, without concentrated on single supplier. To achieve the purpose of diversified sources of suppliers, we also maintain certain opportunities

for collaboration with other suppliers. With long-term and stable partnership, there is no risk associated with shortage of supply sources.

The Company's major customers are large zinc smelters in Japan. Our orders and quality are relatively stable, and our largest customer does not exceed half of our total operating revenue, and our customers that account for more than half of our revenue have established a long-term cooperative partnership with the Company, so the risk of customer concentration is relatively low. However, the Company will continue to pay attention to and evaluate the market conditions in each region to develop potential customers.

10. Effect upon and risk to the Company in the event a major quantity of shares belonging to a director or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands, and countermeasures:

The Company did not experience substantial transfer or change of hands by any director or a major shareholder holding at least 10% of our shares in the most recent year and up to the publication date of the Annual Report.

11. Effect upon and risk to the Company associated with any change in governance personnel or the top management, and countermeasures:

The Company did not any change in governance personnel or the top management in the most recent year and up to the publication date of the Annual Report.

12. Regarding litigation or non-litigation events, major litigation, non-litigation, or administrative dispute cases that have been closed or are still on trial in which the Company and the Company's directors, General Manager, de facto persons in charge, major shareholders with at least 10% of the shareholding, or any affiliated companies are involved shall be listed. If the result may have a material impact on shareholders' equity or securities prices, the facts in dispute, the amount of the case, the date of the commencement of the litigation, the main parties involved in such cases, and the handling of the situation as of the publication date of the Annual Report shall be disclosed: None.

13. Other important risks and countermeasures: None.

VII. Other Important Matters: None.

## **Six. Special Disclosure**

- I. Information on the Company's Affiliated Company: Please refer to the Market Observation Post System (MOPS) > Single Company > Electronic Document Download > Related Party Transaction Disclosure Forms Section([https://mopsov.twse.com.tw/mops/web/t57sb01\\_q10](https://mopsov.twse.com.tw/mops/web/t57sb01_q10)).
- II. Private Placement of Securities During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report: None.
- III. Other Supplementary Information: None.

## **Seven. Other Matters**

Situations Listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities Occurring During the Most Recent Fiscal Year and up to the Date of Publication of the Annual Report: None.

**Taiwan Steel Union Co., Ltd.**

**Chairman: Mark Lin**