Sustainability Report



東和鋼鐵
TUNG HO STEEL

2025

永 續 報 告 書

CONTENTS

About this Report 2

Message from the Chairman 4

Company Overview 6

2025 Awards and Achievements 8

1 Sustainable Management 10

1 — 1 ESG Operation and Performance 11

1 — 2 Communication with Stakeholders 17

1 — 3 Analysis of Material Topics 24

1 — 4 Response to Material Management Approaches 29

2 Integrity Management 42

2 — 1 Corporate Governance 43

2 — 2 Integrity Management 51

2 — 3 Risk management 53

3 Economic Sustainability 56

3 — 1 Operating Status 57

Special Column Implementation of AI Application and Acquisition of Technical Patents 62

3 — 2 Management of and Strategies for Climate Change Risks and Opportunities 63

Special Column Renewable Electricity Reaches 18% of Total Electricity Consumption 74

3 — 3 Product and Service Quality 75

Special Column Obtaining the UL 2809 Recycled Content Validation 77

3 — 4 Customer Service 78

4 Environmental Protection 79

4 — 1 Green Procurement Management 80

Special Column Acquisition of Steel Sustainability Australia (SSA) 85

4 — 2 Use of Energy Resources 86

Special Column Founding member of the Ministry of Environment's "Green Growth Alliance" 92

Special Column Promotion of the ISO 46001 Water Efficiency Management System 95

4 — 3 Pollution Prevention and Control Management 96

5 A Friendly Workplace 103

5 — 1 Manpower Structure with Equality 104

5 — 2 Labor-Management Relations 109

5 — 3 Career Development and Training 113

5 — 4 Occupational Health and Safety 116

Special Column Creating a Worker-Friendly Workplace Through the Introduction of Robotic Arms 124

6 Social Prosperity 125

6 — 1 Biodiversity 126

6 — 2 Community Participation 127

Special Column Deepen Local Engagement and Community Co-prosperity 128

6 — 3 Social Participation 129

Special Column An Interdisciplinary Experimental Platform-Metal Engineering Leading to Tectonics (M.E.L.T.) Project 130

7 Appendixes 131

Appendix I GRI Reporting Principles Standards Comparison Table 132

Appendix II BSI Verification Statement 140

Appendix III Comparison Table of strengthened disclosure of sustainability index of iron and steel industry of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies 142

Appendix IV Climate-related Information of Listed Companies 143

Appendix V Sustainability Accounting Standards Board (SASB) Comparison Table-Iron & Steel Producers 145

About this Report

This is the eleventh Corporate Sustainability Report published by Tung Ho Steel Enterprise Corp. In this Report, Tung Ho Steel Enterprise Corp. is referred to as "Tung Ho Steel", "the Company" and "We". It is hoped that through the issuance of this Report, the general public and our stakeholders can understand Tung Ho Steel's determination to continue the fulfillment of our social responsibility and the pursuit of sustainable development and share our fruitful results of sustainable management.

This Report is compiled in the five major axes of "Integrity Governance", "Economic Sustainability", "Environmental Protection", "Friendly Workplace" and "Social Prosperity", disclosing the management and current status of sustainable development in corporate governance, environmental and social aspects. Relevant data collected are also detailed. Notes are added on the page where acronyms of key words or explanatory words appear in this Report.

Editing and Finalization

The compilation and editing of this Report of Tung Ho Steel was through the following organizations and procedures of data collection.

Sustainable Development Committee

The Sustainable Development Committee of the board of directors of the Company is in charge of the decision-making and supervision of sustainable development related work, under which are the Environmental Sustainability Group, Corporate Social Responsibility Group, and Corporate Governance Group. The corresponding departments of each group regularly conduct identification discussions concerning the stakeholders related to its operations. The Administration Division is in charge of secretarial affairs, including overall planning, communication integration, data compilation, and editing and revision of the Sustainability Report.

Review of Administrative Procedures and Finalization

All the editorial members reviewed and revised relevant content and data after the first draft of the Report came out. After the review by heads of responsible departments, each group of the Sustainable Development Committee will send verification personnel to conduct internal cross verification operations. After verified by an impartial third party, the report is submitted to the Sustainable Development Committee and the board of directors for report, whose content includes the communication status with the stakeholders, the material topics, performance, and the requirements of the competent authorities.

Basis and Assurance of the Report

Scope of the Report and Basis of Data

The content of this Report covers Tung Ho Steel's relevant operating systems and activities in Taiwan (the Taipei Head Office, Taoyuan Works, Miaoli Works, and Kaohsiung Works [note]) between January 1 and December 31, 2025. Partial of the content also covered cases before and after 2025. Part of the content concerning our future policies, goals and plans are also included. Based on the relevance of climate risk and opportunity management and the alignment with IFRS S2 Climate-related Disclosures, six domestic and overseas facilities have been included in the "Management of Strategies for Climate Change Risks and Opportunities" Section, including Tung Kang Wind Power Corp. (Tung Kang Wind Power), Katec Creative Resources Corp. (Katec Corp. for short), Duc Hoa International Joint Stock Company (abbreviated as Duc Hoa International J.S.C.), Tung Kang Steel Structure Corporation (Tung Kang Steel Structure for short), Tung Kang Engineering and Construction Corp., Ltd. (Tung Kang Engineering and Construction for short), and Tung Ho Steel Vietnam Corp. Ltd (abbreviated as THSVC). Any reorganization of historical information will be further explained within the text.

Note: Starting from January, 2025, the original Kaohsiung Works and Daye Works were merged and reorganized into Kaohsiung Works and renamed "Kaohsiung Works- Jiaxing" and "Kaohsiung Works- Daye" respectively.

Professional Guidelines and Principles

The reporting framework of this Report followed the Global Sustainability Standards Board (GSSB) and G4 Sector Disclosures-Mining and Metal and the guidelines and framework listed in Taiwan Stock Exchange Corporation Rules Governing the Preparation, and also referred to the Sustainable Development Goals （SDGs）, SASB Sustainability Accounting Standard (SASB Standard) for Iron & Steel Producers released by International Sustainability Standards Board (ISSB), IFRS S1- General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. In addition, the strategies, goals and specific actions related to the material topics of Tung Ho Steel are also disclosed in accordance with the reporting principles. Please refer to 7. Appendix for the GRI Content Index.

Sources of Data and Management

The statistical data disclosed in this Report came from Tung Ho Steel' s internal statistics and survey and are presented in International Generic Indicators. The estimates in this Report will be noted in each relevant Chapter and Section. The financial statements are audited and verified by KPMG in accordance with the International Financial Reporting Standards （IFRS） and were all calculated in New Taiwan Dollars. The ISO 14001: 2015 Environmental Management System, ISO 14064-1: 2018 GHG Inventory, ISO 50001: 2018 Energy Management System, ISO 46001:2019 Water efficiency management systems, ISO/IEC 27001:2022 Information security, cybersecurity and privacy protection—Information security management systems and ISO/CNS 45001: 2018 Occupational Safety and Health Management System all receive internal audits every year and have passed third-party external validation.

External Verification

The Inclusivity, Materiality, Responsiveness, and Impact of the disclosed data in this Report were assured by independent and credible British Standards Institution （BSI） with the AA1000AS v3 assurance standard of Type 1 moderate-level assurance and the requirements of the GRI Standards. See Appendix 2 for the detailed BSI Assurance Report.

Report Release Schedule and Contact Information

Tung Ho Steel release its Sustainability Report annually, and the content is also disclosed on the Sustainable Development Section on the Company' s official website. (The previous edition was released in July 2025, with the current edition released in June 2026.)

Please contact us through any of the following channels for any suggestions or advice.

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Official website of Tung Ho Steel

Sustainable Development Section

Message from the Chairman

Tung Ho Steel has been upholding the core value of "integrity", believing that good corporate governance lays an important foundation for sustainable development. Since 2018, the Company has been consecutively selected among the TWSE Corporate Governance 100 Index. Since 2023, it has consistently ranked among the top 5% of listed companies in TWSE Corporate Governance Evaluation. In addition, the Company was honored with sustainability awards including TCSA Taiwan Corporate Sustainability Award - Gold Award for Corporate Sustainability Reporting in the Traditional Manufacturing Category, Net-Zero Industry Competitiveness Excellence Award, Taiwan FINI 100 Award, and Taoyuan Works was honored Gold Award in the Resource Recycling Category of the 8th Outstanding Enterprises in Resource Circulation Selection. In response to global sustainability trends, the Company obtained Steel Sustainability Australia (SSA) in 2025. In addition, Tung Ho Steel was assigned an ESG Entity Rating of "2" (the rating levels range from 1 to 5, with 1 being the highest) by Sustainable Fitch, showing that our ESG performance outstood the rated companies globally. Tung Ho Steel would like to present to all its stakeholders its continuous efforts in the promotion of sustainability issues, disclosure of governance information and the concrete results in economic, environmental and social aspects in its 2025 Sustainability Report.

In terms of economic sustainability, the Company's economic performance in 2025 was impacted by uncertainties in global trade policies and the dumping of low-priced steel products from China. In addition, adjustments to domestic real estate policies and intensified competition from imported steel products posed many internal and external challenges. However, the construction steel industry also benefited from the demand for public works and commercial and industrial buildings in the electronics industry. In addition, the Company implemented various management operations, integrated internal resources to leverage the group's synergy, and continued to introduce AI-related automation equipment and improve production efficiency, contributing to improved overall operations compared with 2024 and the maintenance of the Company's stable operations.

In terms of corporate governance, the Company strives to improve its corporate governance. To progressively participate in international climate- and environment-related initiatives, Tung Ho Steel has independently published its TCFD (Task Force on Climate-related Financial Disclosures) Report since 2021. To cooperate with Financial Supervisory Commission's (FSC) alignment with IFRS Sustainability Disclosure Standards, the Company proactively responded in advance and started preparation for the alignment with the standards from 2024. IFRS S1 and IFRS S2 information will be incorporated in 2025 Tung Ho Steel Sustainability and TCFD Reports, using the consolidated reporting entity as the basis to assess relevant risks and opportunities to provide stakeholders with more comprehensive sustainability and climate-related financial information.

Regarding environmental sustainability and response to climate change, the Company has participated in the CDP's Climate Change Questionnaire and was rated at the Leadership Level (A-) in 2025. In addition, the Company received a Management Level (B) rating in the Water Security Questionnaire, showing that the Company's strong performance in climate-related disclosure transparency, emission reduction target setting and execution, and also its integrated approach to water resource management, demonstrating the Company's emphasis on environmental sustainability.

To respond to the global trends and the country's 2050 Net Zero Emission Goal, we have included Climate Change in the material topics of sustainable development. set the 2030 phased goal of "Carbon Reduction 30; RE 30" to move toward the goal of 2050 net-zero emission. First, the Carbon Reduction 30. Through the renewal of equipment, improvement of processes and cooperation with multiple partners, the total carbon emissions in 2030 are aimed to be reduced by 30% compared with the 2005 level. Secondly, the RE 30. By 2030, we aim to use more than 30% of renewable energy. For the goal of 30% carbon reduction, major equipment renovations will be carried out in the next 5 years. It is expected that two electric furnaces will be replaced to strengthen energy management and the application of carbon reduction technologies.

We will continue to expand the installation of renewable energy and purchase green electricity to increase the proportion of green electricity use. In 2025, the Company purchased 210,944,812 kWh of renewable electricity generation (kWh) from external sources and its subsidiary, Tung Kang Wind Power, equivalent to about 18% of the electricity consumption in 2025, and gradually steps toward the goal of RE 30. These declarations can concretely show the Company' s strong and firm self-requirement for sustainable development and the responsible actions and strategies to make contributions to an eco-friendly environment and net zero emissions.

In terms of social co-prosperity, the Company attaches great importance to interaction and collaboration with local communities. Additionally, we supported activities and scholarship programs in schools and communities near our facilities, provided funds to support sports and athletic activities, adopted air quality improvement zones, participated in beach cleanup activities, and assisted with the roadside vegetation maintenance in neighboring areas. Through continued participation and sponsorship of local events, the Company will continue to deepen its connection with the surrounding communities, set up a dedicated window to take the initiative to care about community needs, and actively participate in neighborly affairs. In terms of arts and humanities, in 2025, Tung Ho Steel sponsored the second Metal Engineering Leading to Tectonics (M.E.L.T.) event hosted by the Tung Ho Steel Foundation, providing an opportunity for collaboration and exchange among professionals such as designers, construction teams, and structural engineers. Through the integration of architectural and structural design, the event explored the multiple possibilities of steel in architectural practice. During the event, guests from related industries, architects, the arts and culture community, students from nearby elementary and junior high schools, and faculty and students from multiple architecture departments were invited to visit, with nearly 700 participants in total. Through interdisciplinary exchange and hands-on experience, the event promoted public understanding of steel structure architecture and engineering aesthetics, and deepened the cultural connection between the company and society.

Looking into the future, Tung Ho Steel will continue to strengthen its core steel business and its expertise in the production of structural steel for building construction. Through a gradual transition toward energy conservation and green energy adoption, the Company aims to further strengthen its sustainable development capabilities and competitive advantage so as to achieve the ultimate goal of new zero emissions, energy conservation and environmental protection. This year, through the issuance of this Report, the determination to implement sustainable management of Tung Ho Steel is demonstrated, and we hope all our stakeholders can join us to work together to co-create and share the business results.



Chairman & CEO:
Henry C.T. Ho

侯傑騰

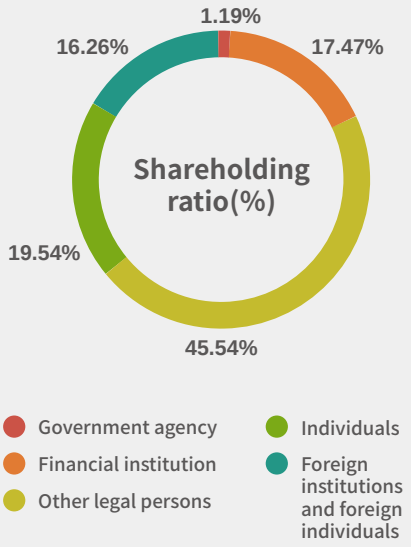
Company Overview

Corporate Missions

From its beginnings in "Tung Ho Hang" to today's Tung Ho Steel Enterprise Corporation, the company has always made trustworthiness the corporate spirit in its business. "Self-discipline, Love of Knowledge, Optimism" have been the company's core business values. Trustworthiness does not merely represent the company's trustworthiness in relation to outside parties, customers, and society, but also signifies trustworthiness in its employees and in itself.

Therefore, the integrity management policy of Tung Ho Steel is to "treat all stakeholders with fairness, integrity and honesty." Tung Ho Steel has been upholding the concept and policy of integrity and trustworthiness, insisting on positive pursuit and interaction as well as the assurance of quality. The driving force based on this insistence also serves as the starting point of value and dignity, leading us to a future of innovation and sustainable management.

TUNG HO STEEL ENTERPRISE CORP.	
Equity status/ Market Type	Public offering/ Listed company (Stock Ticker: 2006)
Industry	Iron and Steel
Main business	Manufacturing, processing and sale of rebar, section steel, steel plate, channel iron, coil, steel sheet pile and other steel products.
Date of establishment	May 30, 1962
Paid-in capital	NTD 7,302,138,180
Chairman	Henry C. T. Ho
President	Huang Bing-hua
Head Office	6F., No.9, Sec. 1, Chang-an E. Rd., Zhongshan Dist., Taipei City 10441, Taiwan
Number of employees	2,147 (as of the end of December, 2025)
Net sales in 2025	NTD 43,343,503 thousand
Gross sales in 2025	1, 987,831 tons

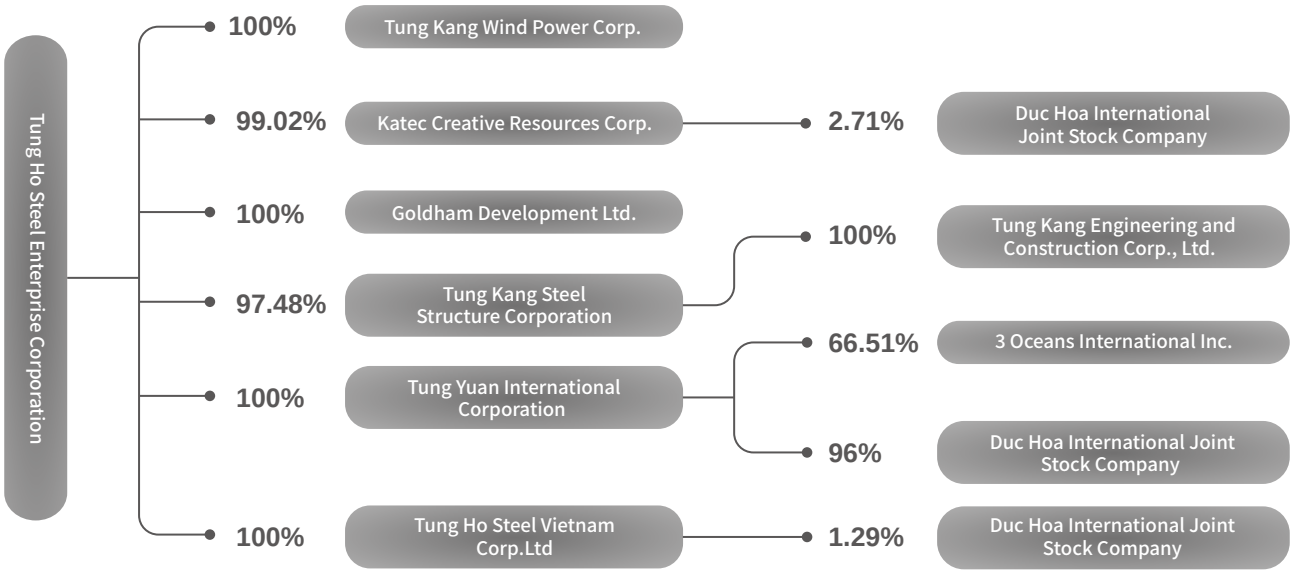


Operating Bases

Tung Ho Steel is the largest H-beam steelwork in Taiwan. The Head Office of Tung Ho Steel is located in Taipei City, and there are the Taoyuan Works, Miaoli Works, Kaohsiung Works - Jiaxing, Kaohsiung Works - Daye, Taichung Harbor Logistics Office, and the Taoyuan Fabrication Center. The main products of the Company include rebar and section steel. In addition, Taichung Harbor Logistics Office and Taoyuan Fabrication Center provides rebar processing services, enhancing both supply chain integration and customized fabrication capabilities.



Organizational Chart of Affiliates



Note: The liquidation proceedings of Goldham Development Ltd. were officially completed on April 27, 2026.

Exchanges and Cooperation

Tung Ho Steel actively participates in associations, trade associations and other organizations at home and abroad in iron and steel, industrial, commercial and economic industries to build relationships for exchanges and cooperation.

Type	Name of organization	Exchange and cooperation (■ Group member)	Remarks
International Exchanges	World Steel Association	Regular member	
	South East Asia Iron & Steel Institute	Member of Taiwan Chapter	Kai-Yu Wu, Head of Research & Technical Development Department serves as the technical representative of the Taiwan Chapter
Iron and Steel Industry	Chinese National Federation of Industries	■	Chairman Henry C.T. Ho serves as the vice director
	Taiwan Steel & Iron industries Association	■	Chairman Henry C.T. Ho serves as Executive Director
	Chinese Institute of Mining and Metallurgical Engineers	■	Vice president of production M. C. Liu serves as the Executive Director
	Taiwan Institute of Steel Construction	■	Assistant vice president J. B. Chiu serves as the director Vice president of Tung Kang Steel Structure Corporation Yu-Chen Liang serves as the supervisor
	Taiwan Concrete Institute	■	Executive assistant Chang-Ching Ho serves as the honorary president. Vice president of production M. C. Liu serves as the director
	Chinese Institute of Civil and Hydraulic Engineering	■	
	The Corrosion Engineering Association of the Republic of China	■	
	Chinese Society of Structural Engineering	■	
Others	Chung-Hua Association for Financial And Economic Strategies	■	
	CNS Certification Mark Association, R.O.C	■	
	Association of Police Friends of R.O.C.	■	Chairman Henry C.T. Ho serves as the director
	Taipei City Police' s Friends Association	■	Chairman Henry C.T. Ho serves as a consultant
	Taipei City Police' s Friends Association – Shilin Office	■	Chairman Henry C.T. Ho serves as a consultant
	Kaohsiung Lin Hai Industrial Park Manufacturers Association (LHIPMA)	■	

2025 Awards and Achievements

Ranked among the Top 5% in the Corporate Governance Evaluation for Three Consecutive Years (2023-2025)

Taiwan Stock Exchange Corporation (TWSE) announced the results in the 12th (2025) TWSE Corporate Governance Evaluation. Tung Ho Steel was ranked in the top 5% of listed companies and top 10% of non-financial electronic companies with a market value of over NT$10 billion, the highest honor in the evaluation for three consecutive years. This demonstrates the results of Tung Ho Steel's promotion of corporate governance.





Honored with 2025 Net-Zero Industry Competitiveness Excellence Award, the Highest Honor in the Steel Industry

21st Century Foundation organized the 4th Net-Zero Industry Competitiveness Award. Tung Ho Steel was honored with the highest honor, 2025 Net-Zero Industry Competitiveness Excellence Award in the steel industry.

Honored with AI Innovation Top 100- Silver Award

A total of 455 submissions were received for Business Weekly's inaugural "AI Innovation Top 100". Tung Ho Steel was honored with AI Innovation Top 100- Silver Award, affirming the Company's outstanding accomplishments in the adoption and application of AI technologies.



Taoyuan Works was honored with the 8th Outstanding Resource Circulation Enterprise Awards- Gold Award for Resource Circulation



The selection process was divided into three groups, including "Source Management Group", "Innovative Application Group", and "Resource Circulation Group" that promotes the utilization of recycled materials and the resource recovery of waste. Our Taoyuan Works won the Gold Award in the "Resource Circulation Group", a recognition affirming the Company's outstanding accomplishments in resource recovery and waste reduction.

Sustainable Fitch issued an ESG Entity Rating of 2 in 2025

Sustainable Fitch is an ESG rating agency under Fitch Group. Tung Ho Steel received an ESG Entity Rating of "2" (with 1 being the highest). The Company performed strongly among the evaluated companies, demonstrating its successful integration of ESG principles into business strategy and management while maintaining a strong focus on environmental improvement.



Honored with 2025 Taiwan FINI 100 Award

Taiwan Institute of Directors and Taiwan Institute of Economic Research simulated investment approaches employed by various global institutional investors, and screened them based on the foreign investment trends and three criteria from the perspectives of the market, fundamentals, and sustainability, and objectively determined a list of the Top 100 high-quality companies. Tung Ho Steel won the favor of foreign investors among over 2,000 companies in Taiwan's capital market.

Taoyuan Works was honored with the 2025 Excellent Award for Third-Party Verification of Electric Arc Furnace Slag Management



The Company actively promotes the resource utilization of electric arc furnace slag in steelmaking to replace natural sand and gravel to reduce environmental burden. Taoyuan Works actively participated in the third-party verification program of Taiwan Steel & Iron Industries Association and won the Excellent Award for Third-Party Verification of Electric Arc Furnace Slag Management.

1 - 1 ESG Operation and Performance
1 - 2 Communication with Stakeholders
1 - 3 Analysis of Material Topics
1 - 4 Response to Material Management Approaches

1 Sustainable Management



1-1 ESG Operation and Performance

Organization and Promotion Policy

● Sustainable Development Policy and History

In accordance with the Sustainable Development Best Practice Principles, Tung Ho Steel established the following Sustainable Development Policy, which was approved Board of Directors in December 2019, clearly requiring all directors, managers, employees, mandataries of the Company or persons having substantial control over the Company to abide by relevant rules, regulations [Note] and laws.

Note: For detailed regulations and procedures, please refer to "Major Internal Policies" on the Company' s official website.

Sustainable Development Policy

Integrity Governance	Economic Sustainability	Environmental Protection	Friendly Workplace	Social Prosperity
Implement corporate governance, establish high-quality corporate culture, and work for corporate integrity management.	Innovative technical services, enhance operating performance, maintain stable profitability and work for sustainable operations.	Actively respond to climate change, promote circular use of resources, continue to reduce waste, energy use and carbon emissions and work for the implementation of environmental protection.	Establish a sound and complete system and harmonious labor-employment relations, and create a safe and friendly workplace environment.	Reward academic and humanistic development, pay attention to social issues, actively participate in public welfare activities and work for social prosperity.

Sustainable Development History

2016
- Voluntary publication of the first Sustainability Report

2017
- Established Rules Governing the Internal Verification of Corporate Social Responsibility Report (formerly the Rules Governing the Internal Verification of Sustainability Report)

2018
- Tung Ho Steel was included in TWSE Corporate Governance 100 Index

2019
- The CSR Team was incorporated into the Corporate Governance Committee and is subordinate to the Board of Directors
- Established CSR policy (current Sustainable Development Policy) and human rights policy (currently Human Rights Policy and Workplace Diversity)

2020
- Established Risk Management Policy
- Established Supplier Management Policy

2021
- Renamed the Corporate Governance Committee "Corporate Governance and Nominating Committee"
- Publication of the first English Sustainability Report
- Publication of the first TCFD Report

2023
- Passed the proposal of setting the Appropriation and Use of Special Surplus Reserve in Response to Climate Change Adaptation and Mitigation.
- 2030 Sustainable goals: Carbon reduction 30% + RE30
- Renamed the Corporate Governance and Nominating Committee the "Sustainable Development Committee"

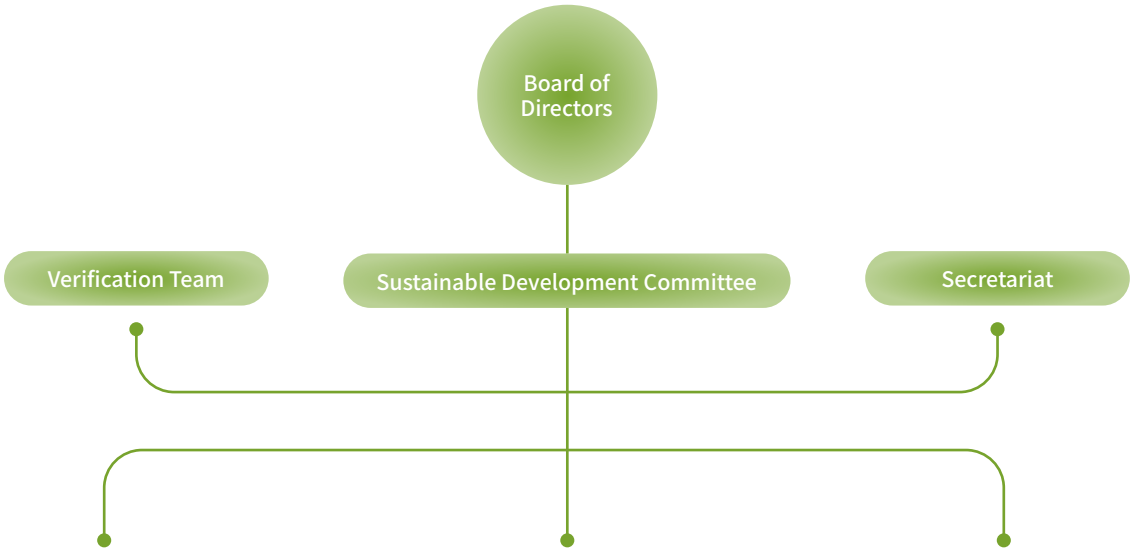
2024
- Formulated the Management Regulations for ESG-related Incentive Pay to Senior Management
- IFRS Sustainability Disclosure Standard Alignment Plan

2025
- Approved group-wide sustainability target for 2035: Carbon reduction 30% + RE30
- Published the first Sustainability and Climate-Related Financial Disclosures (IFRS S1 & S2) report
- Established a Personal Data Protection policy
- Established a Customer Rights Policy
- Established a Modern Slavery Act Transparency Statement

Sustainable Development Organization and Promotion Policy

The Sustainable Development Committee of the board of directors of the Company is in charge of the decision-making and supervision of sustainable development related work, under which are the Environmental Sustainability Group, Corporate Social Responsibility Group, and Corporate Governance Group. The President appoints relevant department heads to be responsible for the work of each unit, implementation work plans, and submission work plans and the outcome of implementation to the committee every year. The Administration Division is in charge of secretarial affairs, including overall planning, communication integration, data compilation, and editing and revision of the Sustainability Report.

Organizational Structure of Sustainable Development



Environmental Sustainability Group

President Office, Administration Division, Finance & Accounting Division, Legal Affairs Office, Sales & Marketing Division, Auditing Office, Representatives of the works (Representatives of energy efficiency and carbon reduction, the finance & accounting section, greenhouse gas inventory, and environmental protection)

Corporate Social Responsibility Group

President Office, Trading Division, Sales & Marketing Division, All works, Administration Division, Tung Ho Steel Foundation

Corporate Governance Group

President Office, Auditing Office, Finance & Accounting Division, Legal Affairs Office, Investment Division, Administration Division

Sustainability Development Implementation Process



The responsibilities of the Sustainable Development Committee cover the formulation, oversight, and review of management policies, systems, and objectives related to environmental sustainability (including climate change management, water resource management), sustainable development policies, systems, corporate social responsibility, corporate governance, integrity management, and risk management. A report or resolution shall be submitted to the Board of Directors at least once a year.

Key points of reporting sustainability issues to the board of directors

Date of board meeting/ Session	Content of proposal
2025.02.26/ 14th meeting of the 25th Session	● Reported on the GHG inventory and schedule planning. ● Reported on disclosures in accordance with IFRS S1 and IFRS S2 Standards. ● Through donations to Tung Ho Steel Foundation to fund activities and administrative expenses related to Metal Engineering Leading to Tectonics.
2025.04.25/ 15th meeting of the 25th Session	● Approved the carbon reduction targets and renewable energy use targets for the entire group in 2035: (1) 30% carbon reduction: reduce total carbon emissions by 30% by 2035 compared with 2021 levels; (2) RE30: 30% of total electricity consumption in 2035 will come from renewable energy. ★ ● Passed the issuance of 2024 Sustainability Report and the communication with stakeholders. ● Approved the establishment of the Modern Slavery Act Transparency Statement
2025.05.20/ 16th meeting of the 25th Session	● Reported on the GHG inventory and schedule planning. ● Passed the establishment of greenhouse gas management strategies, reduction targets and plans. ★ ● Passed the proposal to issue the 2025 Sustainability & Climate Related Financial Disclosure（IFRS S1 & S2）Report.
2025.07.29/ 17th meeting of the 25th Session	● Reported on the GHG inventory and schedule planning.
2025.10.28/ 18th meeting of the 25th Session	● Approved the project to lease the rooftop of the Company' s plant building to its subsidiary, Tung Kang Wind Power, for the installment of a solar photovoltaic system. ★
2025.12.30/ 20th meeting of the 25th Session	● Reported on the GHG inventory and schedule planning. ● Work plan for sustainability reporting and information disclosure. ● Implementation status of the IFRS Sustainability Disclosure Standards Adoption Plan. ● Results of the identification of sustainability and climate-related risks and opportunities under IFRS Standards. ● Established the 2025 Modern Slavery Act Transparency Statement. ● Established a Personal Data Protection Policy. ★ ● Established a Customer Rights Policy. ★

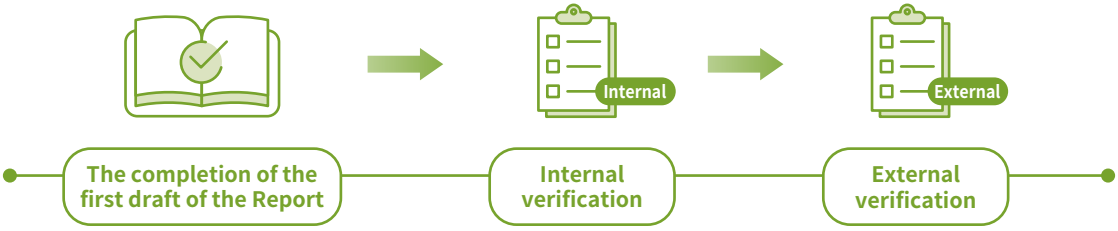
Note: ★ indicates a major event for Critical communication. There were 5 cases in total in 2025, including 2 cases related to governance and 3 related to the environment.

Sustainability Report Quality Management

To ensure that the Sustainable Report issued by Tung Ho Steel conformed to GRI requirements and the prescriptions of Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, the Company established the Rules Governing the Preparation and Internal Verification and Validation of Sustainability Reports, and the internal verification operation of the Report is conducted annually to serve as a basis for the preparation, international verification and validation related work.

The Company attaches great importance to the disclosure of sustainability-related information in the environmental, social, and governance aspects. We have passed a resolution to add sustainability information-related management operations in the internal control system in the 12th board meeting of the 25th Board of Directors dated on October 29, 2024, and listed it in the annual audit plan in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies to ensure that the Company' s management and disclosure of sustainability information are accurate, complete, and consistent.

Internal Verification of the Sustainability Report



1. The verification team conducts the internal verification
2. Track improvement
3. Issue a summary report and verification statement



Honored with the 2025 TCSA Corporate Sustainability Report Award- Gold Award in the Traditional Manufacturing Category

Education and training on the current ESG condition and trends was conducted in December, 2025, and the content included sustainable development and challenges, international trends, current legal prescriptions, introduction of revision of GRI Standards for topics and so on. In addition, meetings for stakeholder identification and questionnaire distribution were held. After data collection, meetings for group discussion and first draft discussion were convened in March, 2026. The verification team conducted the internal verification operation, and the Report was assured by independent and credible British Standards Institution (BSI)[Note] for the verification of this Sustainable Report. The issuance of this 2025 Corporate Sustainability Report was reported to the 7th meeting of the 3rd Session of Sustainable Development Committee and the 2nd meeting of the 26th Session of Board of Directors in May, 2025, and the report will be issued upon approval of the resolution.

Note: BSI and the Company are two independent companies. Except for the Report evaluation and verification, BSI does not have other financial relationship with the Company.

Sustainability Performance

Performance of Integrity Governance

- Tung Ho Steel has been selected among the **TWSE Corporate Governance 100 Index** for eight consecutive years
- Ranked in the **Top 5%** of the listed companies in the 12th TWSE Corporate Governance Evaluation
- Performed **an external assessment of the board of directors**
- The self-evaluation of the board of directors and the functional committees both reached "**better than the standards**"
- The average attendance rate of the functional committees all reached **100%**
- The directors' training hours was **100%** compliant with regulation
- The directors are **fully** compliant with the principle of avoidance of conflict of interest
- **No** violation of Commercial Law

Performance of Economic Sustainability

- Obtained **Leadership Level (A-)** of the CDP climate change questionnaire and **Management (B)** of the CDP Water Security Questionnaire, and **Supplier Engagement Rating (A-)** of the CDP Supplier Engagement Questionnaire
- Obtained the **Steel Sustainability Australia (SSA) Certification**
- The EPS was NTD **6.47**
  The cash dividend was NTD **4.3**
- Honored with **AI Innovation Top 100- Silver Award**
- Awarded 2025 TCSA Corporate Sustainability Report Award- **Gold Award in the Traditional Manufacturing Category**
- Honored with **2025 Taiwan FINI 100 Award**
- The products are **100%** free of radioactive contamination
- Honored with an **ESG Entity Rating of 2 in 2025 by Sustainable Fitch**
- Scored **96.68** points in customer satisfaction among section steel customers and **93.8** points among rebar customers
- The rebar products have passed **11** types of certification marks
  Section and steel plate products have passed **20** types of certification marks

Performance of Environmental Protection

- Honored with the highest honor of "**Excellence Award**" in the steel industry in 2025 Net Zero Industry Competitiveness
- Taoyuan Works was honored with the 8th Outstanding Resource Circulation Enterprise Awards- **Gold Award for Resource Circulation**
- All products have received the "**Environmental Claim Validation Procedure (ECVP) for Recycled Content**"
- Purchased renewable energy electricity equivalent to **18.46%** of 2025 electricity consumption
- **98%** of raw materials used in production is recycled scrap steel
- Joined the Ministry of Environment' s "**Green Growth Alliance**" as a founding member
- **No** purchase of pig iron
- Taoyuan and Miaoli Works passed the **ISO 46001 Water Efficiency Management Systems**
- The waste recycling rate (recycle and reuse rate) reached **98.28%**
- Taoyuan Works was honored with the **2025 Excellent Award for Third-Party Verification of Electric Arc Furnace Slag Management**

Performance of the Friendly Workplace

- **More than 99.8%** of employees in the Company joined the trade union
- Gradually implement the **Zero-payment policy for foreign workers**
- On-the-job safety and health education and training totaled **25,422** person-hours
- Sick leave policy exceeds regulatory requirements, increasing from 30 days to **45** days
- Employee compensation and benefit increased by **3.29%** in 2025 compared with 2024
- Employed **62** indigenous employees (accounting for 2.89% of all employees)
- **No** occurrence of **occupational diseases**
- Conduct annual employee health examinations that **exceed regulatory requirements**
- There was **no** human rights violation or discrimination
- Employed **23** employees with disabilities (accounting for 1.07% of all employees)

Performance of Social Prosperity

The public welfare expenditure was approximately **NTD 28.58 million**

Invited nearly **700** people to Metal Engineering Leading to Tectonics, including faculties and students from schools in Miaoli County, community residents, and industry professionals

The cumulative number of winners receiving Hou Jindui Distinguished Honor Award reached **191** in total

There were **no** petition cases on impacts on the ecological area

1-2 Communication with Stakeholders

Tung Ho Steel respects the rights and interests of all stakeholders and understands their reasonable expectation and needs through appropriate communication methods. All the stakeholders' needs and expectations of the Company are properly responded to and will serve as a reference for the decision making of the company in the hope of creating and sharing the results of sustainable management with all our stakeholders.

Identification of Stakeholders

The identification of stakeholders of Tung Ho Steel was conducted by external ESG experts through referring to the stakeholders identified by the same trade and the scoring of the actual and potential positive as well as negative impacts of the stakeholders on operating activities of the Company. The scores ranged from 1 point (no impact) to 5 points (extreme impact). The overall score was based on the sum of the negative impact (actual/potential) and positive impact (actual/potential) of each stakeholder, and those with more than 10 points were ranked as major stakeholders.

After discussions and review by the senior executives and department heads of the Company, 10 major stakeholders were identified, including shareholders, government agencies, employees, customers/distributors, iron and steel industry, suppliers, contractors/ subcontractors, academic & research institutions, community residents and media. Compared with 2024, there is no change in the categories of stakeholders.

Communication with Stakeholders

Tung Ho Steel attaches great importance to the stakeholders' rights and opinions and has set up public and direct communication channels to provide information concerning the Company's Sustainable Development management. In addition, by understanding the issues of concern to the stakeholders, we continue to review and improve our performance in Sustainable Development. On June 9, 2026, at the 2nd meeting of the 26th Board of Directors, the Board approved the issuance of the 2025 Sustainability Report and reviewed the status of stakeholder communication.

Stakeholders/ significance to Tung Ho Steel	Purpose of communication	Communication issues	Communication channels / Frequency	Communication performance in 2025
Shareholders Tung Ho Steel has been upholding integrity management and devoted to sustainable governance to improve our operating performance to create value for our shareholders.	To maintain good investment relationships	● Economic Performance ● Occupational Safety and Health ● Energy/Affordable Energy ● Integrity Management ● Customer Health & Safety	● Shareholders' meeting – Regular ● Annual reports/ financial statements – Annual/ Regular ● Investors Service Section on the official website – Immediate ● External communication mailbox – Immediate ● Legal person briefing - Annual	● 4 legal person briefings. ● 21 corporate interviews. ● 1 shareholders' meeting. ● Disclosure of monthly and quarterly information of revenues and financial statements on our official website and MOPS.
Government agencies The government is the creator of sustainability related policies and also the important promoter supporting and influencing the Company to step toward sustainability.	To ensure compliance	● Occupational Safety and Health ● Greenhouse Gas Emissions (Carbon Management) ● Air Pollution Emissions ● Customer Health & Safety ● Human Rights Management	● Stakeholders Section on the official website – Immediate ● Exchange of official documents-Immediate ● Regulation briefing, public hearing or symposium - Immediate	● Participated in 22 sessions of decrees propaganda briefings or symposiums held by environmental protection agency. ● Participated in 15 government meetings related to climate change. ● Participated in 32 sessions of Occupational Safety and Health Administration's self-management seminars. ● Participated in 6 labor law promotion seminars. ● Participated in 6 government policy promotion activities.
Employees Employees are the most important assets of Tung Ho Steel, and they are the driving force of innovation and the cornerstone of our sustainable management.	To increase human capital	● Talent Retention ● Occupational Health and Safety ● Labor-management Relations ● Integrity Management ● Education and Training ● Human Rights Management	● Stakeholders Section on the official website – Immediate ● Labor-management meeting - Quarterly ● Internal communication mailbox - Immediate ● Occupational Safety and Health Committee – Monthly ● Internal communication mailbox – Immediate ● Employee Welfare Committee –Regular ● Enterprise union – Regular ● Intranet- Immediate ● Plant safety care and advocacy – Immediate ● Labor safety education and training in the factory –Regular ● Department meetings in the factory – Weekly ● Factory-level meeting - Monthly ● Consultation on health with the factory doctor - Monthly	● Convened 52 sessions of Occupational Safety and Health Committee meetings. ● Convened 20 labor-management meetings. ● Convened 48 factory-level meetings in factory. ● The factory doctor provided 85 times of on-site services. ● Training hours for labor safety education was 25,422 person-hours. ● A total of 30 symposiums for foreign workers.

Stakeholders/ significance to Tung Ho Steel	Purpose of communication	Communication issues	Communication channels / Frequency	Communication performance in 2025
 **Customers /distributors** Customers/distributors are the partners of the Company. We aim at meeting their needs by improving the quality of products, services and R&D capabilities to create a win-win situation.	To maintain good customer relationship	● Greenhouse Gas Emissions(Carbon Management) ● Privacy and Information Security ● Cleantech Opportunity ● Integrity Management ● Economic Performance	● Stakeholders Section on the official website – Immediate ● Section distributors meeting – Monthly ● Customer satisfaction survey – Annual ● Direct communication – Immediate ● Business contact- Immediate ● External communication mailbox - Immediate ● commerce sales - Immediate ● Tung Ho Steel（THS）Steel shipments messenger（APP）- Immediate	● Convened 12 distributors meetings each for section steel and rebar ● Fixed window for communication with distributors. ● Distributors place orders directly through the e-commerce system to reduce the error rate. ● Tung Ho Steel（THS）Steel shipments messenger（APP）provided customers with instant access to the production progress. ● Customer satisfaction: Rebar customers scored 96.68 points while section steel customers scored 93 points.
 **Iron & steel industry** The manufacturers in the iron and steel industry are in a both competitive and cooperative relations. Through virtuous competition, the manufacturers in the same trade create the overall development of this industry together.	To create synergy value	● Economic Performance ● Cleantech Opportunity ● Raw Material Management ● Greenhouse Gas Emissions (Carbon Management)	● Stakeholders Section on the official website - Immediate ● External communication mailbox – Immediate ● Steel & Iron Industries Association meetings - Immediate ● Direct communication - Immediate	● Participated in 9 Steel & Iron Industries Association meetings. ● 6 times of Regional Iron and Steel Industry Fellowship meetings.
 **Suppliers** Our suppliers are important partners for our operation. We pursue sustainable management and growth together with our suppliers.	To maintain good value chain operation	● Supplier Management ● Economic Performance ● Integrity Management ● Occupational Safety and Health ● Labor-management Relations	● Symposium/ education and training – Immediate ● Supplier evaluation questionnaire - Annual ● Stakeholders Section on the official website – Immediate ● External communication mailbox - Immediate ● E-procurement - Immediate ● Direct communication - Immediate	● We had weekly discussion with steel and metal scrap dealers on the market and supply situation. ● A total of 982 suppliers signed the Supplier Social Responsibility Commitment.
 **Contractors/ subcontractors** Under the trend of professional division of labor, we achieve our operational targets through the cooperation and assistance of the contractors.	To maintain good value chain operation	● Integrity Management ● Occupational Safety and Health ● Economic Performance ● Supplier Management ● Waste Management / Responsible Consumption and Production	● Stakeholders Section on the official website – Immediate ● External communication mailbox - Immediate ● Symposium/ education and training – Immediate ● Direct communication - Immediate ● Occupational Safety and Health Committee - Annual	● Convened 84 consultative organization meetings for joint operation. ● All contractors attended 36 times of monthly Occupational Safety and Health Committee meetings to review monthly safety deficiencies. ● Participated in in-plant safety and health education and training 290 times.

Stakeholders/ significance to Tung Ho Steel	Purpose of communication	Communication issues	Communication channels / Frequency	Communication performance in 2025
Academic & research Institutions Academic & research institutions play a leading role in the development and application of forward-looking technologies, and they can assist the Company with innovative R&D to enhance our competitiveness in the market.	To continue technology and business model innovation	● Cleantech Opportunity ● Greenhouse Gas Emissions(Carbon Management) ● Air Pollution Emissions ● Water Resources Management ● Occupational Safety and Health	● Corporate visits – Immediate ● Industry-Academia Collaboration - Immediate ● Patent licensing – Annual	● Signed a collaborative research project on "Decarbonization technology in Electric Arc Furnace (EAF) smelting" with Industrial Technology Research Institute (ITRI). ● Signed a cooperative research project on "Optimization Study on High Strength and High Ductility Properties of SM570 Steel by Adjusting the Ti/Mo Element Ratio and Adding Zr Element" with National Yang Ming Chiao Tung University.
Community residents Through community participation and care, we can better understand issues of the residents' concern and establish a harmonious relationship with them.	To fulfill corporate social responsibility	● Water Resources Management ● Community and Social Engagement ● Occupational Safety and Health ● Talent Retention ● Customer Health & Safety	● Stakeholders Section on the official website – Immediate ● External communication mailbox – Immediate ● Community visits - Immediate ● Direct communication - Immediate	● Participated in 6 times of community activities, community visits: 12 times. ● Invited nearly 700 people, including faculties and students from schools in the neighboring area, Architects Association, Structural Engineers Association, and other groups to view the steel works of Metal Engineering Leading to Tectonics Project. ● Proactively engaged with neighboring communities by participating in local charity events, sponsoring school anniversary celebrations, student clubs, graduation ceremonies. ● Sponsored community care center meal expenses and school lunch fees for elementary and junior high schools in the township. ● Adopted roadside trees in Kaohsiung Linhai Industrial Park, maintained greenbelt areas within the quality purification zone in Xihu and Houlong, including regular mowing and upkeep, carried out Beach cleanup on Caoluo Sand Dunes and assisted with community road repairs and lawn mowing. ● Sponsored the Miaoli County Environmental Protection Bureau's promotional funds for "Eco-friendly straw decomposition bacteria for eliminating open burning" and Black Soldier Fly (BSF) Farming Program.
Media Media are also an important bridge connecting the Company and other stakeholders for rapid communication.	To maintain good public relations	● Cleantech Opportunity ● Energy/Affordable Energy ● Greenhouse Gas Emissions(Carbon Management) ● Economic Performance ● Raw Material Management	● Stakeholders Section on the official website – Immediate ● External communication mailbox – Immediate ● Spokesman interview - Immediate ● Press release - Immediate	● 4 legal person briefings. ● Produced and broadcast 2 commercials entitled "100% Net Weight Guaranteed" to promote SN Steel.

Complaint Handling and Responses

We have established the Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, Corporate Governance Best Practice Principles, Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managers, Work Rules, Personal Data Protection Policy, Customer Rights Policy, Enforcement Rules of Governing Personal Information Data Security Maintenance and Management, and Operating procedures for financial transactions between related parties, clearly requiring all directors, managers, employees, mandataries of the Company or persons having substantial control over the Company to abide by, and remind them that they should be honest, incorruptible, follow anti-corruption and code of ethics, avoid conflicts of interest and report, and have the concept of privacy protection, confidential information protection, intellectual property rights protection and personal data protection. Dedicated contact channels for the stakeholders are set up and announced on the Company's official website to take notifications, suggestions, complaints and grievance of the Company. Dedicated personnel will be in charge of relevant handling and replying. No whistleblowing reports or complaints were received in 2025.

Note: For detailed regulations and procedures, please refer to "Major Internal Policies" on the Company' s official website.

Category	Consultation & Grievance Channels / Contact person	Mechanism of whistleblower protection	Handling process of reported cases	Title of regulations
Corporate governance and management	● Email of Tung Ho Steel: tungho@tunghosteel.com ● Independent directors' email: Jih-Gang Liu: csc.039958@gmail.com Chia-Wen Liu: acliu@ntu.edu.tw Ming-Te Sun: d15594@tier.org.tw Wen-Ling Ko: wenling329@icloud.com	When the whistleblower reports illegal behavior of the personnel in the Company, the identity of the whistleblower, the content, and the investigation process shall all be kept confidential, and a complete record of the acceptance of the case, investigation process and results shall be kept.	The audit unit will be instructed to conduct investigations, and a report of results and suggested handling methods shall be made and submitted to independent directors.	● Corporate Governance Code ● Ethical Corporate Management Best Practice Principles ● Procedures for Ethical Management and Guidelines for Conduct ● Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managers ● Work Rules ● Sustainable Development Best Practice Principles ● Regulations Governing Intellectual Property Management
Labor right	● Email of Tung Ho Steel: tungho@tunghosteel.com ● Employee grievance hotline and mailbox: Administration Division: Ms. Ding (02) 2551-1100 Ext. 531 / dingyuj@tunghosteel.com ● Sexual harassment complaint hotline and mailbox: tungho@tunghosteel.com ● Employee opinion mailbox: employee opinion mailbox in each works and the email of Tung Ho Steel: tungho@tunghosteel.com ● Labor-management meeting ● Sexual Harassment Review Committee	As prescribed in Article 8 of the Company's Regulations governing Employee Grievance and Report, the complainant (reporter) and the relevant personnel responsible for handling the complaints (report) shall keep it absolutely confidential and shall not disclose the case to the public. If details of the case are leaked by intentional negligence, the person(s) releasing the information shall be punished according to relevant regulations in accordance with the degree of the disclosure.	Employees can file complaints or report to the unit head or the management unit of each factory in writing, mail (email), orally or by telephone. After receiving the complaints, the unit or personnel responsible will start investigation. If there are major violations of regulations or concerns of major damage to the Company, such unit or personnel shall prepare a report and notify independent directors in writing. If any violation by a director or managerial officer is verified through investigation, relevant information will be instantly disclosed at the MOPS.	● Regulations Governing Employee Grievance and Whistleblowing (Whistleblower Protection Policy) ● Human Rights Policy and Workplace Diversity ● Personal Data Protection Policy ● Regulations for the Prevention and Handling of Sexual Harassment ● Sustainable Development Best Practice Principles ● Written Statement on the prohibition of unlawful conduct in the workplace

Category	Consultation & Grievance Channels / Contact person	Mechanism of whistleblower protection	Handling process of reported cases	Title of regulations
Products	● Email of Tung Ho Steel: tungho@tunghosteel.com ● Customer grievance hotline and mailbox: President Office: Ms. Weng (02) 2551-1100 Ext. 702 / emilytcon@tunghosteel.com ● Distributors meeting	After receiving the customer complaint, the business unit will actively assign staff to understand the situation and fill in the Customer Complaint Handling Form to investigate the preliminary reason for the reference of relevant units. Handling plans will be deliberated in no time to respond to our customers for a solution.	When there are discrepancies in the shipping process or quality of products with our customers, Tung Ho Steel will handle the situation in accordance with Regulations for Handling Customer Complaints.	● Customer Rights Policy ● Regulations for Handling Customer Complaints ● Regulations Governing Personal Information Data Security Maintenance and Management
Personal data privacy, information security	● Email of Tung Ho Steel: tungho@tunghosteel.com ● Personal data privacy grievance hotline and mailbox: Administration Division: Ms. Nie (02) 2551-1100 Ext.536/ quintina@tunghosteel.com ● Information Security grievance hotline and mailbox: Information Technology Division: Mr. Yang (02) 2551-1100 Ext.523/ onion@tunghosteel.com	The Company will make every effort to keep the identity of the whistleblower confidential and protect the safety of the whistleblower, preventing the whistleblower from any form or retaliation and threats.	Stakeholders who have any doubt and suggestion about the personal data can write to the personal data management unit for suggestions or discussions.	● Personal Data Protection Policy ● Regulations Governing Personal Information Data Security Maintenance and Management ● Information Security Incident Management Measures
Environment	● Email of Tung Ho Steel: tungho@tunghosteel.com ● Taoyuan Works: Environment: Mr. Lee (03) 476-1151 Ext.110 Water-related: Mr. Lee (03) 476-1151 Ext. 251 ● Miaoli Works: Environment: Mr. Chen (037) 923-333 Ext.177 Water-related: Mr. Wang (037) 923-333 Ext.326 ● Kaohsiung Works - Jiaxing: Environment: Mr. Yang (07) 802-3131 Ext.296 Water-related: Mr. Wu (07) 802-3131 Ext.280 ● Climate change grievance mailbox and hotline: R&D Development Dept. Mr. Wu (037) 923-333 Ext. 320/ h82wku@tunghosteel.com ● Renewable energy grievance mailbox and hotline: Tung Kang Wind Power Corp. Mr. Hsieh (037) 923-760/ h25hmt@tunghosteel.com	The Company will make every effort to keep the identity of the whistleblower confidential and protect the safety of the whistleblower, preventing the whistleblower from any form or retaliation and threats.	When the employees of the factories, related groups outside the factories, or residents from the surrounding communities have opinions or disputes on environmental issues, they can file a complaint to the dedicated unit through face-to-face interviews, phone calls, emails or other channels. The factory will communicate, handle and respond to the complaint in accordance with relevant communication management regulations.	● Regulations Governing Consultation, Participation, and Communication ● Operating Standards for Waste Management

Category	Consultation & Grievance Channels / Contact person	Mechanism of whistleblower protection	Handling process of reported cases	Title of regulations
Suppliers/ contractors/ subcontractors	● Email of Tung Ho Steel: tungho@tunghosteel.com ● Supplier grievance hotline and mailbox: Trading Division: Mr. Pan (02) 2551-1100 Ext. 604/ pcm@tunghosteel.com Procurement Section of Taoyuan Works: Mr. Jian (03) 476-1151 Ext. 520/ h16jyh@tunghosteel.com Procurement Section of Miaoli Works: Ms. Tu (037) 923-333 Ext. 126/ alina@tunghosteel.com Procurement Section of Kaohsiung Works: Mr. Sun (07) 802-3131 Ext. 265/ i00sjh@tunghosteel.com ● Visits	The Company will make every effort to keep the identity of the whistleblower confidential and protect the safety of the whistleblower, preventing the whistleblower from any form or retaliation and threats.	The suppliers, contractors, and collaborating companies can make use of the communication channels, standards, policy and related regulations to submit suggestions and complaints to the management and the internal audit supervisor. After receiving the feedback, the responsible unit will handle it properly.	● Ethical Corporate Management Best Practice Principles ● Supplier Management Policy ● Procedures for Ethical Management and Guidelines for Operations
Shareholders and media	● Email of Tung Ho Steel: tungho@tunghosteel.com ● Shareholders and media grievance hotline and mailbox President Office: Mr. Chen (02) 2551-1100 Ext.588/ i00kcc@tunghosteel.com	Shareholders may file a complaint to the competent authority of the Securities and Futures Investors Protection Center (SFIPC).	Handled in accordance with relevant regulations of competent authorities.	● Speaking Guidelines for the Company' s Spokesperson ● Internal Handling Procedures for Significant information



1-3 Analysis of Material Topics

Steps for the determination of the materiality of sustainability topics

Steps for the determination of the materiality of sustainability topics

1 Understand the context of the industry and collection of sustainability topics

- To strengthen sustainable strategies, Tung Ho Steel annually referred to the GRI Standards, Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, GRI G4 Guidelines and Mining and Metals Sector Disclosure, SASB Sustainability Accounting Standard (SASB Standard) for Iron & Steel Producers, IFRS S1- General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, and UN' s SDGs, and with the reference to the opinions of stakeholders, and a total of 23 sustainable topics suitable for the characteristics of Tung Ho Steel were summarized, covering the four sustainable aspects of corporate governance, economy, environment and society (people and human rights).

  Note: There was no GRI Standards for Iron and Steel Industry yet as of March, 2026.

2 Identify actual and potential negative and positive impacts

- External ESG experts scored the actual and potential negative and positive impact of the sustainability topics on corporate governance, economy, environment, and society (people and human rights) based on the operating activities of the organization.
- The severity needs to be considered for the actual negative impact while the severity and possibility of the potential negative impact has to be considered. The impact scale and scope have to be considered for actual positive impact while the impact scale, scope and possibility of potential positive impact have to be considered. The scores ranged from 1 point (no impact) to 5 points (extreme impact).
- To strengthen the communication with our stakeholders, questionnaires were distributed to investigate the topics of concern of all stakeholders and the significant impact of the sustainability topics assessed by the Company executives. The analysis results served as a reference for the prioritization of topics. In 2025, a total of 225 copies of questionnaires were returned, including 202 copies of level of concern questionnaires and 23 level of impact questionnaire (filled in by Tung Ho Steel' s supervisors).

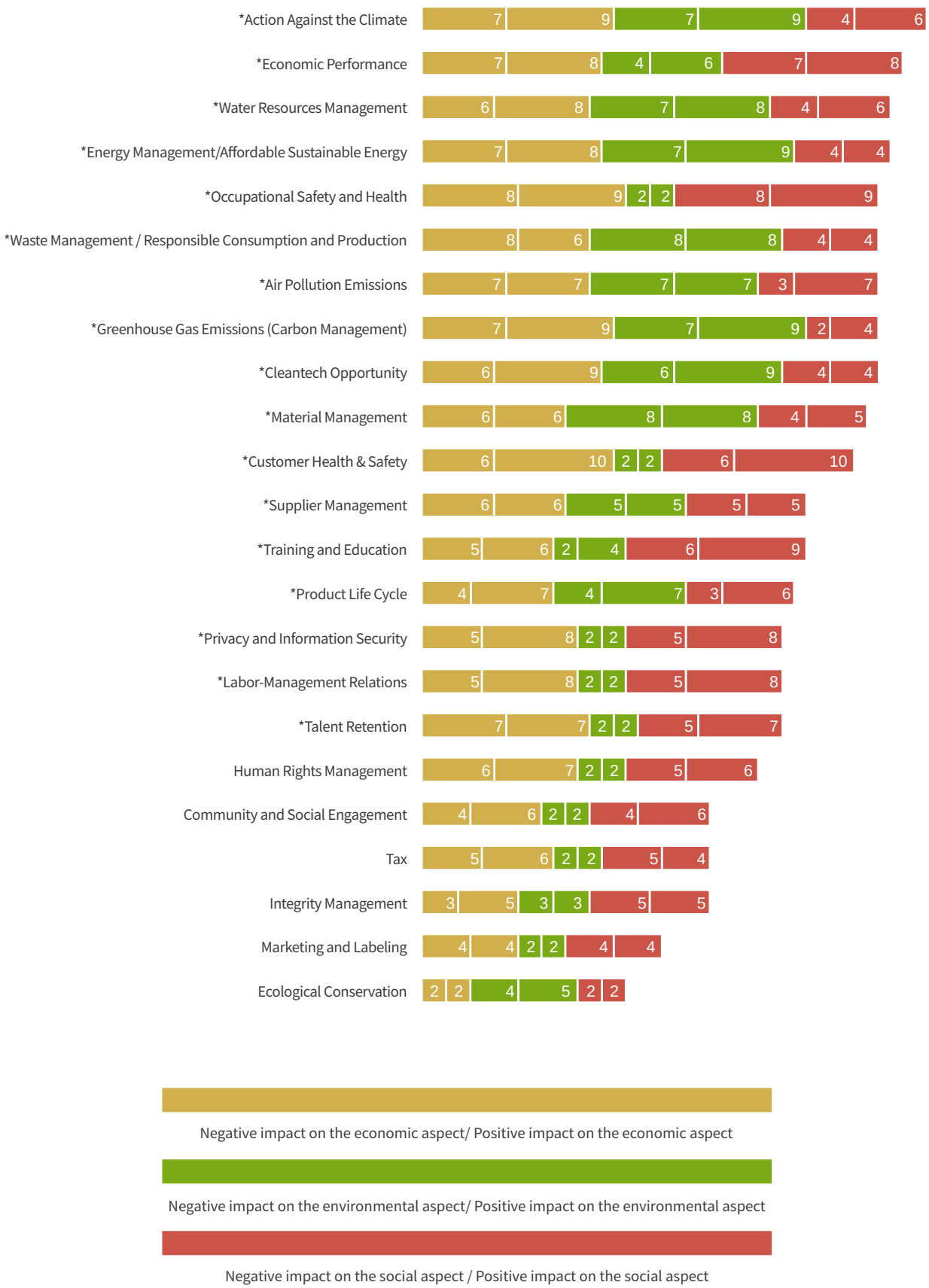
3 Assessment of significance of impacts

- The overall score was based on the sum of the negative impact (actual/potential) and positive impact (actual/potential) of each sustainability topic on corporate governance, economy, environment, and society (people and human rights), and those with more than 30 points were ranked as topics with impact/significant impact.

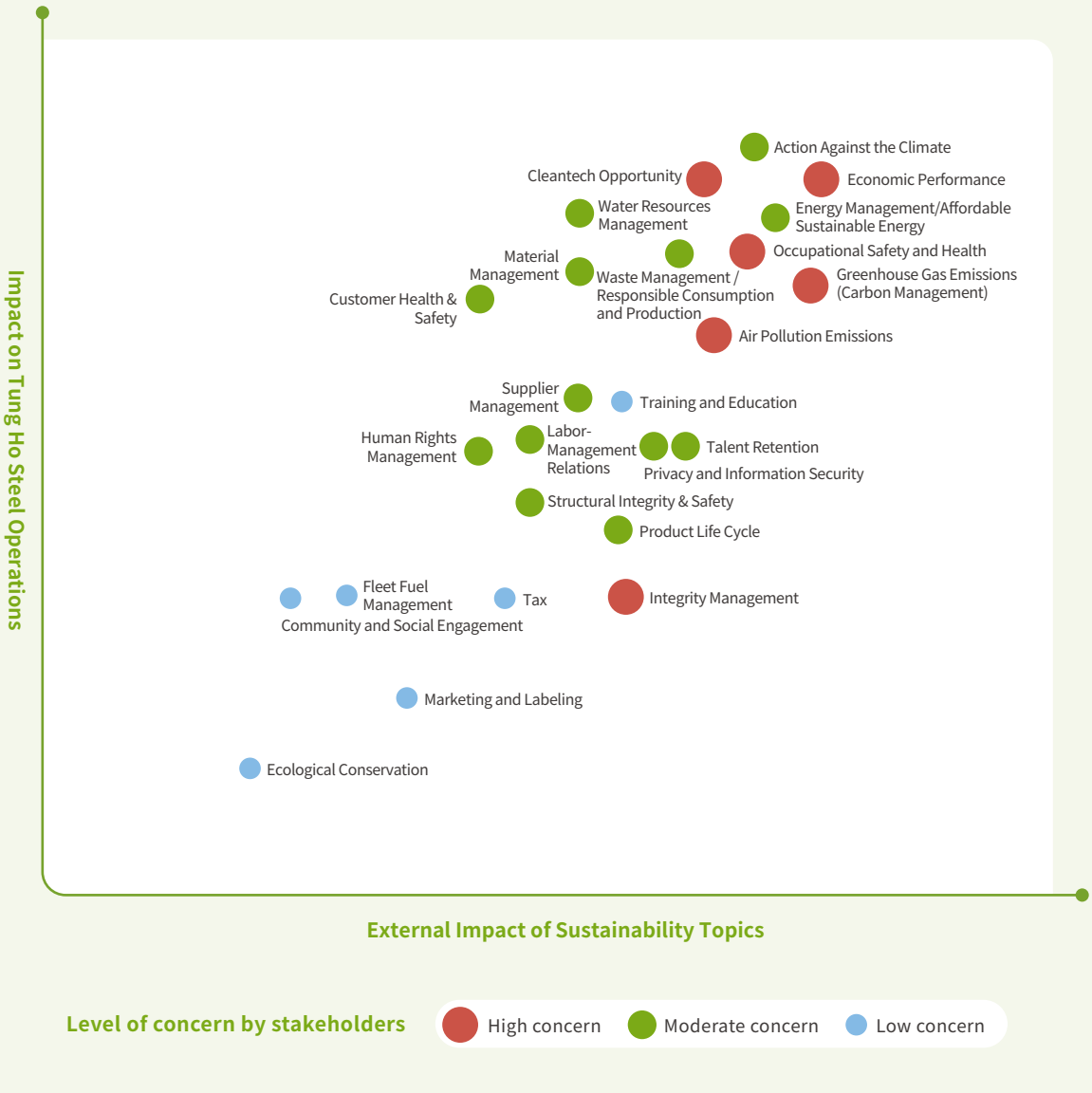
4 Determination of material topics

- The Company introduced a triple materiality assessment matrix in 2025 (the impact on external sustainability, the impact on the Company' s sustainable management, and the level of stakeholder concern). Based on the GRI Sector Standards, TWSE requirements, and the industry topics listed in the SASB, IFRS S1- General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, priority was given to possible material sustainability topics. After discussion and review with senior executives and department heads, a total of 17 material sustainability topics were determined, which were combined into 12 material sustainability topics as the priority reporting order of this Sustainability Report.

Level of impact of each sustainability topic on the environmental, economic and social aspects



Materiality Matrix of Internal and External Impact and Level of Concern of Sustainability Topics



Level of concern by stakeholders High concern · Moderate concern · Low concern

Material Sustainability Topics			Secondary Topics
1 Action Against the Climate*	7 Occupational Safety and Health*	13 Labor-Management Relations*	18 Community and Social Engagement
2 Waste Management / Responsible Consumption and Production*	8 Economic Performance*	14 Air Pollution Emissions*	19 Tax
3 Water Resources Management*	9 Material Management*	15 Privacy and Information Security*	20 Integrity Management
4 Energy Management/Affordable Sustainable Energy*	10 Customer Health & Safety*	16 Talent Retention*	21 Marketing and Labeling
5 Greenhouse Gas Emissions(Carbon Management)*	11 Supplier Management*	17 Product Life Cycle*	22 Human Rights Management
6 Cleantech Opportunity*	12 Training and Education*		23 Ecological Conservation

Note:
1. * indicates a material sustainability topic.
2. Compared with the previous year, "Product Life Cycle" is added as a sustainability topic.

List of Material Sustainability Topics

Aspect	Management Approach	Corresponding Material Sustainability Topic	GRI standards and other corresponding sustainability topics	Significance of the material sustainability topics to the organization	Corresponding chapter	The degree of impact involvement
Economic Aspect	1. Stable Operation	Economic Performance	【GRI 201-1、201-4】Economic Performance	The foundation for corporate operations is to increase profitability and to be able to create long-term and stable sustainable performance.	2-3 Risk Management 3-1 Operating Status	● Cause
	2. Cleantech Opportunity	Cleantech Opportunity	Customized topic- Cleantech Opportunity	In response to the international trend and national goal of Net Zero emissions by 2050, we actively develop clean technology such as renewable energy, carbon capture and maintain competitiveness.	3-2 Management of and Strategies for Climate Change Risks and Opportunities	● Cause ▲ Directly related
	3. Information Security	Privacy and Information Security	【GRI 418】Customer Privacy Customized topic- Privacy and Information Security	To ensure the confidentiality, integrity, availability, and legality of information for uninterrupted operation.	2-3 Risk Management Customer Privacy	● Cause
Environmental Aspect	4. Action Against the Climate	Action Against the Climate Energy Management/ Affordable Sustainable Energy Greenhouse Gas Emissions (Carbon Management) Product life cycle	【GRI 201-2】Financial implications and other risks and opportunities due to climate change 【GRI 302】Energy 【GRI 305】Greenhouse Gas Emissions(Carbon Management) 【SASB】Energy Management 【SASB】Greenhouse Gas Emissions 【SASB】Life cycle impacts of buildings and infrastructure Sustainability Reporting Indicators- Steel Industry (1) (2) 【SDGs 7】Affordable Energy 【SDGs 13】Climate Action	Appropriate energy management and climate change strategies can reduce operating costs and risks.	2-3 Risk Management 3-2 Management of and Strategies for Climate Change Risks and Opportunities Broadening sources and reducing consumption GHG Inventory Green Process	● Cause ▲ Directly related
	5. Materials Circular Economy	Raw Materials Management Waste Management / Responsible Consumption and Production	【GRI 301】Materials 【GRI 306】Waste 【GRI G4】Material Management 【SASB】Waste Management Sustainability Reporting Indicators- Steel Industry (4) 【SDGs 12】Responsible Consumption and Production	Implementation of circular economy through the use and management system of raw materials to maximize resources efficiency and minimize environmental impacts to enhance economic value and step toward sustainable development.	Introduction of Value Chain Waste Treatment and Recycling	● Cause ▲ Directly related

Aspect	Management Approach	Corresponding Material Sustainability Topic	GRI standards and other corresponding sustainability topics	Significance of the material sustainability topics to the organization	Corresponding chapter	The degree of impact involvement
Environmental Aspect	6. Water Resources Management	Water Resources Management	【GRI 303】Water and Effluents 【SASB】Water Resources Management Sustainability Reporting Indicators- Steel Industry (3) 【SDGs 6】Clean Water and Sanitation	Effective water resources management can reduce operational risks and strengthen corporate competitiveness.	Water Resources Management	● Cause ▲ Directly related
	7. Air Emissions	Air Pollution Emissions	【GRI 305】Emissions 【SASB】Air Emissions	Effective management of air pollution control can reduce environmental impacts and also the operating costs and risks.	Emission Control	● Cause ▲ Directly related
Social Aspect	8. Enhancement of Product and Service Quality	Customer Health & Safety	【GRI 416】Customer Health & Safety	Providing stable and great product quality will help improve customer satisfaction and operational performance.	3-3 Product Quality Management	● Cause
	9. Supplier Management	Supplier Management	【GRI 308】Supplier Environmental Evaluation 【GRI 414】Supplier Social Assessment 【SASB】Supplier Management	To ensure the quality, cost, delivery and quality of service of its suppliers, the Company urges its suppliers to jointly implement environmental protection, climate change response and disclosure of information of labor rights and human rights to fulfill the social responsibility.	Supplier Management	● Cause ▲ Directly related
	10. Talent Retention	Talent Retention Labor-Management Relations	【GRI 201-3】Defined Benefit Plan Obligations and Other Retirement Plans 【GRI 202】Market Presence 【GRI 401】Employment 【GRI 402】Labor-Management Relations 【GRI 405-2】Ratio of Remuneration between Women and Men	Good labor-management relations can facilitate employee communication and coordination to strengthen the cohesion among employees.	5-1 Manpower Structure with Equality 5-2 Labor-Management Relations	● Cause
	11. Talent Cultivation	Training and Education	【GRI 404】Training and Education	To stimulate the potentials of employees and enhance their professional capabilities, we provide diverse channels for learning resources to enable fit for work for all the employees to enrich the human resources of the company.	5-3 Career Development and Training	● Cause
	12. Safe and Healthy Workplace	Occupational Safety and Health	【GRI 403】Occupational Safety and Health 【SASB】Workforce Health and Safety Sustainability Reporting Indicators- Steel Industry (5)	Employees are important assets to the company, and the safety of the working environment should be ensured to avoid potential costs and risks caused by occupational accidents.	5-4 Occupational Health and Safety	● Cause

Note: The degree of involvement in an event of a negative impact: ● cause, ○ contributing, ▲ directly related.

1-4 Response to Material Management Approaches

Tung Ho Steel has established policies and objectives, assessment mechanism, performance and adjustments for 12 material management approaches to allow the Company to possess its competitive advantage in the ever-changing business environment. The corresponding management actions to these topics taken are detailed as follows.

Major Economic Management Approaches | 1 Stable Operation	
Corresponding Material Sustainability Topic	● Economic Performance
Management Unit	President Office
Purpose of management	To strengthen our competitiveness, improve performance and create value for our shareholders.
Policies / Commitments	● To continue the improvement of technical capabilities, enhancement of management efficiency, reduction in production costs, close cooperation among production, sales and purchase to enhance the competitive advantage in the domestic market. ● Actively expand new foreign markets and new customers and research and develop new steel products and applications. ● Actively promote environmental protection and GHG emission reduction in response to net zero emissions by 2050.
Description of Benefits/ Impacts	Benefits: The Company continues to improve its technical capabilities and actively promotes energy conservation, carbon reduction, and equipment improvement to effectively control costs to maintain its overall operating performance. In addition, the balance between sales, procurement, and production can be managed to maintain stable profitability amid unfavorable economic conditions and price fluctuations. Impact: In 2025, construction demands became more conservative due to adjustments in Taiwan' s real estate policies. In addition, the market also faced challenges such as fluctuations in international steel prices, competition from imported steel, changes in raw material and energy costs, and uncertainties in the global economic situation, which intensified competitive pressures in the market, adversely affecting overall business operations.
Recovery mechanism/ Measures	Senior managers have weekly discussions on the market and product & sales conditions, hold monthly management meetings to review the performance and set targets, and report to the board of directors the latest business performance. The board of directors conducts supervision and guidance to achieve the performance targets.
Goals for 2025	Stable growth and profitability.
Specific Actions in 2025	● The high-level management regularly discuss the operating situations and make decisions. ● The Company has a task force for business analysis and develops an information system to cooperate with management. ● Technical units for research and development of new products and technologies, reduce costs and increase production performance. ● Invest in green energy industries, including wind power generation, biogas power generation, waste recycling and so on.
Performance Outcomes in 2025	● The EPS was NTD 6.47. ● The cash dividend was NTD 4.3.
Short-/Medium-/Long-term Goals	To create long-term and sustainable value for shareholders.
Evaluation mechanism	● Prepare annual budgets and conduct tracking and reviews of goals through monthly meetings and take necessary measures. ● Grasp real-time economic trends and have close cooperation among production, sales and purchase for integrated operation. ● Continue to actively strive for improvement of technical capabilities and management efficiency and reduction of production costs, and explore new foreign markets and new customers to enhance our competitive advantage in both domestic and foreign markets. ● Engage in R&D of new steel products and new applications to explore business opportunities.
Corresponding chapters	● 2-3 Risk Management ● 3-1 Operating Status

Major Economic Management Approaches | 2 Cleantech Opportunity

Corresponding Material Sustainability Topic	● Cleantech Opportunity
Management Unit	R&D Technologies Division, Tung Kang Wind Power Corp.
Purpose of management	The Company continues to monitor technological developments to ensure alignment with its clean technology advancement strategy and achievement of renewable energy usage targets.
Policies / Commitments	Actively develop renewable energy, and continue to pay attention to the technical development and practical application trends in the steel industry.
Description of Benefits/ Impacts	**Benefits:** Promoting renewable energy and investing in clean technology research help improve energy independence, that can disperse the risk of electricity price increase, and thereby reducing long-term electricity costs. The initial investment in clean technology can respond to carbon fees and related regulations in advance, thereby mitigating the impact of climate policies. **Impact:** The application of renewable energy and clean technologies remains uncertain, which may cause research costs to increase, making it difficult to accurately forecast the timeline for the introduction of clean technology.
Goals for 2025	Continue to procure renewable energy, and Tung Kang Wind Power will install power generation equipment on the rooftops of all our works.
Specific Actions in 2025	● Visited overseas combustion technology and equipment manufacturers to observe hydrogen-mixed combustion tests and hydrogen cutting applications, serving as a reference for evaluating process carbon reduction and low-carbon transition. ● A demonstration project for Carbon Capture and Utilization (CCU) technology was planned to reduce natural gas use and promote carbon reduction and resource recycling.
Performance Outcomes in 2025	● In 2025, the proportion of renewable energy in total electricity consumption increased from 3.08% to 18.46%. ● To achieve energy conservation and carbon reduction, Miaoli Works purchased an oxy-fuel burner for steel ladle preheater and an oxygen-enriched burner for rolling mill heating furnace in 2025, and the installation will be completed in 2026.
Short-/Medium-/Long-term Goals	● Tung Kang Wind Power plans to add the installation of 7MW solar power generation equipment at Tung Ho Steel' s Taoyuan Fabrication Center and Kaohsiung Works-Daye, which is expected to be put into use in 2027-2028. ● The Company has invested in the "Taiwan Smart Electricity & Energy Co., Ltd." (TSEE) led by MOEA, and signed a Corporate Power Purchase Agreement (CPPA) to plan for long-term procurement of green electricity and ensure the stability of renewable energy supply. ● By 2030, 30% of total electricity consumption will come from renewable energy sources. ● Preliminary Research on Carbon Capture Technology: **Short-term:** In 2026, we will continuously monitor domestic and international trends in carbon capture and utilization technologies, and track the progress of carbon capture and storage (CCS) project sites in Taiwan. **Medium-term:** In 2028, Miaoli Works will set up a carbon capture and electrolysis CO_2 reutilization pilot project, with an estimated capital expenditure of NT$ 10 million.
Evaluation mechanism	● During the installation of the solar PV system, bi-weekly meeting was convened for the review of the project progress to supervise solar power manufacturers to implement the project progress in accordance with the contract. ● Report the progress of the Environmental Sustainability Group to the Sustainable Development Committee on a yearly basis, track and review the goal attainment status and take necessary management measures.
Corresponding chapters	● 3-2 Management of and Strategies for Climate Change Risks and Opportunities

Major Economic Management Approaches | 3 Information Security

Corresponding Material Sustainability Topic	● Privacy and Information Security
Management Unit	Information Technology Division
Purpose of management	To ensure the information security related operations are properly managed.
Policies / Commitments	The information security policy: "Information security is everyone's responsibility and zero information security incidents companywide." 1. Information will be protected to prevent unauthorized access to information. 2. The confidentiality of information will be protected. 3. The integrity of the information will be maintained. 4. Availability of information will be ensured. 5. Meet the requirements of competent authorities and national laws. 6. Provide information security training for employees of the Company. 7. The goal of information security is to ensure sustainable operation, reduce hazards, and prevent the occurrence of information security incidents.
Description of Benefits/ Impacts	Benefits: Enhance our response capabilities to cybersecurity incidents, reduce the risk of data leakage and cyberattacks, and ensure the security of corporate information and assets by establishing information security policies and management systems. Impact: Cybersecurity incidents, such as ransomware attacks, may lead to severe consequences including system disruption and data leaks, potentially resulting in reputational and financial losses.
Recovery mechanism/ Measures	Handle in accordance with the Company's Information Security Incident Management Measures.
Goals for 2025	● To upgrade the ISO / IEC 27001 Information Security Management System from the 2013 version to the 2022 version. ● Strengthen network architecture, increase defense-in-depth, and continue phasing out outdated operating systems. ● Carry out an internal self-inspection of information security at least once a year, and accept an external audit by an impartial third-party organization to ensure the effective implementation of the information security management system.
Specific Actions in 2025	● Endpoint and System Protection: Continuously inventory and replace systems and devices that have reached the end-of-life (EOS) stage, while continuously optimizing firewall, email security, and endpoint detection and response (EDR) protection mechanisms. ● Vulnerability Scanning and Patching: Regularly carry out vulnerability scans and vulnerability checks, and for items assessed as high risk or above, plan and implement improvement measures according to the respective risk levels. ● Operational Continuity Management and Disaster Recovery Drills: Conduct test drills of the Business Continuity Plan (BCP) or the emergency response plan for cybersecurity incidents. ● Introduce the Multi-Factor Authentication (MFA) Mechanism: Introduce a multi-factor authentication (MFA) mechanism on VPN remote connections to strengthen identity authentication security by adding a second authentication factor to the account and password. ● The Secure Development Lifecycle (Secure SDLC) is implemented in newly built and significantly redesigned application systems, combining code security analysis and risk classification and control to reduce high-risk security vulnerabilities during the development phase.
Performance Outcomes in 2025	● Information Security Education and Training: Planned and provided seven information security training videos, and made available on the company learning platform, allowing employees to choose at least four courses based on their actual needs. ● Email Social Engineering Drill: A company-wide email social engineering drill was conducted, with a total of 1,109 employees participating. For employees who had previously opened phishing emails, enhanced social engineering email security training was provided. ● Professional training and skills enhancement: Relevant personnel were arranged to participate in external professional training courses, with a total of 9 participants and 139 hours. ● There were no complaints concerning infringement of customer privacy or loss of customer information. ● The ISO/IEC 27001/CNS 27001 Information Security Management System (ISMS) completed the transition to ISO/IEC 27001:2022 in July 2025. ● Introduced a Managed Detection and Response (MDR) system to monitor critical hosts and user behavior in real time, enhancing the ability to detect and respond to potential cybersecurity threats immediately. ● Continue to improve system vulnerabilities and meet TSMC's information security and vulnerability patching requirements for supply chain vendors in 2025.
Short-/Medium-/Long-term Goals	Short-term: Carry out ISO/IEC 27001 information security management system certification renewal to ensure the continued validity of the ISO 27001 certificate. Medium-term: Strengthen the resilience of information system. Long-term: Zero information security incidents.
Evaluation mechanism	● The internal and external information security audits are carried out by the Audit Office and the audit accounting firm. ● The inspection is conducted in accordance with the procedure, which include the implementation of the firewalls of all factories and the data analysis of the annual statistics of the antivirus software, including user traffic, types and times of restricted website visits, types and times of threats or virus attacks and so on, and is handled in accordance with the relevant regulations of cyber security management operations.
Corresponding chapters	● 2-3 Risk Management ● Customer Privacy

Material Sustainability Topics in Environmental Aspect | 4 Action Against the Climate

Corresponding Material Sustainability Topic	● Action Against the Climate ● Energy/Affordable Energy ● Greenhouse Gas Emissions(Carbon Management) ● Product Life Cycle	SDGs Goals	
Management Unit	All Works, R&D Technology Department, Tung Kang Wind Power Corp.		
Purpose of management	To effectively manage the Company's climate change response actions so as to reduce emissions for lower production costs and enhance product competitivity to avoid possible operational risks in the future for sustainable management and enhanced corporate competitivity.		
Policies / Commitments	The Company has included climate change into the major topic in sustainable development. To align with the nation's overall GHG reduction strategy, a 1.5oC low-carbon transition project and carbon reduction roadmap have been developed, and new areas such as wind power, photovoltaics, hydrogen energy, and carbon capture and utilization have been actively invested.		
Description of Benefits/Impacts	**Benefits:** Early planning of decarbonization pathways and deployment of renewable energy help reduce the impact of climate-related regulations on operations and respond to customers' demands for low-carbon products and green supply chains, thereby enhancing the market competitiveness and turning it into financial opportunities for future operations. **Impact:** There were no events with major negative impacts in 2025. However, the carbon trading, carbon tax or carbon fee collection implemented by various countries may cause the rising costs for steel industry and its downstream sectors, impacting the company's profitability.		
Recovery mechanism/ Measures	In response to the Ministry of Environment's plan to gradually increase carbon fees in the future, each plant has set up its own reduction plan to mitigate the impact of carbon fees on the Company. In addition, to cope with the Renewable Energy Development Act, solar power generation equipment will be installed to offset the regulatory-related compensation costs and reduce electricity expenses to generate cost-saving benefits for the Company.		
Goals for 2025	● Use low-carbon materials, the Company no longer purchase pig iron as the raw material for electric arc furnace steelmaking. ● To increase the use of renewable energy.		
Specific Actions in 2025	● Established a voluntary reduction plan working group, and total of 10 discussion meetings were held, resulting in the preliminary planning of 53 reduction measures, and submitted a voluntary emission reduction plan. ● Established an energy conservation and carbon reduction database for relevant units and specialists to refer to energy conservation and carbon reduction technologies and cases in international literature for research. In addition, important documents and the latest international journals were also discussed through internal reading groups, with 11 reading groups sessions being held in 2025. ● Closely monitored global climate change trends and international response directions, and continuously update the 2050 carbon reduction roadmap. ● Invested in energy-efficient hardware facilities in accordance with the Company's Appropriation and Use of Special Surplus Reserve in Response to Climate Change Adaptation and Mitigation. ● During the peak demand for electricity in summer, we actively cooperate by shifting to off-peak power consumption period for our power consumption to maintain the balance between people's livelihood and industrial power consumption. In addition, we also promote improvement of energy conservation of equipment to reduce energy consumption and reach the goal of reducing electricity consumption every year. ● Continue to promote ISO 50001 Energy Management System, ISO 14064-1 GHG Inventory, and ISO 14067 Product Carbon Footprint Verification. ● Actively evaluated various advanced energy-efficient equipment and technologies, and engaged in exchanges and negotiations with more than 10 major international electric furnace equipment suppliers and foreign steel industry peers as a reference for process improvement.		

Material Sustainability Topics in Environmental Aspect | 4 Action Against the Climate

Performance Outcomes in 2025	● Tung Ho Steel' s 2025 CDP Climate Change Questionnaire was ranked the Leadership Level (A-). ● In 2025, the proportion of renewable energy in total electricity consumption increased from 3.08% to 18.46%. ● Honored with the 2025 Net-Zero Industry Competitiveness Excellence Award. ● Honored with "2025 Carbon Competitiveness Top 100" Enterprise- 1st Place in Steel Sector. ● Pig iron has not been purchased as a primary raw material since 2023. ● All products have received the Environmental Claim Validation Procedure (ECVP) for Recycled Content. ● Obtained the Environmental Product Declaration (EPD) certificate. ● Joined the Ministry of Environment' s "Green Growth Alliance"
Short-/Medium-/Long-term Goals	Short-term: ● Tung Kang Wind Power plans to add the installation of 7MW solar power generation equipment at Tung Ho Steel' s Taoyuan Fabrication Center and Kaohsiung Works-Daye. It is scheduled to begin the construction in 2026, with the facilities expected to be put into operation gradually between 2027 and 2028. ● Promote the partial upgrading of electric furnaces and the construction of automated equipment. Medium-term: ● Starting from 2027, not to use pig iron as raw material for electric arc furnace steelmaking. ● To utilize more efficient electric furnaces in production plants. ● Total carbon emissions will be reduced by 30% by 2030 compared to 2005. ● To achieve a designated reduction rate of 25.2% in the steel industry by 2030 in response to the carbon fee collection regulations. ● Regularly update the obtained product carbon footprint and EPD verification reports within the validity period of the verification reports. ● To conduct research and testing on the feasibility of replacing anhydrous coke powder in electric furnaces with biochar, and to seek a stable source of biochar for metallurgical applications. Long-term: ● Follow the national 2050 net-zero pathway by 2050.
Evaluation mechanism	Continue to update energy-saving and carbon-reduction technologies and information, regularly hold meetings to confirm the implementation status of various reduction measures, conduct rolling reviews and revise our voluntary reduction plans, and regularly report to the Sustainable Development Committee on climate change responses.
Corresponding chapters	● 2-3 Risk Management ● 3-2 Management of and Strategies for Climate Change Risks and Opportunities ● Reduce Expenses and Increase Revenue ● GHG Inventory ● Green Process

Material Sustainability Topics in Environmental Aspect | 5 Materials Circular Economy

Corresponding Material Sustainability Topic	● Raw Material Management ● Waste Management / Responsible Consumption and Production	SDGs Goals	
Management Unit	Steel Making Department and Labor Safety Center of each Works		
Purpose of management	To meet the government and public' s environmental protection requirements of the industrial waste generated by the Iron and Steel Industry and to catch up with the international trends of environmental protection, shaping a good corporate image while at the same time maximizing the efficiency of resource use.		
Policies / Commitments	● To increase the domestic purchase amount of scrap steel and increase the recycling rate of in the steel-making process. ● Comply with relevant laws and regulations of both central and local government as well as the operating standards the Company has established. Maintain the environmental management system and continuously improve pollution to achieve environmental improvement performance. ● The waste is fully recycled to create the niche for the creation of a circular economy. At the same time, we continue to enhance the value of resource recycling and reuse, improve environmental quality, and fulfill our corporate responsibility for social and environmental protection through specific actions.		
Description of Benefits/Impacts	Benefits: Actively promote resource recycling, including treating waste in a full resource recovery method, increasing the recycling rate of steelmaking processes, and investing in waste resource recovery businesses, etc., to improve resource utilization efficiency and reduce negative environmental impacts. Impact: No incidents with major negative impact occurred in 2025. However, environmental protection regulations will become increasingly stringent. In addition to the increase in waste disposal costs, there is also the risk of fines and suspension of operations due to improper waste disposal.		
Recovery mechanism/ Measures	● When the employees or related groups outside the factories have opinions or disputes on the environmental issues, communication should be conducted, and the opinions of the related groups should be accepted and responded to in accordance with the Communication, Participation, and Consultation Management Regulations. ● Waste generated in the factory areas shall be handled in accordance with the Operating Standards for Waste Management for effective management and disposal. ● Environmental emergency shall be conducted in accordance with the Regulations on Emergency Preparedness and Contingency Response. The responsible unit shall notify relevant supervisor and local competent authority in a timely manner as prescribed by law.		
Goals for 2025	● All products to receive the Environmental Claim Validation Procedure (ECVP) for Recycled Content. ● To continuously promote ISO 9001 and ISO 14001 and increase the proportion of resource utilization.		
Specific Actions in 2025	● Fine crushing workshop increase the recovery rate of steel making. ● Expenses on industrial waste disposal reached approximately NTD 250 million in 2025. ● The oxide ballast is processed by the recycling organization to continue to be used as raw materials in relevant units.		
Performance Outcomes in 2025	● The total waste treatment volume in 2025 amounted to 327,845.6 metric tons, and the Company' s waste recycling (recycle for reuse) ratio reached 98.28%. ● The ratio of recycled scraps for rebar was 1.67% and for section steel was 4.99%. ● 98% of the main raw materials were recyclable. ● All products have received the Environmental Claim Validation Procedure (ECVP) for Recycled Content, and all certification results were RC94. ● Taoyuan Works was honored with the 8th Outstanding Resource Circulation Enterprise Awards- Gold Award for Resource Circulation. ● Taoyuan Works was honored with the 2025 Excellent Award for Third-Party Verification of Electric Arc Furnace Slag Management.		
Short-/Medium-/ Long-term Goals	● To align with the electric furnace transformation, the Miaoli Works will adopt the air granulation process for oxidized slag and in-furnace recycling process for reduced slag. For the medium-term goal, the air granulation of oxidized slag is 40%, and the in-furnace recycling rate of reduced slag is 80% by 2030; and 70% and 90% respectively by 2035. ● To reach the goals of circular economy and reuse of resources and at the same time extend the value chain to create the value of resources reuse. ● Industrial waste such as fly ash, oxidized ballast, and reduced oxide are recycled to achieve the goal of circular economy with zero waste, zero pollution and making the best use of everything. ● To refine and recycle the heavy metal zinc oxide contained in the fly ash. ● To purchase scrap steel in accordance with the monthly production plan.		
Evaluation mechanism	● Relevant responsible units establish relevant standards for steel scrap acceptance, waste treatment and electric furnace operation in accordance with ISO 9001 and ISO 14001 management systems, and the monthly performance tracking and target review are conducted. Grasp the domestic and foreign markets for steel scraps effectively and improve the recovery rate of the steelmaking process. ● Relevant units continue to propose improved management plans in PDCA model in accordance with the ISO 14001 environmental management system on a regular basis. ● Report the achievement status and evaluation level of the implementation performance in the annual management review committee meeting for necessary review and adjustment.		
Corresponding chapters	● Introduction of Value Chain ● Waste Treatment and Recycling		

Material Sustainability Topics in Environmental Aspect | 6 Water Resources Management

Corresponding Material Sustainability Topic	● Water Resources Management	SDGs Goals	
Management Unit	Factory Operation Department of all Works		
Purpose of management	To effectively manage the water intensity and regulatory risks concerning Water Act.		
Policies / Commitments	To conform to the committed value in the Water Usage Plan and strengthen the recycling rate of water resources.		
Description of Benefits/Impacts	**Benefits:** Each plant has established a zero-discharge water policy and strengthened water resource recycling, including the installation of water storage tanks, cooling water recycling systems and rainwater recycling systems, effectively improving the efficiency of water resource recycling and reuse. **Impact:** No incidents with major negative impact occurred in 2025. Water resources are cooling resources for the steelmaking process. Water supply disruptions caused by droughts may lead to plant shutdowns, affecting production and sales plans.		
Recovery mechanism/ Measures	In the event that the reservoir is short of water, the government will implement water rationing measures. The Company will cooperate with the policy for water conservation and uses water trucks to carry reclaimed water or other water sources to supplement water required for the production process and reduce production in response to water shortages.		
Goals for 2025	● Taoyuan Works to reduce its annual tap water consumption by 50,000 tons in accordance with the ISO 46001 water resource efficiency management system. ● Taoyuan and Miaoli Works to obtain ISO 46001 Water Resource Efficiency Management System certifications.		
Specific Actions in 2025	● Zero discharge of wastewater from Taoyuan Works. ● Taoyuan Fabrication Center met the water recovery commitment value in the water use plan. ● A new domestic sewage and rainwater collection system is planned to be installed to enhance water management in Kaohsiung Works - Jiaxing. ● The wastewater treatment costs amounted to approximately NTD 13.80 million. ● Miaoli Works improved the direct cooling water leakage of No. 1 continuous casting machine.		
Performance Outcomes in 2025	● The 2025 CDP Water Security Questionnaire was ranked Management Level (B) for water management. ● Taoyuan and Miaoli Works have obtained ISO 46001 Water Resource Efficiency Management System certifications. ● Taoyuan Works comply with the committed recycle value of water and cooling water in the Water Usage Plan. ● The effluents are 100% compliant with the legal discharge standards. ● The water recovery rate reached 99% in Taoyuan Works. ● Taoyuan Works reduced its tap water consumption by 30,000 tons from June to December, in line with the ISO 46001 action plan. ● The amount of discharged water at Miaoli Works was reduced by 29 % compared with the 2023 baseline year. ● Kaohsiung Works- Jiaxing completed an indirect cooling water recycling system, which is expected to reduce water intake by 11.6%.		
Short-/Medium-/Long-term Goals	**Short-term:** ● Reduce the amount of effluent at the Kaohsiung Works – Jiaxing by 20% and introduce the ISO 46001 Water Efficiency Management System. **Medium-term:** ● To reach zero water discharge in our facilities in Taoyuan, Miaoli, and Kaohsiung Works – Jiaxing, and introduce the ISO 14046 Water Footprint — Principles, Requirements and Guidelines. ● To increase rainwater recycling rate by 15% in Taoyuan facility and 10% in our other facilities. ● To reduce water withdrawal intensity by 5% in each facility from 2027 to 2030.		
Evaluation mechanism	A dedicated unit is established in accordance with regulation, responsible for the system management and regular reporting work. Management and control are strengthened to increase the reuse rate of water resources.		
Corresponding chapters	● Water Resources		

Material Sustainability Topics in Environmental Aspect | 7 Air Emissions

Corresponding Material Sustainability Topic	● Air Pollution Emissions
Management Unit	All Works
Purpose of management	Effective manage the air pollutant emissions from the production bases to meet the emission standards.
Policies / Commitments	● The spirit of paying attention to pollution sources and prevention of pollution for effective management and control of exhaust. ● Meet the relevant laws and regulations stipulated by the central and local governments and the operating standards formulated by the Company. ● Establish an environmental management system to continue the improvement of pollution to achieve environmental performance improvement.
Description of Benefits/Impacts	Benefits: Through the introduction of ISO 14001 environmental management system, process can be optimized to reduce air pollutant emissions and ensure compliance with applicable regulations, thereby reducing fuel costs and air pollution fees and improving environmental quality. Impact: No incidents with major negative impact occurred in 2025. Environmental protection regulations will become increasingly stringent in the future. In addition to the cost of air pollution fees, there may also be risks of fines for violations or even being ordered to suspend operations.
Recovery mechanism/ Measures	● If air pollution occurs due to emergencies or facility failure and affect the health of the personnel, emergency response is conducted in accordance with relevant regulations in the Operating Standards for Emergency Response to Air Pollution. ● Taoyuan Works conducts monitoring of the surrounding air dioxins on a quarterly basis, and the health risk assessments are conducted every five years based on the monitoring results. Miaoli Works conducts monitoring of the surrounding air quality. Kaohsiung Works-Jiaxing and Kaohsiung Works-Daye conducts regular emission testing for stationary air pollution sources on a yearly basis.
Goals for 2025	● No violation of relevant air pollution regulations.
Specific Actions in 2025	● Adopt the Best Available Control Technology (BACT) to effectively reduce the emission of particulate pollutants. ● Regularly update the filter bags of the bag-type dust collectors and maintain the control equipment to ensure the exhaust emissions are compliant with legal regulations.
Performance Outcomes in 2025	● The heating furnace combustion system of Kaohsiung Works-Daye was renovated, and low-sulfur fuel was replaced by natural gas to reduce pollutant emissions. ● The average monitoring values of emissions from the three works are in line with the air pollutant emission standards.
Short-/Medium-/Long-term Goals	Short-term goal: ● The average monitoring values of emissions are in line with the air pollutant emission standards, and there were no penalties for air pollution violations. Medium-term goal: ● The modification of the Miaoli Factory heating furnace can lower air pollution fees cost and fuel costs, and the heating furnace will be modified to oxy-enriched combustion technology to reduce both fuel consumption and carbon dioxide emissions. Compared with conventional air burners, this can lower the nitrogen oxide emissions. ● The average monitored emission values to comply with regional air pollution standards, without any violations or penalties related to air pollution. Long-term goal: ● The average monitoring values of emissions to be compliant with the local air pollution emission standards, without any penalties for air pollution violations.
Evaluation mechanism	The effectiveness of the emission management by PDCA is conducted every year in accordance with the ISO 14001 Internal Management Review Procedure.
Corresponding chapters	● Emission Control

Material Sustainability Topics in Social Aspect | 8 Enhancement of Product and Service Quality

Corresponding Material Sustainability Topic	● Customer Health & Safety
Management Unit	Factory Operation Department of all Works
Purpose of management	● To conduct strict control over production activities to provide safe and reliable building materials. ● Provide a full range of rebar processing services and integrate upstream and downstream operations of the rebar industry.
Policies / Commitments	● Establish a customer rights policy and adhere to the principles of "Quality First, Credit First and Customers First" to continuously improve product quality. The steel produced by Tung Ho Steel undergoes strict quality control through a radiation detection system to ensure that all products are 100% free of radiation pollution.
Description of Benefits/ Impacts	Benefits: Our company provides cut-to-length and post-processing services for steel bars, integrating upstream and downstream operation processes, meeting customers' all processing needs in one stop. It can not only reduce the number of times for material handling, freight costs and exhaust emissions generated by transportation, but also achieve GHG reduction. Impact: Failure to adjust the quality management system in response to changes in customer demand and industry trends may result in products that do not meet customer requirements, thereby affecting orders and increasing customer complaints.
Recovery mechanism/ Measures	Customer satisfaction surveys are conducted to improve service quality. Regulations for Handling Customer Complaints and customer grievance hotline and mailbox have been set up to ensure proper handling of delivery and product quality disputes. In addition, to safeguard the information security during the transaction process, there are also Regulations Governing Personal Information Data Security Maintenance and Management to ensure that customer rights are fully protected.
Goals for 2025	● All products have received the Environmental Claim Validation Procedure (ECVP) for Recycled Content, and all certification results were RC94. ● Kaohsiung Works-Daye to obtain product-related certification. Continue to maintain the validity of various licenses and improve the customer satisfaction.
Specific Actions in 2025	● Established a customer rights policy and a personal data protection policy. ● Ensure the appropriateness and effectiveness of the quality management system. ● Conduct an annual customer satisfaction survey.
Performance Outcomes in 2025	● Kaohsiung Works - Daye has obtained JIS MARK and KS product certifications, and established relevant operational standards and automated auxiliary systems. ● Kaohsiung Works - Daye has introduced an automated auxiliary system, a Robotic Bar Sampling and Measurement System, which can improve the stability of rebar appearance measurement and avoid measurement differences between different personnel. ● The products are 100% free of radioactive contamination. ● Scored 96.68 points in customer satisfaction among section steel customers and 93 points among rebar customers. ● The rebar products have passed 11 types of certification marks. Section and steel plate products have passed 20 types of certification marks.
Short-/Medium-/Long-term Goals	● To strive for the establishment of a complete quality management system and continue the implementation effectiveness of the system. ● To produce products conforming to relevant legal regulations and the customer requirements and make on time delivery as the customers require. ● Continue to respond to customer needs and industry trends, and timely adjust the compliance of the quality management system.
Evaluation mechanism	● Relevant departments have set up quality goals annually and put forward corresponding quality implementation plans in accordance with the annual goals. The implementation results of the plans are reviewed every 6 months, and the quality goals are reported and reviewed in the annual management review meeting（including the continuous applicability of the quality management system, quality policy and quality goals）. ● Analysis and review in aspects of "delivery satisfaction", "product satisfaction" and "service satisfaction" among the surveyed customers are made to improve service quality. ● According to the evaluation by customers, reviews on the needs of individual customers are carried out, and the tracking of the evaluation results is continued to check if there is still room for improvement in product quality and enhance customer satisfaction.
Corresponding chapters	● 3-3 Product Quality Management

Material Sustainability Topics in Social Aspect | 9 Supplier Management

Corresponding Material Sustainability Topic	● Supplier Management
Management Unit	Trading Department, Material Department of all Works
Purpose of management	To effectively manage the Company's requirements for supply quality and storage and transportation process of our suppliers. To ensure that the suppliers comply with the requirements in regard to output process, products and services and implement the response to environmental protection, climate change impact and labor right as well as information disclosure.
Policies / Commitments	To ensure the capabilities of suppliers in terms of supply quality, cost, delivery time, and service, and urge suppliers to jointly implement response to environmental protection, climate change impact and labor right as well as information disclosure to fulfil social responsibility. It is hoped that Tung Ho Steel can grow with its suppliers and establish a mutually beneficial, long, and stable supply chain.
Description of Benefits/ Impacts	Benefits: Supplier evaluation before purchasing helps reduce operational risks, ensure the stability and compliance of supply sources, and continuously require suppliers to sign Corporate Social Responsibility Commitment Statement, encouraging suppliers to pay attention to labor human rights, environmental protection, climate change and integrity management. Impact: No incident with major negative impact occurred in 2025. As consumers pay more attention to corporate social responsibility, the sustainable actions of suppliers will also indirectly affect the company's reputation. Non-compliant suppliers in the supply chain may affect product quality and delivery time, and thus affect the company's operations and commitments to customers.
Recovery mechanism/ Measures	● Suppliers can use the Company's public channels and methods such as the phone, email or physical visits to make complaints or respond to the Company's Material Department or Administration Division. ● When the quality of materials provided by suppliers is not good and improvements have not been made, the result of the regular evaluation will be determined as non-conformity. The qualification of such supplier shall be re-determined, which will also be noted in the supplier's basic information sheet, and the supply of such supplier will be suspended. ● For semi-finished products and auxiliary materials supplied by suppliers at home and abroad fail to pass the incoming material inspections for three times in a row, the Quality Management Section will fill out the "Incoming Material Quality Improvement Notice" and notify the Trading Department or the personnel in the Material Department, while such supplier will be notified to put forward the cause analysis and countermeasures for improvement within a time limit, and the effectiveness of the countermeasures proposed will be tracked.
Goals for 2025	Acquire appropriate quality and quantity of raw materials and services, and engage suppliers in joint carbon reduction activities.
Specific Actions in 2025	● Conduct supplier environmental safety assessment and supplier evaluation before making purchase, and plan the establishment of a supply chain management system. ● Continue to request suppliers to sign a Supplier Social Responsibility Commitment and the commitments include labor rights and human rights, environmental protection, emphasis on climate change mitigation and adaptation, integrity management and ethics. ● Adjust Supplier Management Regulations and incorporate the items of GHG Inventory and the supplier assessment for Modern Slavery Risk Prevention and Ethical Sourcing standards into the Supplier Evaluation. ● Obtained the Steel Sustainability Australia (SSA) Certification.
Performance Outcomes in 2025	● CDP Supplier Engagement Questionnaire received a Rating of A-. ● Obtained the Steel Sustainability Australia (SSA) Certification. ● Our domestic scrap steel providers all met the domestic scrap steel supplier evaluation standards. ● 60 secondary materials suppliers and 372 material suppliers all accepted the supplier evaluation, reaching a pass rate of 100%. ● A total of 982 suppliers have signed the Commitment of Supplier for Corporate Social Responsibility.
Short-/Medium-/Long-term Goals	Continuously review supplier evaluation standards, increase various sustainability indicators, and collaborate on carbon reduction.
Evaluation mechanism	● The screening criteria of suppliers include environmental regulation compliance, delivery quality, service, and social responsibility. ● To ensure effective operation of quality management system, regular evaluation of suppliers with transactions is made in conjunction with relevant units for other evaluation. Supplier qualifications are confirmed based on the evaluation results. ● If the supplier is rated as unqualified, reevaluation has to be conducted after improvement before the transaction. The transaction can be continued when the supplier is confirmed qualified.
Corresponding chapters	● Supplier Management

Material Sustainability Topics in Social Aspect | 10 Talent Retention

Corresponding Material Sustainability Topic	● Talent Retention ● Labor-Management Relations
Management Unit	Administration Division and All Works
Purpose of management	To establish harmonious labor-management relations to attract and retain good talents to maintain our competitive advantages through sooth and diverse communication channels.
Policies / Commitments	Construct a fair and safe working environment, harmonious labor-management relations and a complete system.
Description of Benefits/Impacts	Benefits: Continuous improvement of the employee welfare system will help retain outstanding talents, continue to accumulate industry knowledge, and maintain competitive advantages. Impact: Talent gaps and shortages of professional talents will affect the continuity and efficiency of business operations and increase the cost of training new employees.
Recovery mechanism/ Measures	Employees can submit their opinions or complaints to the unit head or the management unit in writing, email, orally or by telephone through the Regulations Governing Employee Grievance and Whistleblowing. The complaint will be investigated in accordance with the complaint processing procedures and disposal suggestions are drawn up and submitted to the president for approval. After the investigation results are approved, the complainant will be replied with a complaint reply letter. The complainant can appeal again if there are any doubts.
Goals for 2025	Continue to improve the salary and benefits system, create a good working environment, and maintain the health and safety of employees.
Specific Actions in 2025	● Gradually implement the zero-payment policy for foreign workers. The Company fully covered the monthly service fees payable by foreign workers to the employment agency. ● Organize diversified education and training and welfare measures for employees. ● Implement rolling updates to work rules, internal rules and remuneration systems. ● Work in line with the revision of relevant regulations, check relevant forms and documents of the company and review the legality of all operating procedures.
Performance Outcomes in 2025	● The employment of employees is 100% compliant with the relevant provisions in the Labor Standards Act. ● The percentage of employees joining the union companywide reached 99.8% and more. ● The average salary increase is 3.29%. ● The total amount of the employee children's education grant for 2025 was NT$461,000.
Short-/Medium-/ Long-term Goals	● To provide a complete renumeration and welfare system and a good working environment to maintain the employees' health and safety. ● There are no major labor disputes.
Evaluation mechanism	● Through regular labor-management meetings, Occupational Safety Committee meetings, Welfare Committee meetings and enterprise unions, the employees can fully express their opinions for the establishment of smooth communication channels. ● Regularly review the renumeration system and welfare measures, and make adjustments in accordance with the revised labor laws and regulations.
Corresponding chapters	● 5-1 Manpower Structure with Equality ● 5-2 Labor-Management Relations

Material Sustainability Topics in Social Aspect | 11 Talent Cultivation

Corresponding Material Sustainability Topic	● Training and Education
Management Unit	Administration Division and All Works
Purpose of management	Improve the knowledge, technology and core functions of the employees to improve their work competence and competitive advantages.
Policies / Commitments	● Enrich human resources, provide employees with learning opportunities and proper job rotations to reach fit for work. ● Provide employees with planned training to meet their needs for self-growth and improve techniques and performance of business management.
Description of Benefits/Impacts	Benefits: Providing professional skills and knowledge training for employees and promoting exchanges among various facilities will help improve employees' professional capabilities and work efficiency, meet employees' self-growth needs, and maintain the company's competitive advantage. Impact: Employees' professional knowledge and skills may not be able to adjust with environmental changes, or it may be difficult for key professional skills and practical experience to be effectively passed on.
Recovery mechanism/ Measures	The education and training measures are announced to all employees. Employees can submit opinions or complaints via telephone, email, and the company website.
Goals for 2025	● To enhance the employees' techniques and core functions through the education and training system to improve their work performance and organizational goals while reaching fit for work. ● To organize courses on workplace sexual harassment prevention (including various types of illegal infringements). ● To offer online information security courses to strengthen employees' awareness and response capabilities regarding cybersecurity risks.
Specific Actions in 2025	● Establish a human resources development system to organize internal and external training of the company. ● Convene the business management meeting every quarter to discuss the development strategies of the Company, the current financial conditions, and the global trends in the iron and steel industry. Every year, we organize business expansion management meeting every year and garner consensus through activities such as visits to related industries and keynote speeches.
Performance Outcomes in 2025	● In 2025, The total education and training hours reached 47,555 hours, and the average training hours was 22 hours per person. ● The course start rate for education and training reached 100% in all factories. ● Offered online information security courses, with 605 trainees for a total of 907.5 person-hours. ● To strengthen the awareness of supervisors at section chief level and above regarding workplace sexual harassment (including various forms of unlawful conduct) and to improve their understanding of related legal risks, the Company offered a "Workplace Unlawful Infringement and Sexual Harassment" training course, with 157 participants and a total of 471 person-hours. ● To strengthen supervisors' communication and coordination competencies, a training course on Performance Appraisal Interview and Communication Skills was offered, with 166 participants and a total of 498 person-hours.
Short-/Medium-/Long-term Goals	● To regularly organize promotion assessments and promote excellent talents. ● To enhance the employees' techniques and core functions through the education and training system to improve their work performance and organizational goals while reaching fit for work.
Evaluation mechanism	● The training needs of all departments are surveyed in the previous year, and the management unit will unify and integrate the information to establish education and training plans. ● Education and training is included in the department performance indicators in all factories, which is also included in the performance evaluation of section supervisors.
Corresponding chapters	● 5-3 Career Development and Training

Material Sustainability Topics in Social Aspect 12 Safe and Healthy Workplace

Corresponding Material Sustainability Topic	● Occupational Safety and Health
Management Unit	Administration Division, Labor Safety Centers in all Works
Purpose of management	To enhance workers' safety awareness and establish a working environment with occupational safety, health and comfort.
Policies / Commitments	● The "Friendly Workplace" in our Sustainable Development Policy: To establish a complete system and harmonious labor-management relations and create a friendly as well as safe working environment. ● Human Rights Policy and Workplace Diversity: To provide a safe and healthy working environment.
Description of Benefits/ Impacts	Benefits: Employees are important assets. We will ensure a safe working environment to avoid potential costs and risks caused by occupational accidents. Impact: No incident with major negative impact occurred in 2024. If the workplace environment is not properly managed, there may be risks of labor cost losses due to work-related injuries, fines for violations, or even being ordered to stop work.
Recovery mechanism/ Measures	● Each factory establishes relevant regulations for accident handling operation standards. ● In terms of the management mechanism for accidents, the statistics and causes analysis are carried out through the electronic information system and on-site investigation of the course of the incident. Remedial and improvement measures are taken based on the results of the investigation to prevent similar incidents from happening. The responsible unit should re-evaluate the risk assessment and make adjustment when necessary to establish a complete notification and investigation system.
Goals for 2025	No occurrence of major accidents.
Specific Actions in 2025	● Zero disaster is the indicator for the safety of all activities and units with excellent performance will be commended. ● The contractors/subcontractors make communication and coordination through the monthly Occupational Safety and Health Committee and coordination organization meetings. ● Occupational safety and health training courses have been organized and the contractors have been assisted with the promotion of safety and health management. ● Information Technology Division applies big data to control (manage) unsafe behavior or environment to improve on-site safety and health management. ● "Hydrofluoric acid" has been newly added to the workplace environmental monitoring items. ● Conduct annual employee health examinations that exceed regulatory requirements. ● Analysis of statistics and corrective measures of the occupational disasters in the previous month are reviewed. ● Starting in 2025, factory-to-factory inspections will be added (once a month, for a total of 8 times, excluding quarterly inspections), increasing the frequency of occupational safety and health inspections.
Performance Outcomes in 2025	● The average percentage of labor representatives participating in the Occupational Safety and Health Committee in 2025 was 40%, better than the one-third required. The contractors/subcontractors make communication and coordination through the monthly Occupational Safety and Health Committee and coordination organization meetings. ● Organized 35 sessions of emergency response and disaster prevention drills. ● In 2025, there were 1,848 people receiving general health checks and 1,785 people receiving special health checks. The costs of these health checkups amounted to NTD 4.04 million, an increase of 5.4% compared with 2024. ● Integrated employee health service was provided by professional physicians, serving 917 people, and the on-site health service expenses totaled approximately NT$2.26 million. ● There was no occurrence of occupational diseases among the company employees and workers from contractors. ● The Company' s investment in safety and health education and training was approximately NTD 2.25 million, with a total of 25,422 person-hours.
Short-/Medium-/Long-term Goals	Short-term goal: ● No occurrence of major accidents. ● To improve the working environment and occupational safety, 11 robotic arms are expected to be introduced by 2026. Medium-and long-term goal: ● Zero personnel disasters and prevention of occupational diseases.
Evaluation mechanism	● The dedicated unit regularly carries out the hazard identification, risk evaluation and control of the working environment and job hazards in accordance with ISO 45001, and the "safety and health improvement proposal system". The unacceptable medium and high-level risks are listed in the management plans to reduce the risk level and improvement is continuously made through internal audits and external verification so as to comply with laws and regulations and ensure the effectiveness of the management system. ● Convene monthly Occupational Safety and Health Committee meetings and require the subcontractors to attend the meetings to implement the promotion of safety and health management. All factories will set the goals of the following year based on the execution status of the safety goals in the previous year to improve equipment and prevent personnel injuries and the occurrence of major accidents. ● The Audit Office and the Labor Safety Centers in all factories will conduct joint cross-plant inspection every quarter and report to the president the deficiencies and corrective measures. ● In the company-wide target management meeting chaired by the president every month, analysis of statistics and corrective measures of the occupational disasters in the previous month are reviewed.
Corresponding chapters	● 5-4 Occupational Health and Safety

2 - 1 Corporate Governance
2 - 2 Integrity Management
2 - 3 Risk management

2 Integrity Management



2-1 Corporate Governance

Awarded Top 5% in the Corporate Governance Evaluation for Three Consecutive Years (2023-2025)

Taiwan Stock Exchange Corporation (TWSE) announced the results in the 12th (2025) TWSE Corporate Governance Evaluation. Tung Ho Steel was ranked in the top 5% of listed companies and top 10% of non-financial electronic companies with a market value of over NT$10 billion, the highest honor in the evaluation. This demonstrates the results of Tung Ho Steel's promotion of corporate governance.

In the future, the Company will continue to enhance its performance in Environmental (E), Social (S), and Governance (G) aspects and actively fulfill its sustainability responsibilities.

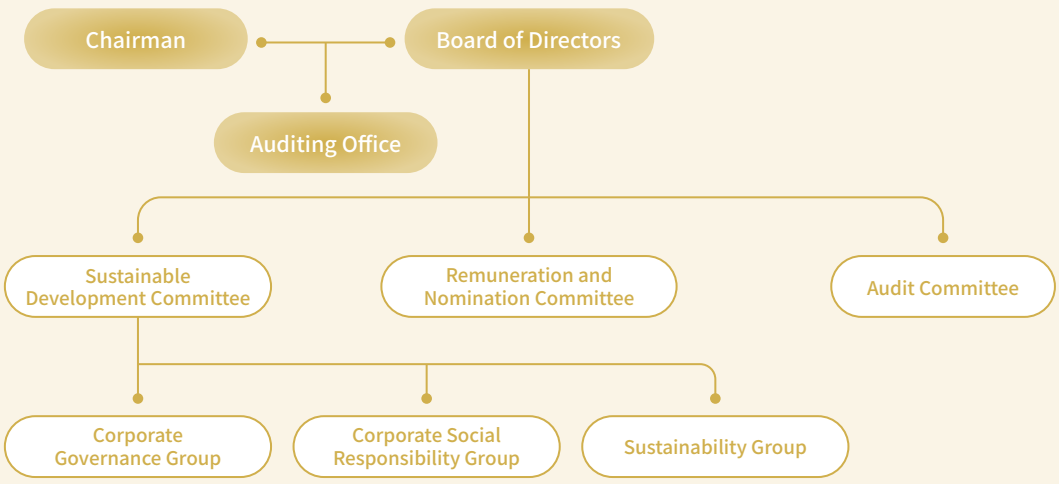


Governance Structure

The board of directors serves as the highest governance unit and the highest decision-making center of the Company. It should guide the Company's strategies, supervise the management level, and be responsible for the shareholders. The operations and arrangements of the Company's corporate system shall ensure that the board of directors exercise its functions and powers in accordance with laws, regulations, Articles of Incorporation, or resolutions of the shareholders' meetings.

The board of directors of the Company has set up functional committees as needed, Audit Committee, Remuneration and Nomination Committee, Sustainable Development Committee. To strengthen the functions of the board of directors, the Corporate Governance Officer was established.

Organizational Structure of Corporate Governance



Election of Board of Directors

The nomination and appointment process of board members

A candidate nomination system is adopted by the Company for the nomination and selection of members of the board of directors in accordance with the Articles of Incorporation, Guidelines Governing Election of Directors, and the board is in charge of developing planning based on the Company's operating style.

The Remuneration and Nomination Committee shall nominate director candidates after comprehensively considering the following matters:

1. Whether the director candidates have a diversified background covering the expertise, skills, experience, gender, etc. that are needed for corporate management.
2. Whether the experience, professional qualifications, independence, integrity of the nominee, any concurrent position the nominee may hold in another company, as well as whether the nominee meets the requirements for independent director set out in the Securities and Exchange Act and the Regulations Governing Appointment of Independent Directors and Compliance Matters as well as the provisions set forth by the TWSE.
3. Whether the qualifications of director candidates meet any of the conditions listed in Article 30 of the Company Act and it shall be handled in accordance with Article 192-1 of the Company Act.

In accordance with Article 21 of the Articles of Incorporation, the seats of directors shall be 7-13. The board of directors is authorized to determine the actual number of seats. Among them, there shall be no fewer than three independent directors, and shall not be reelected for more than three consecutive terms in order to maintain its independence. Independent directors and non-independent directors shall be nominated separately and elected at the same time, but the ballots will be tallied separately.

Board of Directors diversity policy

In accordance with the strengthened norms of the functions of the board of directors stipulated in Article 22 of Chapter 3 in Corporate Governance Best Practice Principles, diversity should be put into consideration in the composition of the board of directors, and an appropriate diversity policy should be set up based on its operation, operational model and development needs, including but not limited to the standards of the following two major aspects:

1 Basic conditions and values:

Basic conditions and values: Gender, age, nationality, culture, etc.

2 Professional knowledge and skills:

Professional background (such as law, accounting, industry, finance, marketing or technology), professional skills, and industry experience.

To achieve the ideal goal of corporate governance, the board of directors shall be equipped with the following knowledge, skills, and competence overall.

- (1) Ability to make operational judgments.
- (2) Ability to perform accounting and financial analysis.
- (3) Ability to conduct management administration.
- (4) Ability to conduct crisis management.
- (5) Knowledge of the industry.
- (6) An international market perspective.
- (7) Ability to lead.
- (8) Ability to make policy decisions.
- (9) Ability to conduct sustainability management.
- (10) Ability to conduct risk management.
- (11) Ability to conduct climate change management.

1

Strengthen the board structure and gender diversity At the Company's 2026 Annual General Shareholders' Meeting, all Directors were re-elected, with the addition of one Independent Director and one female Director to further enhance the Board's independence and diversity.

2

At least 2/3 of the board members shall be equipped with core competencies in operational judgment, business management, crisis response, and sustainability management.

Achieved

3

Independent directors shall not be re-elected for more than three terms.

Achieved

4

Directors concurrently serving as company executives shall account for less than one-third of the total board seats.

Achieved

The Composition and Operation of Board of Directors

● The Members and Operation of Board of Directors

The 25th Board of Directors is composed of 9 directors (including 1 female director and 3 independent directors), all of whom are Taiwan nationals. The term of office is from May 30, 2023 to May 29th, 2026 (a 3-year term). Among them, three are independent directors, each serving no more than three terms.

A board re-election was conducted at the 2026 Annual General Meeting (AGM). At the 21st meeting of the 25th term of board of directors on January, 2026, it was resolved that the 26th term of board would consist of 11 directors (including 4 independent directors). After taking the following factors into comprehensive consideration, the Remuneration and Nomination Committee completed its review and approval on February 10, 2026. The recommended nominees for director candidates were subsequently approved by the 22nd meeting of the 25th term of board of directors on February 26, 2026.

The Company's board members possess extensive experience and professional backgrounds, and have the professional knowledge, skills, and qualities required to perform their duties. In accordance with the relevant competencies that board members should possess as stipulated in the Company's "Corporate Governance Best Practice Principles" , at least 2/3 of the board members are equipped with the competence to execute the relevant business. The four core items the Company focuses on are operational judgement, management administration, crisis management and sustainability management.

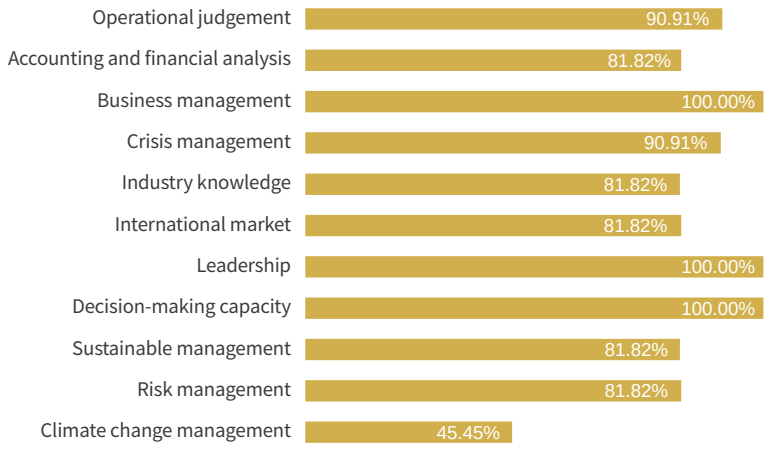
The board of directors convenes a meeting at least once a quarter. A total of seven board meetings were held in 2025. The average attendance rate of all directors was 98.41%, while that of directors at the shareholders' meeting was 100%. Please check our official website for the detailed operation information.

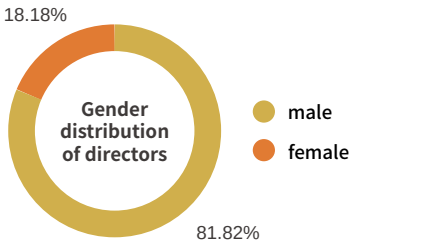
Members of the 25th Board of Directors										
Title		Chairman	Vice Chairman	Directors				Independent Directors		
Name		Henry C. T. Ho	George Y. S. Ho	Joshua P.H. Tung	Chih-Ming Huang	Pao-He Chen	Yen-Liang Ho	Der-Ming Lieu	Jih-Gang Liu	Chia-Wen Liu
Gender		male	male	male	male	male	male	male	male	female
Age of directors	70 years old and above							■	■	
	Above 60 years old but less than 70			■	■	■				
	Less than 60 years old	■	■				■			■
Term of office of independent directors								Third term	First term	First term
Core items	Operational judgement	■	■	■	■	■	■	■	■	
	Accounting and financial analysis	■		■	■	■	■	■		■
	Business management	■		■	■	■	■	■	■	■
	Crisis management	■		■	■	■	■	■	■	■
	Industry knowledge	■		■	■			■	■	
	International market	■	■	■	■		■	■	■	
	Leadership	■	■	■	■	■	■	■	■	■
	Decision-making capacity	■	■	■	■	■	■	■	■	■
	Sustainable management	■	■	■	■	■	■	■	■	■
	Risk management	■		■	■			■	■	■
	Climate change management	■						■	■	

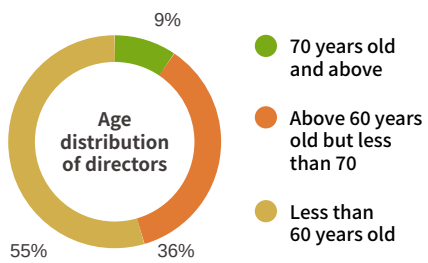
Members of the 26th Board of Directors

Title		Chairman	Vice Chairman	Directors					Independent Directors			
Name		Henry C. T. Ho	George Y. S. Ho	Arthur C. Lin	Bruce Guu	Chih-Ming Huang	Pao-He Chen	Yen-Liang Ho	Jih-Gang Liu	Chia-Wen Liu	Ming-Te Sun	Wen-Ling Ko
Gender		male	male	male	male	male	male	male	male	female	male	female
Age of directors	70 years old and above								■			
	Above 60 years old but less than 70			■	■	■	■					
	Less than 60 years old	■	■					■		■	■	■
Term of office of independent directors									Second term	Second term	First term	First term
Core items	Operational judgement	■	■	■	■	■	■	■	■		■	■
	Accounting and financial analysis	■		■	■	■	■	■		■	■	■
	Business management	■	■	■	■	■	■	■	■	■	■	■
	Crisis management	■		■	■	■	■	■	■	■	■	■
	Industry knowledge	■		■	■	■	■	■	■		■	■
	International market	■	■	■	■	■		■	■		■	■
	Leadership	■	■	■	■	■	■	■	■	■	■	■
	Decision-making capacity	■	■	■	■	■	■	■	■	■	■	■
	Sustainable management	■	■			■	■	■	■	■	■	■
	Risk management	■	■	■	■	■			■	■	■	■
	Climate change management	■				■	■		■			■

Attainment Rate







Note:
1. For the relevant professional backgrounds of board members and the expertise, skills, and competencies required for the performance of their duties, please refer to the Company' s website – Board of Directors.
2. No directors are under the age of 30 or aged 30-50.

Avoidance of Conflict of Interest

It is clearly prescribed in the Rules of Procedures for Board of Directors Meetings that when a director is an interested party with respect to any agenda item, the director shall evade himself/herself. When it is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director' s proxy to exercise voting rights on that matter. The directors of the Company uphold a high degree of self-discipline, and if the proposal involves their own interests, they all uphold the principle of avoidance of conflict of interest and evade themselves [Note].

Note: Please refer to pp.11-12 of the 2025 Annual Report of Shareholders' Meeting for detailed information concerning the positions of the Company's board members in other affiliated companies; please see p.16 of the 2025 Annual Report of Shareholders' Meeting for the status of the recusal of directors that were an interested party with respect to the agenda item(s) in 2025.

In accordance with the Corporate Governance 3.0 – Sustainable Development and as prescribed in Article 17 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. The Company has set up the Procedures of Financial and Business Operations between Related Parties, which was approved by the board of directors. The Company has established written procedures to govern financial and business transactions with related parties and shareholders. Any material transactions involving the purchase or sale of goods, or the acquisition or disposal of assets with specific related parties that have been approved by the board of directors, shall be reported at the most recent shareholders' meeting following the end of the fiscal year.

Further Study of Directors

To encourage directors to continuously enhance their knowledge, every year, the Company will arrange regular courses for directors, with the topics covering corporate governance, including but not limited to finance, risk management, business, commerce, legal affairs, accounting, corporate social responsibility, internal control system and financial reporting responsibilities. Hours of directors participating in the courses totaled 69 training hours, and the average training hours amounted to 7.7 hours per person in 2025. The training hours of all directors were 100% compliant with the regulations stipulated in the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies.

Note: Please refer to our official website for detailed information.

Performance Evaluation of Board of Directors

To implement corporate governance and enhance the functioning of the board of directors, the Company has set performance goal aimed at improving board efficiency. Tung Ho Steel has formulated the Rules for the Performance Evaluation of the Board of Directors, and an internal performance evaluation shall be carried out on a yearly basis. In addition, the evaluation of board of directors shall be conducted by an external professional independent institution or a team of external experts and scholars at least once every three years. The "self-evaluation questionnaire for the performance evaluation of the board of directors" is conducted by the Corporate Governance Senior Officer while the "self-evaluation questionnaire for the performance evaluation of board members" is conducted by the individual board members of this term.

In 2025, the unit implementing the external evaluation was Taiwan Corporate Governance Association. Neither the association nor the experts implementing the evaluation have business dealings with the Company and are with independence. This evaluation was conducted using a combination of questionnaires and on-site interviews. First, the Company conducted a self-assessment, and distributed anonymous questionnaires to all board members to gather information on each director's level of agreement with the 30 sub-topics across five key dimensions of board operational effectiveness: board composition and division of responsibilities, board guidance and supervision, board authorization and risk management, board communication and collaboration, and board self-discipline and improvement design. The evaluation committee also conducted a written review of the relevant documents provided by the Company. Subsequently, on September 9, 2025, the Association appointed four evaluation committee members to conduct an on-site evaluation and interview the company's chairman, all independent directors, the president, and the corporate governance officer. The evaluation results have been submitted to the 18th meeting of the 25th term of board of directors on October 28, 2025 for review.

The results of the 2025 internal performance evaluation for the board of directors were all "exceeding the standard", indicating that the directors had positive evaluation of the efficiency and effectiveness of the various indicators, the board fulfilled its responsibility to guide and supervise the Company's strategy, and the functional committees implemented pre-review mechanisms and provided constructive professional advice, effectively improving the board's decision-making quality and governance performance, meeting the requirements for corporate governance, and effectively fulfilling the board's functions and protecting shareholders' rights and interests. Specific performance indicators for the board's management and sustainable development are as follows.

Operating performance

In 2025, gross profit, operating profit and net profit before tax increased by 7.50%, 10.27% and 5.77% respectively compared with the previous year, and the return on equity also increased by 0.03%, with overall operating performance continuing to go up.

Sustainable development and net-zero strategy

Tung Ho Steel was honored with the 2025 Net-Zero Industry Competitiveness - Steel Industry Excellence Award. To achieve the goal of net-zero carbon emissions by 2050, we have proactively planned for renewable energy, outlined carbon reduction pathways, and set realistic phased targets for 2030—a 30% reduction in carbon emissions and RE30. We continue to implement sustainable policies, focusing on energy conservation and carbon reduction, and strive to maintain our leading position in the electric furnace industry with lower carbon emission intensity. We actively respond to the expectations of all stakeholders to ensure the sustainable development of the Company.

Corporate Governance Performance

In the 12th TWSE Corporate Governance Evaluation, Tung Ho Steel was ranked in the top 5% of listed companies and top 10% of non-financial electronic companies with a market value of over NT$10 billion, the highest honor in the evaluation. This demonstrates the results of Tung Ho Steel' s promotion of corporate governance.

The evaluation results were reviewed and approved by the 5th term Remuneration and Nomination Committee at its 12th meeting on February 24, 2026, and subsequently submitted, in accordance with applicable regulations, to the 25th term Board of Directors at its 22nd meeting on February 26, 2026, as a basis for review and improvement. The individual director performance evaluation results will serve as a reference for the nomination and reappointment of directors for the next term and for determining their individual remuneration.

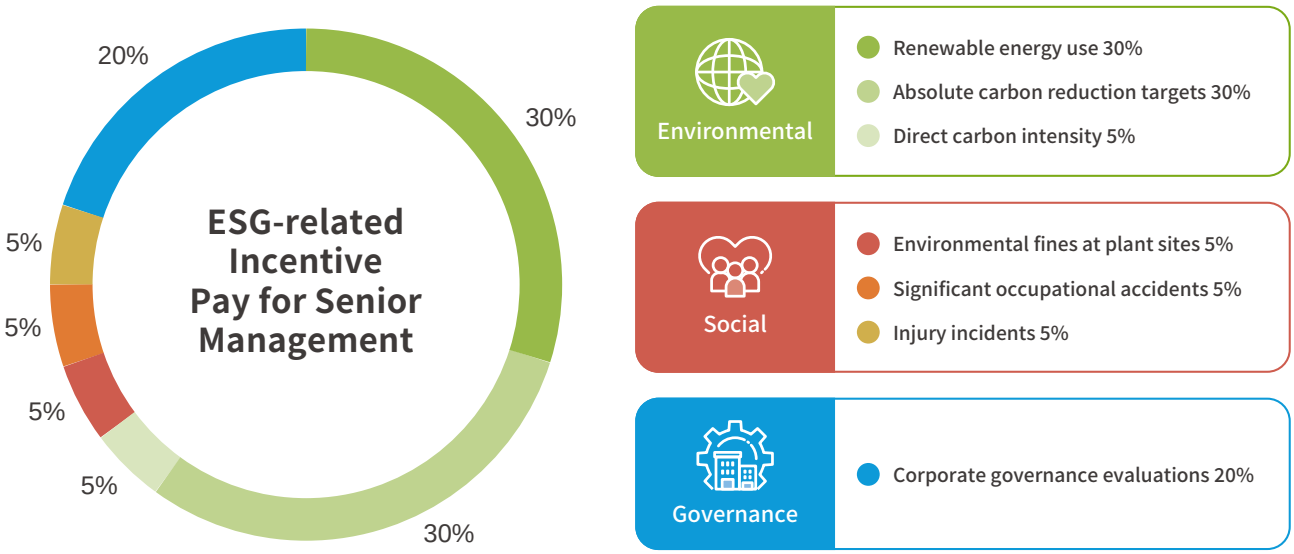
Note: For detailed information on the Board performance evaluation report, please refer to the Company's website – Performance Evaluation.

Principles for Setting the Remuneration for Managerial Officers, Directors, and Independent Directors

Remuneration for Managerial Officers

The remuneration for managerial officers is determined based on the company's overall market positioning, relevant industry salary survey results, and the remuneration is determined considering factors such as the managerial officers' goal attainment and contributions. The reasonableness of the remuneration is regularly evaluated by the Remuneration and Nomination Committee. The remuneration package includes fixed salary, managerial allowances, fuel subsidies, job bonuses (or sales bonuses), various allowances, incentives, year-end bonuses, and employee compensation.

To encourage senior management to actively participate in and promote ESG goals and to enhance the Company's competitiveness, we have formulated the Management Regulations for ESG-related Incentive Pay to Senior Management. The ESG incentive pay is granted based on the alignment of departmental performance with evaluation indicators and the degree of goal attainment. The Management Regulations were approved at the 6th meeting of the 5th term of Remuneration and Nomination Committee on May 14, 2024, and at the 9th meeting of the 25th term board of directors on May 24, 2024.



Remuneration of the Directors

According to the Articles of Incorporation, an amount not exceeding 2% of the current year's profits may be appropriated as remuneration distribution for directors for the current year, and shall be distributed based on the performance evaluation results of each director for the current year. In addition, the Remuneration and Nomination Committee shall recommend a fixed monthly compensation based on the standards of relevant peers and listed companies as well as the responsibilities of directors, which will then be submitted to the board of directors for approval. In addition to monthly fixed compensation, directors will receive attendance fees based on the actual number of meetings they attend. If a director serves as a member of a functional committee of the Company, he/she may additionally receive fixed compensation monthly, with attendance fees provided per meeting attended based on the actual number of meetings attended.

Both the revenue growth rate and pre-tax profit growth rate for 2025 increased significantly. The overall operating performance improved over the previous year, accompanied by the effective execution of the sustainability policies. The Company adheres to a remuneration policy that links directors' compensation to performance. Directors' remuneration increased by 5.77% from the previous year and accounted for approximately 0.3% of the Company's 2025 net profit after tax, reflecting the principles of sound corporate governance and performance-based remuneration.

To strengthen oversight and participation in climate change management at governance level and establish linkage between ESG performance and director remuneration. The following two items have been added to the evaluation criteria of board members: (1) I understand the Company's management strategies, goals, and plans for climate change-related risks; (2) I understand the Company's commitment to continuously investing in Environmental, Social, and Governance (ESG) goals.

Remuneration of Independent Directors

Independent directors received fixed compensation on a monthly basis and do not take part in earnings distribution, and receive attendance fees based on the actual number of meetings attended. The above-mentioned fixed compensation is based on each independent director's level of participation in company operations and contribution value to the Company. After referring to the payment situation of listed companies in the same or related industries, the evaluation and discussion are made by the Remuneration and Nomination Committee, and the recommendation will be submitted to the board of directors for approval. If the independent director serves as a member of the functional committee of the Company, he/she may additionally receive fixed compensation monthly, with attendance fees provided per meeting attended based on the actual number of meetings attended.

Functional Committees

● Audit Committee

The Audit Committee is composed of three independent directors, responsible for assisting the board of directors with the supervision and evaluation of the appropriate expression of the Company's financial statements, the selection, independence and performance of the CPAs, the effective implementation of the internal control system, compliance with regulations and rules, management of existing and potential risks of the Company and so on to ensure that the Company's operation is in compliant with the relevant government laws and regulations as well as practical norms. The Committee meeting is convened at least once every quarter. In 2025, a total of eight meetings were held, with the average attendance rate of 100%.

● The Remuneration and Nomination Committee

The Remuneration Committee is composed of two independent directors and one university professor with a professional background, all equipped with 5 years of work experience and relevant qualifications, sufficient to maintain the independence, professionalism, and impartiality. It is mainly in charge of reviewing the selection of directors and senior executives, the remuneration policies, standards for performance appraisal and so on, as well as making suggestions to strengthen the selection mechanism of directors (independent directors) to build a diversified and professional board of directors. The committee shall convene at least two times every year. In 2025, a total of 3 meetings were convened, with an average attendance rate of 100%.

● The Sustainable Development Committee

The Sustainable Development Committee is composed of three members, including the chairman and two independent directors, who are in charge of decision-making and supervision of the Company' s sustainability development-related work, under which are the Environmental Sustainability Group, Corporate Social Responsibility Group, and Corporate Governance Group. This committee shall convene at least two times every year. In 2025, a total of 3 meetings were convened, with the attendance rate of 100%.

Members of functional committees					
Name	Gender	Title	Audit Committee	The Remuneration and Nomination Committee	The Sustainable Development Committee
Henry C. T. Ho	male	Chairman			◎
Der-Ming Lieu	male	Independent Directors	● note2		● note2
Cheng-Ming Chu	male	Committee member		● note2	
Jih-Gang Liu	male	Independent Directors	●	◎	●
Chia-Wen Liu	female	Independent Directors	◎	●	
Ming-Te Sun	male	Independent Directors	●	●	
Wen-Ling Ko	female	Independent Directors	●		●

Note:
1. ◎ is the convener.
2. The terms of office of the Audit Committee, Remuneration and Nomination Committee, and Sustainable Development Committee expired upon the completion of the board re-election at the shareholders' meeting held on May 22, 2026, and all committee members were discharged accordingly. Independent director Der-Ming Lieu, a former member of the Audit Committee and the Sustainable Development Committee, and Cheng-Ming Chu, a member of the Remuneration and Nomination Committee, were also dismissed on the same day.
3. The term of the Audit Committee is from May 22, 2026 to May 21, 2029; the Board of Directors approved the appointment of members of the Remuneration and Nomination Committee and the Sustainable Development Committee on June 9, 2026, with the term of office from the date of the board's approval of the appointments to May 21, 2029 (the same term as the 26th term of board of directors).
4. For detailed information on the operations of each functional committees, please refer to the Company' s website – Committees.

2-2 Integrity Management

Integrity Management

The Company attaches great importance to the conduct and moral requirements of every director and employee. In addition to requiring the directors to sign the Statement of Integrity and the employees to sign the code of conduct commitment letter, there is also the Risk Management Policy and Procedure that includes the recognition, prevention and control of fraud risks.

To enable the directors, managers, employees, and affiliated enterprises to fully understand the Company' s commitment to integrity management, relevant policies, preventive measures, and consequences of misconduct, we organize annual training or awareness programs on integrity management, anti-corruption, and anti-bribery. These include periodical distribution of regulatory updates and related information (including insider trading related laws and regulations, material information disclosure, and FAQs on disclosure guidelines) through internal mail and intranet postings. In addition, awareness materials on anti-corruption and sexual harassment prevention are periodically prepared and distributed, and all employees are required to read them to reinforce their legal compliance awareness.

In 2025, we also conducted online regulatory training on insider trading for all directors (including independent directors), all employees company-wide (including regular staff and senior executives), as well as employees of related enterprises. An independent director participated in an insider trading prevention awareness session, receiving a total of 3 hours of training. A training course on "Anti-Corruption Awareness: Case Studies and Critical Thinking" was also held, targeting at the supervisors higher than the position of section chief, sales personnel, personnel of the Trading Department or the Material Department, accountants, procurement personnel, etc., with 246 participants and a total of 492 hours.

In addition, since 2020, the Company has conducted anti-corruption training on a regular basis, with a cumulative total of 1,023 participants and 2,046 training hours. As of 2025, the anti-corruption education and training coverage rate for supervisors at the section level and above has reached 93%, showing the concrete effectiveness of the Company's continuous efforts to strengthen integrity risk control and legal compliance.

For external business activities, the Company performs due diligence on customers and enters into contracts with specified contractual terms. In accordance with Article 20 of our "Integrity Management Operating Procedures and Code of Conduct," when entering into contracts with others, the Company must fully understand the other party's integrity management status and incorporate compliance with integrity management into the contract terms. Since 2020, the Company has required integrity management clauses to be included in procurement and sales contracts and has requested credit reporting agencies to incorporate integrity records into integrity and credit assessment standards.

In 2025, risk assessment and necessary preventive plans and measures for various possible dishonest behavior were conducted. The content of assessment included 16 items (including risk factors such as providing or accepting improper benefits, facilitation payments, political contributions, charitable donations or sponsorships, conflicts of interest, insider trading and confidentiality mechanism, etc.) and the overall assessment result showed low risk.

Improvement in relation to social-related laws and regulations and preventive measures

Tung Ho Steel has set up the Legal Affairs Office, providing employees with legal education and training, regulatory consultation and review of contracts with stakeholders. In addition, internal audits are also in place to ensure the effective implementation of the internal control system, prevent business risks and enhance the operational effectiveness of the Company.

Overview of Compliance with Socio-Economic Laws and Regulations

Corporate governance

- ✓ No violation of Company Act
- ✓ No violation of Commercial Law
- ✓ No violation of securities and finance related laws
- ✓ No involvement in corruption incident
- ✓ No political contributions

Labor rights

- ✓ Compliance with Labor Standards Act
- ✓ No violation of Act of Gender Equality in Employment
- ✓ No child labor[Note]
- ✓ No discrimination and sexual harassment
- ✓ No violation of indigenous rights
- ✓ No infringement of freedom of association and collective bargaining

Products

- ✓ No products that are prohibited from sale
- ✓ No violations of health and safety regulations and voluntary standards during the life cycle of relevant products
- ✓ No occurrence of violations of product and service information and labeling related regulations
- ✓ No occurrence of violations of marketing communication related regulations
- ✓ No anti-competition behavior
- ✓ No anti-trust incident
- ✓ No monopoly incident

Note: According to the definition in the Labor Standards Act, child labor refers to "employees over the age of 15 but under the age of 16"

None of the social-related violations that have occurred belonged to material violations, and improvement measures have been completed, which are detailed as follows.

Improvement and Prevention of Socie-Economic Laws and Regulations

Facilities	Description of case	Improvement and preventive measures
Taoyuan Works	Sanction Date: Jan. 8, 2025 | Penalty: NTD 4,500 The Fabrication Center's building design was altered, and construction commenced without prior approval from the competent authority, violating Articles 39 and 87 of the Building Act.	The design change has been reviewed and approved by the competent authority.
Taoyuan Works	Sanction Date: Mar. 25, 2025 | Penalty: NTD 80,000 Use of land for parking facilities without prior review, violating Article 15, Paragraph 1 of the Regional Plan Act.	The soil and water conservation plan has been submitted and approved; the remaining procedures are under review, and the change process will be completed upon their approval.
Taoyuan Works	Sanction Date: Dec. 19, 2025 | Penalty: NTD 100,000 The rail-operated vehicle was not equipped with a proper connection device, violating Article 144, Paragraph 1 of the Regulations for the Occupational Safety and Health Equipment and Measures and Article 6, Paragraph 1 of the Occupational Safety and Health Act.	Carry out trolley malfunction hazard identification and risk assessment, incorporate precautions into green card promotion, and add "Refined Trolley Malfunction Operation Standards" and related personnel training. The buffer length was extended and a machine was used to assist in pushing the faulty trolley, reducing the risk of personnel being exposed to dangerous areas.
Kaohsiung Works - Jiaxing	Sanction Date: Mar.14, 2025 | Penalty: NTD 120,000 During the adjustment of the wire rod rebar automatic bending machine, the machine operation and material feeding were not stopped, violating Article 6, Paragraph 1, Subparagraph 1 of the Occupational Safety and Health Act.	Warning signs were installed and red-painted markings were added in the bending shear area to prevent accidental contact. The results of these warnings were recorded on the safety green card. The safety operation standards for CNC bending machines were also revised, and training courses were conducted.
Kaohsiung Works - Daya	Sanction Date: Dec. 16, 2025 | Penalty: NTD 100,000 The operation of the relevant machinery and feeding was not stopped during the line adjustment work, violating Article 6, Paragraph 1, Item 1 of the Occupational Safety and Health Act.	The hazard identification and risk assessment for abnormal handling of the packaging machine were re-evaluated, and safety light curtains were installed in the machine area. A Safety SOP for the large packaging machine was established, and relevant personnel were trained to ensure familiarity with abnormal operational handling and emergency response procedures.

Note: Definition of material violation: Matters falling under the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities.

2-3 Risk management

Risk Management and Operation

Risk Management and Operation

Risk Management Policy: "Through a systematic and institutionalized management approach, we effectively identify, prevent, and control risks to maintain normal operations and achieve the sustainable development of the Company."

Tung Ho Steel's risk management is aligned with the Company's business strategies and objectives to identify major risks and implement corresponding control and response measures to reasonably ensure the attainment of the strategic goals of the Company. In addition, through the governance unit and senior management, the risk management culture is promoted from top to bottom, and risk management awareness is integrated into decision-making and operational activities.

Risk Management Policy

Organizational Structure and Responsibilities

1. **Board of Directors: The highest governance unit of risk management**
   The main responsibilities are to approve risk management policies, procedures, and structures, ensure the alignment between operational strategy directions and risk management policies, establish proper risk management mechanism and a risk management culture, allocate and assign adequate and suitable resources, and oversee as well as ensure the effective operation of the overall risk management mechanism.
2. **Sustainable Development Committee**
   The Sustainable Development Committee is established under the board of directors, and the Corporate Governance Group in the Committee is the responsible unit for the implementation of risk management. It is in charge of coordinating relevant departments to carry out risk identification, assessment, control, and supervision, and regularly reporting the implementation status to the Sustainable Development Committee. The Sustainable Development Committee is responsible for supervising and ensuring the implementation of risk management is in line with the policies set by the board of directors. It reports to the board on the overall risk management implementation at least once a year.
3. **Relevant Departments**
   Assess the likelihood of occurrence and the degree of impact of various risk factors in accordance with the content of responsibilities, formulate necessary measures and conduct the implementation, and properly manage various risks to comply with the risk management policies.
4. **The Audit Office**
   The Audit Office will draw up annual audit plans based on the Risk Management Policy and the risk assessment results, implement the audit operations of various systems based on the plans, assist the board of directors in the supervision and control of the potential risks of policy implementation, ensuring the effective implementation of relevant control procedures.

Risk Management and Strategies

The Company has established the Risk Management Policy and Operating Procedure based on which the risk management procedures for 2025 was conducted. Potential risks for relevant departments were identified through risk management meetings, which included a total of 25 risk factors in the four major aspects, including operational aspect, financial aspect, operating aspect, and environmental aspects[note]. Each relevant department evaluates the possibility of occurrence and level of impact of various risk factors in accordance with the work scope and establishes necessary measures for implementation to properly manage various risks.

After analyzing the urgency and financial impact of each risk factor this year, the more significant risk factors include "talent gap", "shortage of manpower", "tropical cyclones", "continued housing market control policies" and "carbon fee collection". Other factors of moderate impact are currently under adequate control or less urgent, requiring only continued monitoring. The Audit Office has formulated an annual audit plan based on the above risk assessment results, and reported on the relevant implementation status at the 20th session of the 25th term of board of directors on December 30, 2025.

Note: Please refer to our official website for Four major aspects and management.

Information Security Management and Operations

Information Security Management and Operations

The Company's information security policy is "Information security is everyone's responsibility; the Company aims for zero cybersecurity incident". Tung Ho Steel has established the Information Security Management Regulations to ensure the confidentiality, integrity, and availability of information through an information security management mechanism. In addition, a dedicated information security unit and an information security manager have been established in accordance with its internal control system, which complies with relevant laws and regulations. Since 2023, the Company has implemented the ISO 27001 information security management system to implement and strengthen information security management. The Company has completed the update and transition to the ISO/IEC 27001:2022 standard in 2025.



ISO 27001:2022

Network and System Vulnerability Detection

To protect company and personal information security and avoid risks from external hacker attacks and potential human error, the Company continuously promotes network and system vulnerability detection and improvement, strengthening overall information security capabilities through rolling reviews. In terms of software development security management, code security and quality analysis tools are introduced during the system development phase to proactively identify potential weaknesses, stability issues, and poor design patterns for the implementation of risk-based hierarchical management. In addition, off-site backup, disaster recovery, and cybersecurity notification and response mechanisms have also been established to ensure the stability of the information system architecture and the continuity of various business operations. The relevant management mechanisms are aligned with the ISO/IEC 27001 information security management standard and the OWASP Top 10 common application system risk prevention principles to implement information security governance goals.

Information Security Promotion and Training

Cybersecurity awareness is a crucial aspect of cybersecurity protection. Our company conducts cybersecurity education and training through various means, including online courses, in-person courses, and the regular release of cybersecurity newsletters and promotional information. We also conduct annual social engineering drills to simulate common cybersecurity threat scenarios to examine employees' ability to identify and respond to cybersecurity risks, and plan corresponding cybersecurity promotion and education training based on the results of the drills to continuously reduce human-caused risks. The total number of cybersecurity education and training hours in 2025 amounted to 1,171 hours.

In addition, social engineering (phishing email) drills and promotion courses for those who failed were carried out. A total of 1,097 people (97.3% of total testees) passed the test or completed relevant promotion courses, which helps the Company enhance the reach and effectiveness of information security awareness.

Moreover, to enhance the professional capabilities of cybersecurity personnel and encourage participation in cybersecurity-related seminars and training courses, a total of 9 people and 139 hours of training courses were completed in 2025. The courses were divided into 6 professional cybersecurity-related courses, as well as various cybersecurity intelligence or related technology seminars held by Microsoft, cybersecurity vendors, and others.

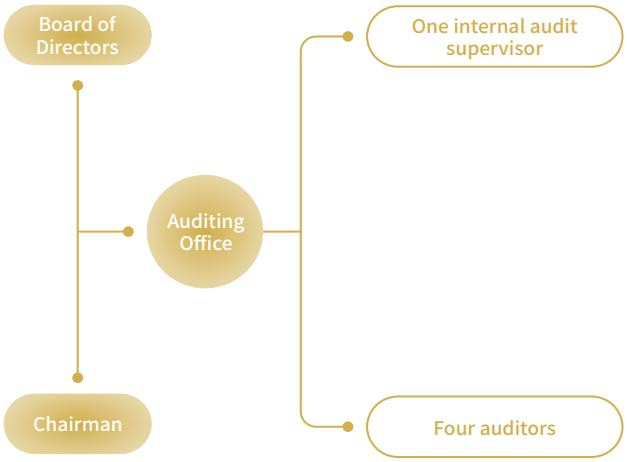
Information Security Protection and Management

To minimize the operational impact of information security incidents, the Company has implemented a cybersecurity reporting and response mechanism, integrating internal and external resources to strengthen threat monitoring and reduce response time. To address risks such as hacker attacks and human error, the Company implements proactive prevention measures, establishing off-site backup and data backup systems based on risk levels. Furthermore, we integrate operational continuity management and disaster recovery into our overall architecture, conducting regular contingency planning and backup/recovery drills annually to minimize business losses from cybersecurity incidents. Through these controls and testing practices, no major cybersecurity incidents or leaks of confidential information have occurred in the past three years, nor have we received any penalties.

Internal Control

Organization of Internal Audit

To assist the board of directors and managers with the checking and reviewing the effectiveness of the internal control system and the evaluation of the operational effectiveness and efficiency, the Audit Office has been established under the Board of Directors, which is composed of the Internal Audit Supervisor and four full-time internal auditors serving as each other's agents, to provide timely improvement suggestions and management assistance, so as to ensure the continuous and effective implementation of the internal control system.



The appointment and removal of the Chief Internal Auditor shall be approved by the Audit Committee and submitted to the board of directors for resolution before reported to the Financial Supervisory Commission for record. The appointment, evaluation, and compensation of internal audit personnel shall be managed by the Chief Internal Auditor and reported to the chairman.

Operation of Internal Audit

The Auditing Office draws up an annual audit plan based on the results of the risk assessment. The audit subjects include the businesses all the units of the Company and the businesses subsidiaries are in charge of. The focus of audit includes the operating procedures of various operation cycles and the audit items prescribed by the FSC. When internal control deficiencies and abnormal matters are identified, the inspected unit is asked to propose improvement measures after communication, and follow-up will be conducted until the improvement is made. The Auditing Office also checks the implementation of integrity management of the Company and prepares relevant audit reports. After the audit report and follow-up report are completed, they are submitted to the independent directors for review before the end of the following month, and the audit executions should also be reported to the board of directors and the Audit Committee. The Auditing Office has completed the 2025 annual audit work and has listed the deficiencies identified in the audit of all units (including subsidiaries) and tracked relevant improvement status to ensure risks of all operations can be effectively controlled.

Internal audit plan and timing

Planned audits

The Auditing Office will draw up annual audit plans for the following year at the end of every year in accordance with regulations and the results of risk assessment. These annual audit plans will be reported to the board of directors for discussion and approval as the basis for the implementation of audit operations.

Project audits

Depending on the operational requirements, the senior executives or the head of the Auditing Office will designate the subject and time of the audit, and the auditors shall conduct various audit operations within the designated time, which includes relevant norms related to economy, environment, society (human rights) in the Sustainable Development Best Practice Principles.

Self-audit operations

To implement self-management and the supervision mechanism to ensure the design and implementation of the internal control system of the Company is effective, the Company will carry out the self-assessment once a year. The Auditing Office will review the self-assessment report and add the deficiencies and abnormalities of internal control found by the Auditing Office as well as relevant improvement to serve as a basis for the board of directors and the president to evaluate the overall effectiveness of the internal control system and also the issuance of the Statement of Internal Control.

3 - 1 Operating Status

Special Column: Implementation of AI Application and Acquisition of Technical Patents

3 - 2 Management of and Strategies for Climate Change Risks and Opportunities

Special Column: Renewable Electricity Reaches 18% of Total Electricity Consumption

3 - 3 Product and Service Quality

Special Column: Obtaining the UL 2809 Recycled Content Validation

3 - 4 Customer Service

3 Economic Sustainability



3-1 Operating Status

Tung Ho Steel is the first professional steelmaking plant supplying steel plates, hot-rolled H-beams, rebar and other rolled steels for building structure in Taiwan. We imprint "TH" for rebar and "THAS" for our H-beam steel. In addition to showing that the steel truly complies with the national standards, the imprints also represent excellent products and services, which is our lifetime guarantee for consumers on every piece of steel we produce.



Introduction of Main Products

The Company mainly provides products and services to the construction market in Taiwan. Our services are provided to construction industry, wholesaler of rebar（processing industry）, traders and subcontractors.

Main Products

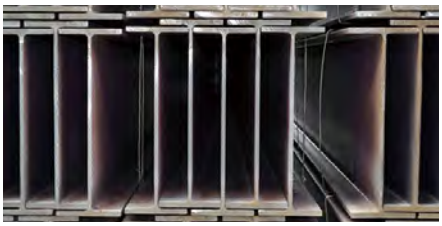
Rebar



Rebar refers to the building material used in reinforced concrete and prestressed reinforced concrete.

- Screwed Re-Bar
- Compact Bar in Coil
- Deformed Steel Re-Bar
- Round Bars
- Ultra-high Tensile ReBar

Beam



Formed steel is a bar-shaped steel material that has a specific cross-sectional shape and size. The steel billet is heated and undergoes rolling and extension, and is one of the main steel materials used in buildings（steel structures）and other construction projects（bridges, ships, vehicles, and so on）.

- H-beams
- I-beams
- channel beams
- U-beams

Steel plate



Plate-type steel products from billet through hot-rolling production processes have optimal steel strength and resilience, good weldability, and are easily processed into components of various complex shapes.

- Steel plate products

• Processing Service

Tung Ho Steel not only produces high-quality steel materials, but also offers specialized processing services ranging from custom rebar cutting, bending processing and forming, friction welding, welded steel mesh, and built-up H-beam. We simplify customer's procurement from order placing to end products in requisite sizes and dimensions. Strict material inserting plus production management reduces the number of material shipments and simplify project purchase schedules. This ensures the quality of single-source materials, offering the best solution for one-stop purchases for all services.

Rebar processing process

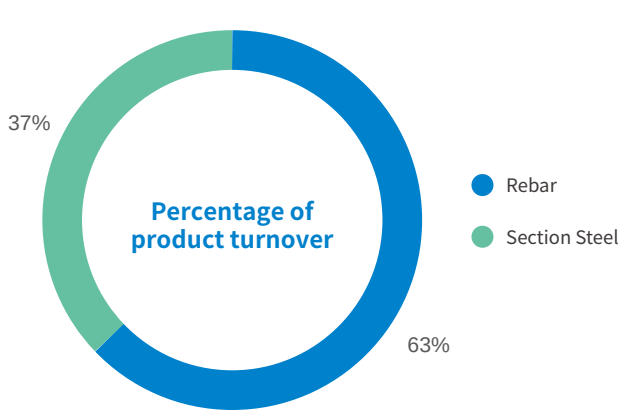
Built-up H-beam processing process

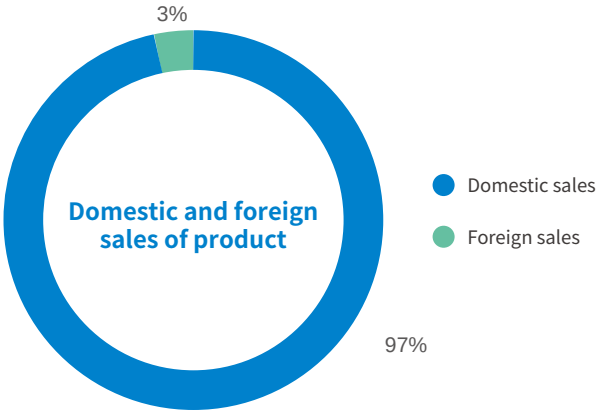
Product Overall Unit: tons

Item	Total annual production capacity	Output	Sales (tons)
Billet steel	2,650,000	1,784,924	0
Rebar	1,850,000	1,368,557	1,353,483
Section Steel Note	1,200,000	623,862	634,334
Total	5,700,000	3,777,343	1,987,817

Note: Section steel includes H-beam, steel plate, channel steel, I-Beam and steel sheet pile.

In 2025, the sales of rebars mainly focused on the domestic sales. Domestic sales of section steel accounted for 91% while foreign sales of it accounted for 9%, mainly to countries such as Australia and New Zealand. There was no prohibition on sale of these products. H-beam distributors hold meetings on a monthly basis to exchange views on international steel price trends and the domestic market conditions. By adopting flexible and adaptive production schedule, we aim to accelerate delivery timelines, reduce inventory buildup, and maximize profitability while launching and creating differentiated products to strengthen domestic manufacturing with local advantages.





Financial Performance

The Company' s economic performance in 2025 was impacted by global trade policy uncertainties and dumping of low-priced steel from China. We faced multiple internal and external challenges due to adjustments in domestic real estate policies and competition from imported steel. However, the construction steel also benefited from the arising demand of public works and construction of office buildings and manufacturing facilities from the electronics industry. Coupled with the Company' s effective implementation of various management measures, integration of internal resources for the group synergies, and continued adoption of AI-enabled automation equipment to enhance production efficiency, overall operations improved compared with 2024, with operations remaining solid and stable.

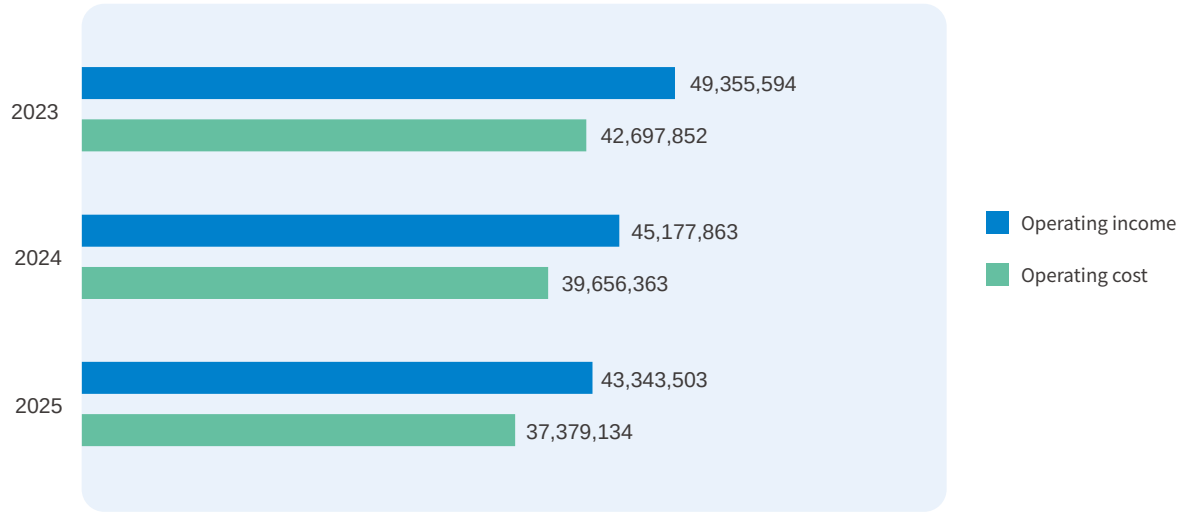
In 2025, standalone revenue decreased by 4.06% compared with 2024, while net profit after tax increased by 5.77%. Employee salaries and benefits rose by 3.29%, and earnings per share (EPS) amounted to NT$6.47. The operating performance of the Company' s other investee companies continued to improve steadily, making a positive contribution to the overall profitability to the Company.

Financial Performance Over the Past Three Years（Entity）							Unit: NTD 1,000
Year	Operating income	Operating cost	Net income before tax	Net income after tax	Employee compensation and benefits	Contribution to the government	Donations
2023	49,355,594	42,697,852	5,704,863	4,729,346	2,574,858	1,409,544	19,156
2024	45,177,863	39,656,363	5,226,260	4,479,837	2,675,214	1,187,513	26,826
2025	43,343,503	37,379,134	5,527,778	4,720,934	2,763,350	1,210,811	26,996
YoY（%）	-4.06%	-5.74%	5.77%	5.38%	3.29%	1.96%	0.63%

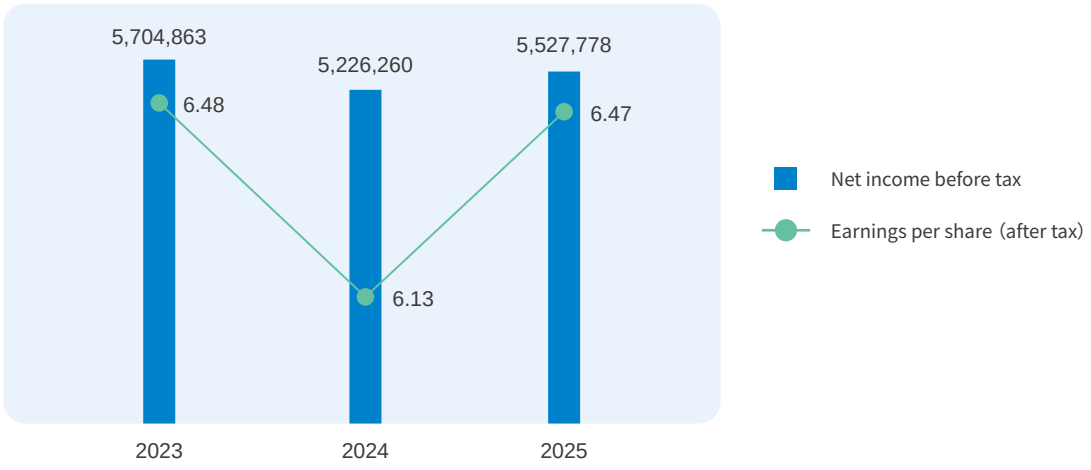
Earning distribution Over the Past Three Years（Entity）			Unit: NTD
Year	Earnings per share（after tax）	Cash dividend	Total dividend payout ratio
2023	6.48	4.20	64.8%
2024	6.13	4.00	65.3%
2025	6.47	4.30	66.5%

Note:
1. The amount paid to the investor is the cash dividends and the interest expenses (included in the operating costs).
2. The economic value retained in 2025 = Direct economic value generated – the economic value distributed= NT$ 1,581,015 thousand.

Operating income and operating cost



Net income before tax and earnings per share



• Govern subsidies

To respond to the government's various transformation policies, the Company proactively applies for relevant subsidies and incentive programs to enhance the overall operational efficiency and our resilience in sustainable development.

Government subsidies received over the years — Unit: NTD

Item / Year	2023	2024	2025
Investment tax credit- Article 10 of the Statute for Industrial Innovation[Note]	5,926,547	5,793,075	4,500,000
Investment tax credit- Article 10-1 of the Statute for Industrial Innovation[Note]	188,000	57,000	-
Kaohsiung Works- Daye: Heating furnace subsidy through Large-Small Enterprise Collaboration	-	22,905,000	-
Headquarters: AI Industry Practical Application and Talent Training Program	-	20,000	-
Kaohsiung Works- Daye: Air compressor energy subsidy	-	830,000	-
Miaoli Works: ITRI energy conservation subsidy for variable frequency air compressors	-	1,920,000	-
Energy efficiency subsidies for air compressors at Taoyuan Works	-	-	873,200
Energy efficiency subsidies for variable frequency air compressors at Kaohsiung Works	-	-	375,000
Total	6,114,547	31,525,075	5,748,200

Note: The 2024 investment tax credit amount has been revised based on the actual tax filing results.

Country-by-Country Report

The distribution of the Company's income, taxes and operating activities in various tax jurisdictions in the world in 2025 is as follows.

Unit: NTD 1,000

Tax jurisdiction	Income			Income before tax	Income tax paid	Current income tax payable	Paid-in capital	Number of employees	Tangible assets
	Unrelated party	Related party	Total						
Taiwan	55,565,393	4,105,452	59,670,845	5,968,990	1,105,065	1,191,675	10,890,243	2,707	38,677,703
British Virgin Islands	8,248	0	8,248	5,396	0	0	42,280	0	0
Vietnam	2,833,890	4,708,639	7,542,529	(369,287)	1,398	0	6,420,851	446	4,593,138
Samoa	2,213	0	2,213	1,096	0	0	26,815	0	0

Note:

1. The entities covered in the consolidated financial report include Tung Kang Steel Structure Corp., Tung Kang Engineering & Construction Corp., Tung Kang Wind Power Corp, and Katec Creative Resources Corp. in Taiwan, and Tung Ho Steel Vietnam Corp., Ltd. and Duc Hoa International Joint Stock Company in Vietnam.
2. The difference between the current income tax and the statutory tax rate was mainly because of the investment deduction, permanent and temporary difference, the difference between the overestimation and underestimation in the approved and previous estimates, and the difference in the time point of tax assessment arising from the time point of declaration at each tax district.
3. Tung Ho Steel Vietnam Corp., Ltd. applies to the preferential tax rate for 4-year tax exemption and 9-year 50% tax reduction.
4. The companies established in the British Virgin Islands and Samoa do not involve tax exemption for local profits, therefore, there is no need to file taxes.

Technology and R&D

The Company' s R&D expenses in 2025 amounted to NTD 46,905,660, accounting for 0.1% of the revenue. The R&D achievements of steelmaking include the development of billet steel of high purity and high ductility, the steelmaking of slab for 50mm SM570 steel plate, continuous development of ultra-high-strength steel, and the electric furnace (exhaust heat recovery for ORC power generation, low-carbon green processes, steel scrap preheating for continuous feeding, import of oxygen enriched combustion technology). The R&D achievements of steel rolling include the development of the intelligent combustion control system for heating furnaces, R&D of manufacturing process for parallel-flange channels, and the use of UE (Universal Edging) technology to specially roll H-beam/steel plate with a B value ≧ 300mm, and develop new special rolling technologies for H-beams/steel plates and finished product marking automation equipment.

R&D projects

Automation and system integration

- Robotics implementation across the steelmaking and rolling production process
- The application of AI to the development of intelligent plant technology
- Development of an Automation Enhancement Plan for Finished Goods Warehouse Inbound and Management
- Development of steel plate production integration software
- Installation of industrial big data energy management system

Energy transformation and renewable energy

- Research on hydrogen energy technology application
- Energy storage system planning and research
- Renewable energy (solar, wind, biogas power generation) planning and research

Development of low-carbon green process technology for electric furnaces

- Research on preheating electric arc furnace for scrap steel
- Investigation on Biomass Carbon as a Substitute for Fossil Carbon in EAF Carbon Injection

Circular economy and carbon capture

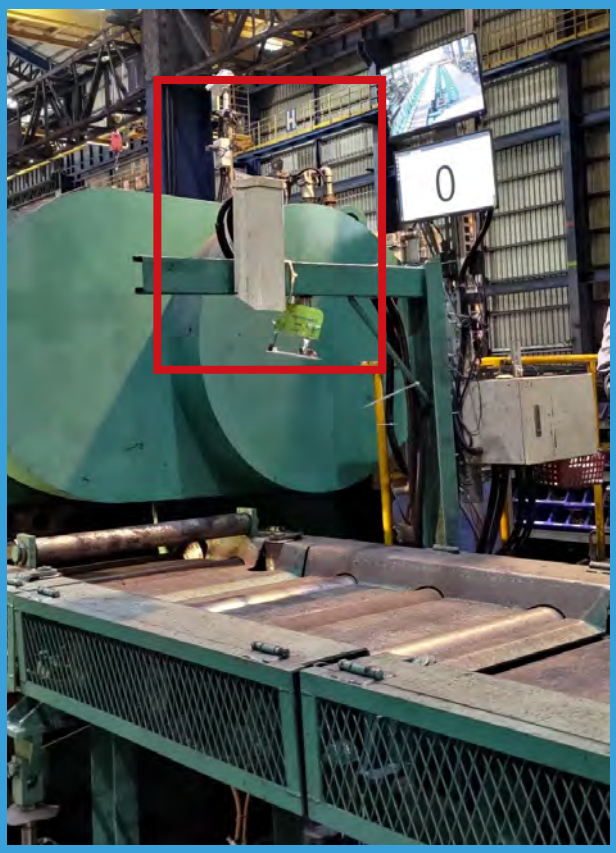
- Integrated and innovative solutions for circular economy in the steel industry
- Research on Carbon Capture Utilization and Storage (CCUS) Technology application

Special Column

Implementation of AI Application and Acquisition of Technical Patents

In response to the trend of smart manufacturing, the Company has actively promoted the adoption of AI technologies in recent years, establishing AI-based vision systems in various production environments. The applications include automatic slag detection during EAF tapping, rebar dumping detection, and billet counting during furnace charging. These applications significantly reduce alloy consumption and decrease product defects, and also analyze process data to support real-time operational decision-making, while enhancing workplace safety and production management efficiency. Among them, the section steel and deformation detection system at Miaoli Works and the AI-based rebar counting system for the rebar cutting line at Kaohsiung Works obtained utility patents in 2024 and 2025 respectively, laying the foundation for cross-plant replication and technology extension.

The Company also applies AI technology to occupational safety management, implementing smart monitoring in hard-to-manage areas such as hot furnaces, rolling areas, rooftops, and rebar processing areas. Through AI image recognition technology, we enhance on-site safety management and reduce the risks of occupational hazards. The Company continues to increase its AI applications, and in 2026, we were honored with the Silver Award in the inaugural "Business Weekly AI Innovation Top 100", recognizing the results of our AI implementation and application.



The rebar cutting system incorporates AI image recognition system for the real-time calculation of the rebar numbers.

The Company plans to build an internal knowledge base and a RAG (Retrieval-Augmented Generation) system in the future to digitalize relevant data and documents, and use AI retrieval to continuously promote AI technology to improve production efficiency.

3-2 Management of and Strategies for Climate Change Risks and Opportunities

Faced with global warming, extreme weather, environmental protection and energy conservation, safety and health, and the rising awareness of conservation, Tung Ho Steel pays close attention to the trend of global climate change and the direction of international response, incorporates climate change into the material topics and one of the critical major risks for corporate sustainable development, and continues to make analysis and control, being dedicated to the adaptation and mitigation of GHG.

In response to the global trend of financialization of financial information, the Company refers to the sustainability disclosure standards IFRS S1- General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures issued by the International Sustainability Standards Board (ISSB) under IFRS Foundation as a guide for optimizing disclosure of sustainability information. Based on the relevance of climate risk and opportunity management and the compliance with the IFRS S2 Climate-related Disclosures, six domestic and overseas facilities have been included in this Chapter. In addition, in accordance with the Regulations Governing Information to be Published in Annual Reports of Public Companies, and by referring to the IFRS Sustainability Disclosure Standards recognized by the Financial Supervisory Commission (FSC), the Industry-Based Implementation Guidance for Steel Producers and SASB standards for the Iron & Steel Producers Industry to identify the sustainability and climate-related risks and opportunities of the Group for the disclosure of material information. The Company has started the preparatory work to align with the standards and has been progressively reviewing and adjusting its practice to enhance the completeness and quality of the disclosures. This Chapter excerpts "Tung Ho Steel Sustainability & Climate Related Financial Disclosure (IFRS S1 & S2) Report 2026" and Schedule 2-2-3 of the Annual Report for the Shareholders' Meeting, and the reporting entities are identical to those used in the Company' s consolidated financial reports, which include the followings:

Company Name	Main Business and Production Items
Tung Ho Steel (Parent Company)	Steel industry
Tung Kang Steel Structure Corporation	Professional steel structure constructure company
Tung Kang Engineering and Construction Corp.	General Construction Industry
Tung Kang Wind Power Corp.	Power generation industry
Katec Creative Resources Corp.	Waste recycling industry
Tung Ho Steel Vietnam Corp., Ltd. (THSVC)	Steel industry
Duc Hoa International J.S.C.	Quicklime plants

Climate Change-Related Governance

● The Board of Directors is in Charge of Governance of Climate Change Issues

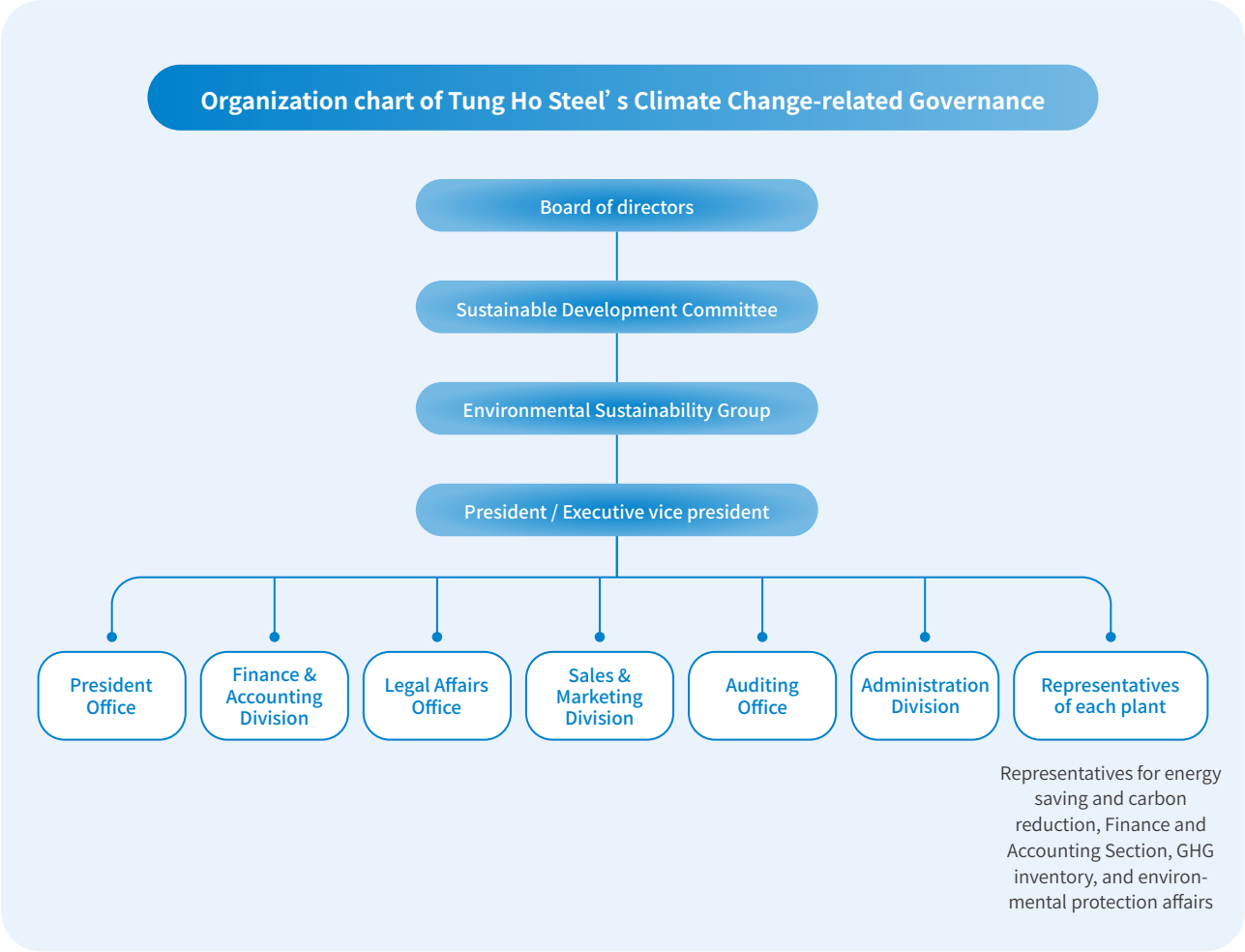
The board of directors is in charge of reviewing and guiding climate change strategies, action plans and annual targets, and it regularly monitors the implementation status of the GHG reduction goals and attainment rate every year.

The board of directors has set up the Sustainable Development Committee (functional committee) composed of three members, and more than 50% of the members are independent directors appointed in accordance with the resolution of the board, with the chairman of the board serving as the convener (chair) , responsible for climate change related issues, including the setting, supervision and review of the environmental sustainability system and goals. Sustainable Development Committee is convened twice a year, and relevant contents concerning climate change are regularly reported in the board meeting every year, and discussions on GHG inventory and reports on the schedules and planning are conducted in the board of directors on a quarterly basis. The board of directors also actively participates in discussions between the government and the industry to face the challenges for sustainability development brought by climate change in a pragmatic and forward-looking attitude.

The Company invites external lecturers to provide education and training for climate change-related issues in 2021 and 2025. The trainees were all board members and senior executives, and the courses provided were on corporate climate governance and practices, with a total of 287 training hours.

● Representatives of Climate Change Issues at BOD level

The Environmental Sustainability Group is established under the BOD's Sustainable Development Committee （functional committee）, which is composed of responsible personnel assigned by relevant departments. The chair of the Environmental Sustainability Group is the Executive Vice President, who is in charge of the evaluation and management of climate-related risks and opportunities and the setting of strategies and goals. The Environmental Sustainability Group will regularly report the implementation status to the Sustainable Development Committee.



Corporate governance hierarchy	Task of climate change governance
Board of directors	In charge of reviewing and guiding climate change strategies, action plans and annual targets, and it regularly monitors the implementation status of the GHG reduction goals and attainment rate every year.
Sustainable Development Committee	Responsible for climate change related issues, including the setting, supervision and review of the environmental sustainability system and goals; relevant contents concerning climate change are regularly reported in the board meeting every year.
Environmental Sustainability Group	In charge of the evaluation and management of climate-related risks and opportunities and the setting of operational plans and goals; regularly report the implementation status to the Sustainable Development Committee.

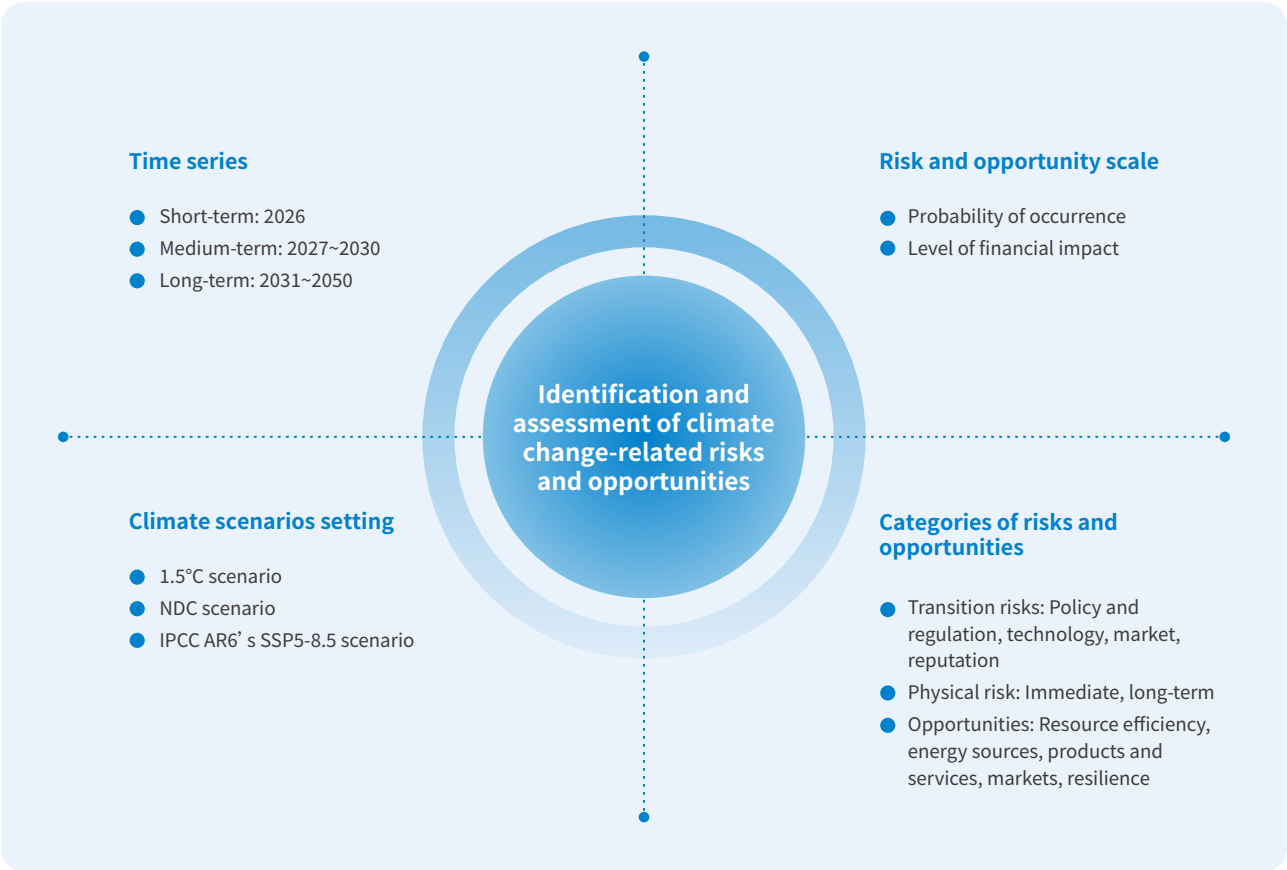
Climate Change-Related Risks and Opportunity Management

Risk and Opportunity Management Process

The Sustainable Development Committee is under the board of directors of the Company, and there are Environmental Sustainability Group, and Corporate Governance Group in the committee. Among them, the Environmental Sustainability Group is a dedicated unit for climate change management, in charge of the establishment, supervision, and review of environmental sustainability (climate change management, water resources management) systems and goals. The Corporate Governance Group is in charge of the establishment, supervision and review of relevant policies in relation to corporate governance, integrity management, and risk management, and the management mechanisms. It is in charge of the coordination of relevant departments for the risk identification, assessment, control and supervision, reports to the Sustainable Development Council the implementation status, and the Sustainable Development Committee shall report to the board of directors the overall risk management implementation status at least once a year. The relevant departments assess the possibility of occurrence of various risk factors (including climate change management) and the degree of impact in accordance with the content of job responsibilities, and necessary measures shall be formulated for implementation to properly manage various risks. The Company has understanding of various international initiative activities/ content of organization in relation to sustainability and climate change and include the concerns and evaluation criteria of the international initiatives into the Company's considerations when establishing environmental and GHG policies, so as to comply with the international development trends and improve the Company's ability to respond to climate change.

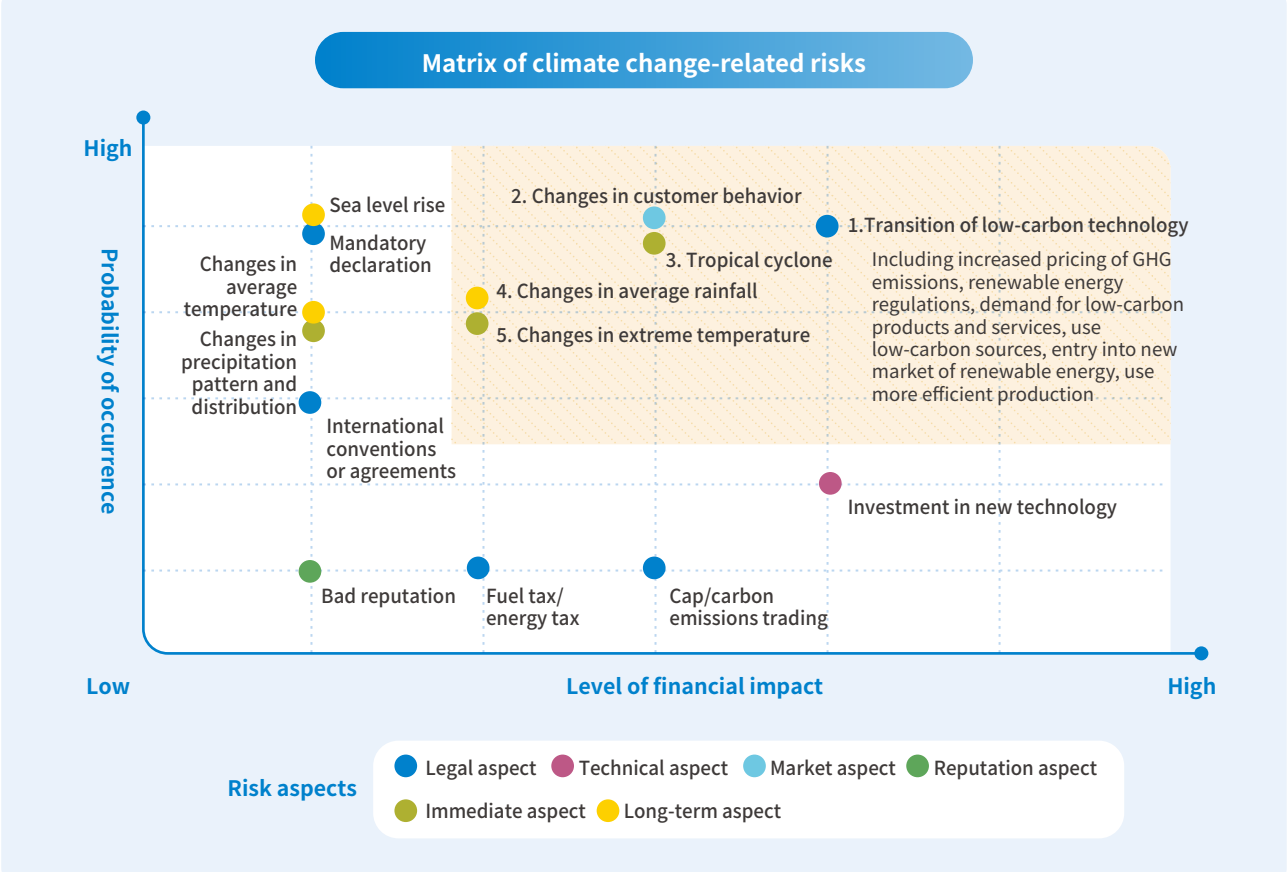
Identification of Climate Change-Related Risks and Opportunities

The Environmental Sustainability Group members convened a climate change risks and opportunities identification meeting in accordance with the Climate-Related Financial Disclosures recommended assessment framework. (The level of impact x likelihood of occurrence, and the score of 8 points or more is classified as material). A total of 5 significant climate change-related risks and 2 significant climate-related opportunities were identified, and the financial impact (year) is defined as the average value in short-term (2026), mid-term (2027~2030) and long-term (2031~2050).



In 2026, the Climate Risk and Opportunity Assessment Strategy Scenario use the 1.5°C scenario, Taiwan's Pathway to Net-Zero Emissions in 2050, IPCC AR6's SSP5-8.5 scenario, and the 2030 INDC (Intended Nationally Determined Contribution) targets. Compared with 2025, the items of 2026 major climate-related risks remain unchanged.

The matrix of identified climate change-related risks and opportunities is as follows.

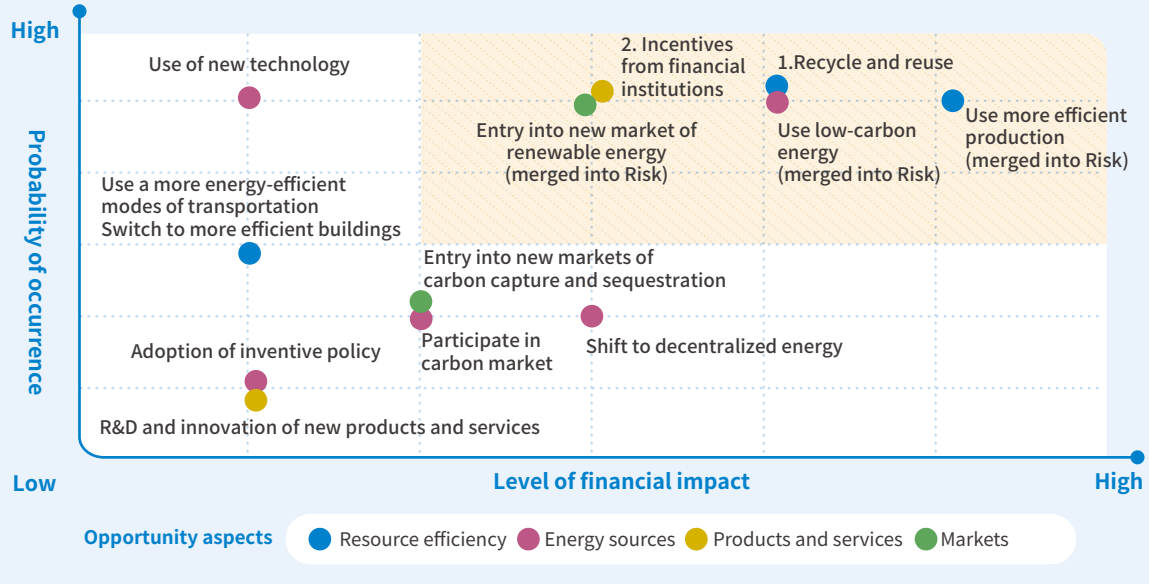


Description of Identified Material Climate-related Risks									
Risk Ranking	Name of Climate-related Risks	Percentage of revenue affected by climate-related risks	Boundary of the Impact of Climate-related Risks on the Business Model and Value Chain				Time Period		
			Upstream	The Group	Down-stream		Short-term	Medium term	Long term
1	【Transition risk and opportunities】Low-carbon technology transition	100%	◉	Taiwan Tung Ho Steel Enterprise Corp., Tung Kang Steel Structure Corporation, Tung Kang Engineering and Construction Corp., Tung Kang Wind Power Corp., Katec Creative Resources Corp. Vietnam THSVC、Duc Hoa International J.S.C.	◉		◉	◉	◉
2	【Transition risk】Changes in consumer behavior	99%	-	Taiwan Tung Ho Steel Enterprise Corp., Tung Kang Steel Structure Corporation, Tung Kang Engineering and Construction Corp., Katec Creative Resources Corp. Vietnam THSVC	◉		-	◉	◉
3	【Immediate Physical Risk】Tropical cyclone	100%	◉	Taiwan Tung Ho Steel Enterprise Corp., Tung Kang Steel Structure Corporation, Tung Kang Engineering and Construction Corp., Tung Kang Wind Power Corp., Katec Creative Resources Corp. Vietnam THSVC、Duc Hoa International J.S.C.	-		◉	◉	◉

Description of Identified Material Climate-related Risks								
Risk Ranking	Name of Climate-related Risks	Percentage of revenue affected by climate-related risks	Boundary of the Impact of Climate-related Risks on the Business Model and Value Chain			Time Period		
			Upstream	The Group	Down-stream	Short-term	Medium term	Long term
4	【Physical Long-term Risks】Changes in average rainfall and water management	76%	◉	Taiwan Tung Ho Steel Enterprise Corp., Tung Kang Engineering and Construction Corp., Katec Creative Resources Corp. Vietnam THSVC	-	-	-	◉
5	【Immediate Physical Risk】Changes in extreme temperature	99%	◉	Taiwan Tung Ho Steel Enterprise Corp., Tung Kang Steel Structure Corporation, Katec Creative Resources Corp. Vietnam THSVC、Duc Hoa International J.S.C.	-	◉	◉	◉

Note:
1. Transition of low-carbon technology including increased pricing of GHG emissions, renewable energy regulations, demand for low-carbon products and services, use low-carbon sources, entry into new market of renewable energy, use more efficient production.
2. Percentage of revenue affected by climate-related risks: Parent company or subsidiary revenue affected by climate-related risks in 2025 / Consolidated revenue of Tung Ho Steel Group in 2025.

Matrix of climate change-related opportunities



Description of Identified Material Climate-related Opportunities								
Opportunity Ranking	Name of Climate-related Opportunities	Percentage of revenue impacted by climate-related opportunities	Boundary of the Impact of Climate-related Opportunities on the Business Model and Value Chain			Time Period		
			Up-stream	The Group	Down-stream	Short-term	Medium term	Long term
1	【Resource efficiency】Recycle and reuse	69%	-	Taiwan Tung Ho Steel Enterprise Corp.	-	◉	◉	◉
2	【Market】Incentives from financial institutions	73%	◉	Taiwan Tung Ho Steel Enterprise Corp. Vietnam THSVC	-	◉	◉	◉

Note: Percentage of revenue affected by climate-related opportunities: Parent company or subsidiary revenue affected by climate-related risks in 2025 / Consolidated revenue of Tung Ho Steel Group in 2025

● Description of Climate Change-Related Risks

The climate change-related risks identified by the Company include Low-carbon technology transition, Changes in consumer behavior, Tropical cyclone, Changes in average rainfall and water management, and Changes in extreme temperature.

Risk	Item	Description
Low-carbon technology transition (Transition risk)	Time Period	Short-term, Medium term, Long term
	Impact	The expected short-term carbon fee rate is NT$ 300/ton CO_2e, the mid-term carbon fee rate is adjusted to NT$ 1,000/ton CO_2e in 2030, and the long-term carbon fee rate is adjusted to NT$ 1,500/ton CO_2e in 2040. There are also requirements in the "Renewable Energy Development Act", and the Vietnamese government also implements GHG emission quotas.
	Strategies	Strategies such as updating high-efficiency electric furnaces, investing in renewable energy power generation, purchasing electricity with renewable energy certificates (RECs), transforming low-carbon steelmaking processes, improving equipment energy efficiency, applying for voluntary reduction plans and applying carbon capture, utilization and storage (CCUS) technology can mitigate the impact of climate regulations and transform them into financial opportunities for future company operations.
	Financial Impact	Financial impact: The cash outflow of capital expenditures over the medium to long term will be paid by the Company' s internal funds and external bank financing. We anticipate no risk to cash flow, and expect no material impact on financing availability or cost of capital.
Changes in consumer behavior (Transition risk)	Time Period	Medium term, Long term
	Impact	In the short term, government procurement units will require the supply chain to provide product carbon footprint certification to comply with the net zero emission policy. In the medium and long term, government procurement and private enterprises may further require suppliers to provide low-carbon products.
	Strategies	The Group has complete carbon management capabilities and has promoted carbon management capabilities such as carbon inventory, carbon footprint, EPD and carbon reduction declaration to each subsidiary. In addition to the steel industry, the subsidiary Katec Corp. is a circular economy industry and Tung Kang Wind Power is a renewable energy power generation industry, which can support the response strategy in response to customers' requirements for carbon reduction products.
	Financial Impact	The application for third-party verification of carbon management requires manpower and verification costs, but it may also bring opportunities for business growth. In the future, we will actively respond to customers' requirements for carbon footprint certification and low-carbon products. There is no cash outflow for capital expenditure in the short, medium and long term, and no cash flow risk is expected. In the medium term, it will have a positive impact on financing availability and capital costs.
Tropical cyclone (Immediate Physical Risk)	Time Period	Short-term, Medium term, Long term
	Impact	The Group assumes that short- to medium-term extreme weather events of typhoon/flood occur once a year, and long-term extreme weather events of typhoon/flood occur twice a year, which will cause financial impacts in the form of property losses and shutdowns at all production plants.
	Strategies	The Group's operating locations all have basic planning and strength for typhoon and flood prevention, and the typhoon-related contingency measures have been in place to effectively reduce the impact of typhoons. All operating locations have been insured for natural disasters to reduce the financial impact caused by property losses.
	Financial Impact	In the face of the financial impact of future strong typhoons, the Group will purchase relevant insurance to transfer this risk and reduce the financial impact of the company. There is no cash outflow from capital expenditure in the short, medium and long term, and no cash flow risk is expected, which has no significant impact on the availability of financing and capital costs of the Group.

Risk	Item	Description
Changes in average rainfall and water management (Long-term Physical Risks)	Time Period	Long term
	Impact	The Group assumes that the water supply to the factory is cut off for 7 days, resulting in a financial impact of reduced revenue and increased costs. On the other hand, the government's regulations on water discharge will become increasingly stringent, and failure to meet water discharge standards may result in fines or even orders to suspend operations.
	Strategies	The Group's various operating locations have strengthened water resource recycling and implemented zero-discharge water policies, including the installation of water storage tanks, cooling water recycling systems and rainwater recycling systems, which can effectively improve the efficiency of water resource recycling and reuse. Some factories have groundwater well resources. When the water company stops water supply, they can take advantage of the backup water source and continue to promote related policies. If there is a long-term drought and water outage, water trucks will be used to carry water to maintain factory operations. Although this will increase the cost of water trucks, it can reduce the financial impact of the company's reduced revenue and increased costs.
	Financial Impact	Cash outflows for short-, medium- and long-term capital expenditures will be paid from the company's own funds. No cash flow risk is expected, and there will be no significant impact on the Group's financing availability and cost of funds.
Changes in extreme temperature (Long-term Physical Risk)	Time Period	Short-term, Medium term, Long term
	Impact	The Group assumes that power rationing in Taiwan and Vietnam due to extreme high temperatures will result in a short-term shutdown of 5 days, a medium-term shutdown of 10 days, and a long-term shutdown of 20 days, which will cause a financial impact of reduced revenue and increased costs for the Company.
	Strategies	Tung Kang Wind Power Corp. is a renewable energy power generation company the Group invested in. With the renting of diesel generators, it can partially meet the electricity demands. On the other hand, the flexible manpower adjustment system can reduce labor cost losses during anticipated shutdowns. In response to power rationing or outages caused by extreme high temperatures, Tung Kang Steel Structure and Duc Hoa International J.S.C. of the Group will rent diesel generators to supply their own electricity needs; Tung Ho Steel, Katec Creative Resources and THSVC will use flexible manpower adjustment as a response strategy to reduce labor cost losses.
	Financial Impact	Cash outflows for short-, medium- and long-term capital expenditures will be paid from the company's own funds. No cash flow risk is expected, and there will be no significant impact on the Group's financing availability and cost of funds.

● Description of Climate Change-Related Opportunities

The climate change-related opportunities identified by the Company include Recycle and reuse and Incentives from financial institutions. Descriptions of the opportunities are detailed as follows.

opportunities	Item	Description
Recycle and reuse	Time Period	Short-term, Medium term, Long term
	Impact	The waste recycling strategies of the circular economy will become more and more important, and the recycling business can also obtain considerable financial opportunities.
	Strategies	The Group is committed to developing waste recycling policies in our works and investing in related waste recycling businesses, which will be beneficial to the company's future sustainable management strategy planning. The Group has invested in Taiwan Steel Union and Katec Creative Resources, the recycling and reuse businesses, to obtain financial opportunities with stable income.
	Financial Impact	It is expected that the implementation of the strategy will benefit the availability and cost of financing in the short, medium and long term.
Incentives from financial institutions	Time Period	Short-term, Medium term, Long term
	Impact	The credit and investment of financial institutions will be linked to the company's ESG and climate change management performance. Companies with good performance will have the financial opportunity to reduce loan interest costs. Companies with poor performance in sustainability may face the impact of financing availability and capital costs.
	Strategies	Continued investment in climate change management and assessment, and establishment of the Group's net zero path and carbon reduction targets are expected to increase the Company's access to financial market credit, low-interest loans, financing and other financial opportunities, bringing positive benefits to the Group's financing availability and funding costs.
	Financial Impact	It is expected that the implementation of the strategy will benefit the availability and cost of financing in the short, medium and long term.

Climate Change-Related Strategies

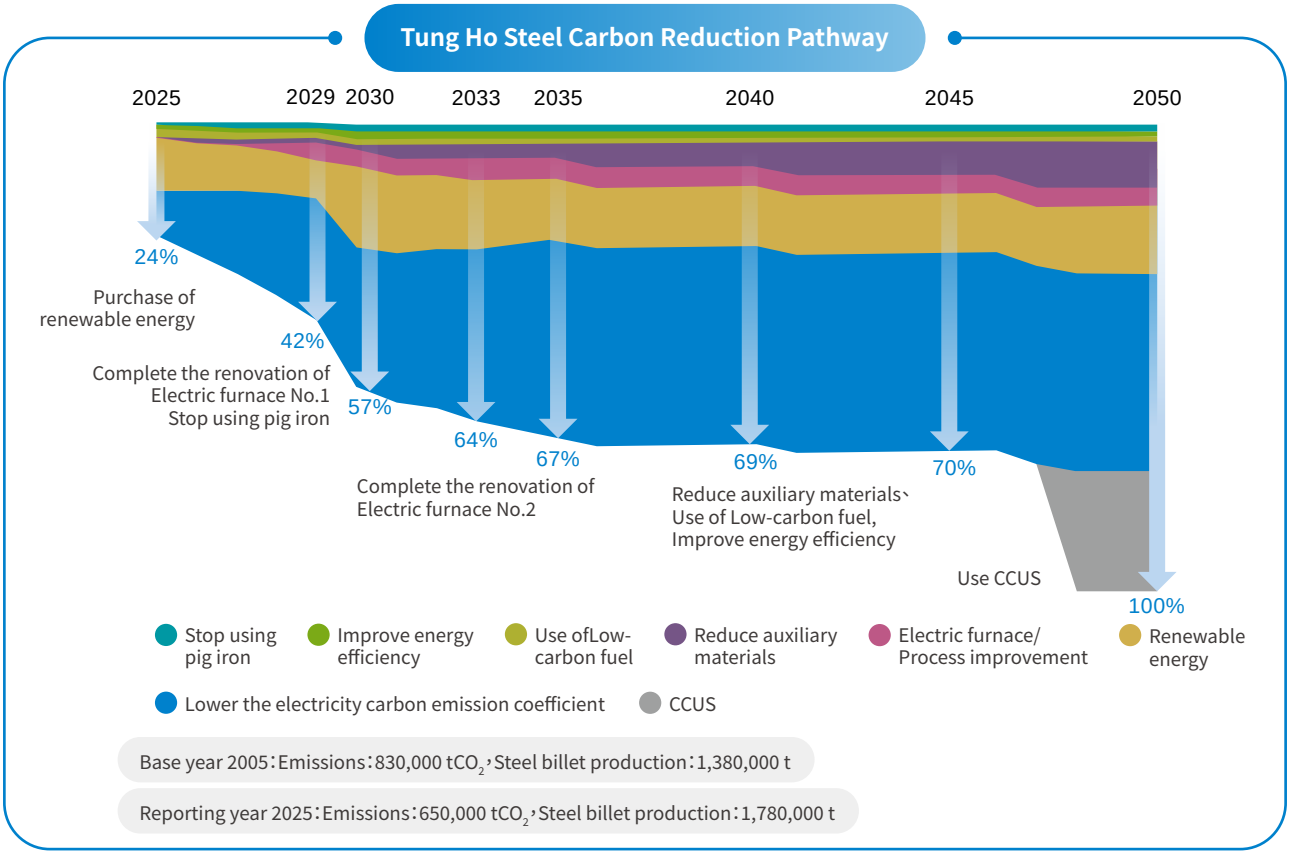
● Climate-Related Scenario Analysis

Sustainability and climate-related risks and opportunities affect the Group's strategies and financial planning. Therefore, the Group uses the three risk types, the transition risk type, regulation risk type and physical risk type as well as the Worst-case Scenario for sustainability and climate opportunities to analyze and assess the resilience of sustainability and climate strategies.

Type of climate-related risks and opportunities	Scenarios of the evaluation strategy of the Company	Content of scenario
Transition risk Regulatory risk Climate-related Opportunity	● 1.5° C scenario ● Taiwan 2050 net-zero emission pathway and strategies ● Taiwan' s NDC (Nationally Determined Contribution) ● Taiwan' s Climate Change Response Act	As the world moves towards net-zero carbon emissions by 2050, Taiwan released the "2050 Net-Zero Emissions Pathway and Strategy Overview" in 2022 to conduct high controls of GHG emissions through four major transitions, namely "energy transition", "industrial transition", "living transition", and "social transition", as well as two governance foundations, namely "technology research and development" and "climate legislation". The National Development Council also announced the phased goals and key strategies for the 2050 net-zero transformation in December, 2022. The Ministry of Environment announced at the end of 2024 that the country's net GHG emissions in 2030 should be reduced to "28±2% of the 2005 base year emissions", an increase of 5% from the National Determined Contribution (NDC) target of "24%±1%" announced by the National Development Council in 2022.
Physical risk	● The worst scenario of global warming in IPCC AR6 (SSP5-8.5)	Under the extremely high GHG emission scenario（SSP5-8.5）, climate change causes drastic changes in future average temperature, extreme high temperature, annual total rainfall, annual maximum one-day rainstorm intensity, annual maximum consecutive days without rainfall, and the proportion of strong typhoons. These scenarios will not have impact on the operation of the Group and its value chain.

● Climate Change-Related Strategies

The GHG emissions at Tung Ho Steel are mainly indirect emissions (Scope 2 / Category 2) caused by electricity use. Therefore, the 1.5°C low-carbon transition plan is currently working on the planning of carbon reduction pathway targeting at the electricity using items. Please refer to "2026 Tung Ho Steel Sustainability and Climate-related Financial Disclosures (IFRS S1 & S2) Report" for other climate change-related strategies.



Note: CCUS (Carbon Capture, Utilization and Storage) refers to carbon dioxide capture, storage and reuse technologies.

Climate Change-Related Indicators and Targets

● GHG Reduction Targets and Renewable Energy Targets

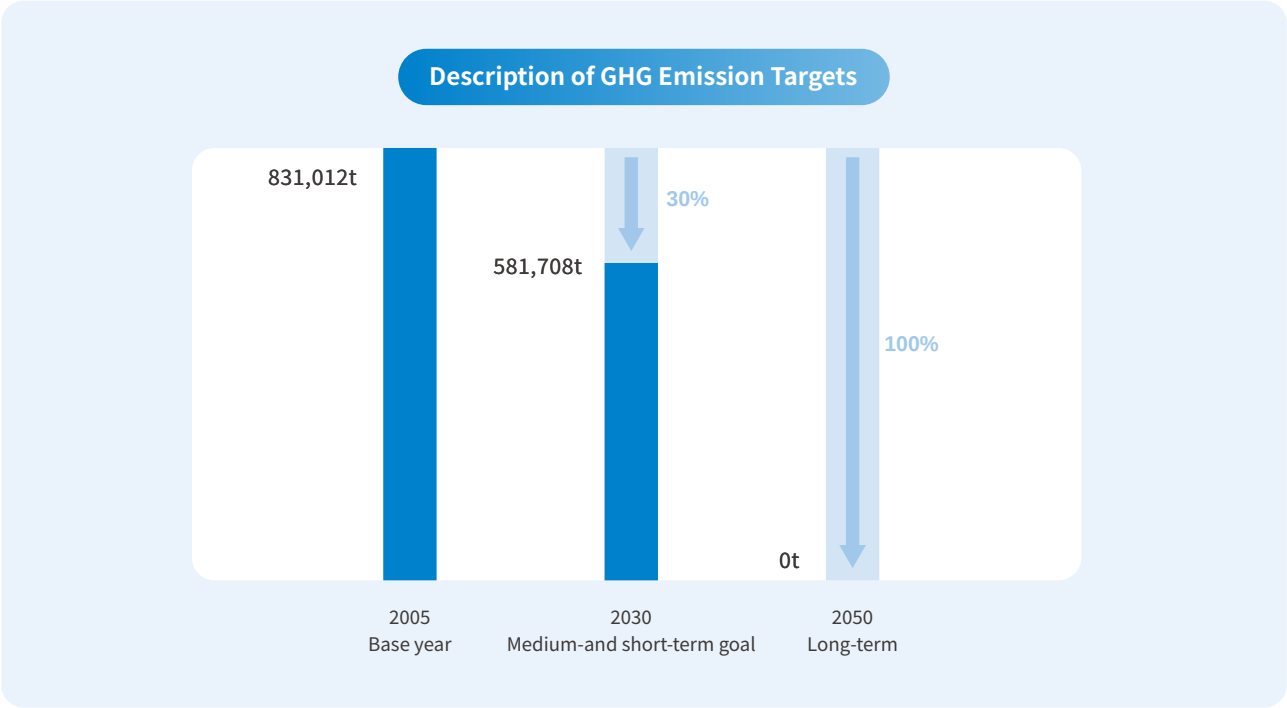
Tung Ho Steel referred to the Science Based Targets initiative （SBTi） as the basis for the climate change-related indicators and target evaluation. Monthly target meeting is also convened, and the president will track the difference between the actual performance of GHG emission intensity of all plants and the targets for discussions and establishment of necessary measures. To respond to the global trend and the national net zero emissions target by 2050, the Company incorporated climate change into the material topic for sustainable development and passed the 2030 phased goal of net zero emission by 2050 in the 25th session of the 24th term of board of directors.

30% Carbon Reduction

The total carbon emissions in 2030 is aimed to be reduced by 30% compared with the 2005 level.

RE30

By 2030, 30% of the total electricity consumption will come from renewable energy.



Note:
1. In the Taiwan's 2050 Net Zero Emission Pathway and Strategy Statement, the carbon reduction pathway from 2025 to 2050 estimated that the carbon reduction in 2030 will account for 30% of the carbon reduction of 2005.
2. GHG emissions are the sum of those in Scope 1/ Category1 and Scope 2/ Category2.

● Description of the Targets for Using Low-carbon Materials

In the traditional steel production processes, milling iron is an indispensable raw material. However, the GHG emissions during the mining and refining stages of raw material- iron ore are much more than that of scrap steel. Therefore, it is an important option for the steel industry to produce low-carbon steel by investing in the R&D of production technology that does not use milling iron. On the basis that steelmaking technology can overcome the completely non-use of milling iron, the Company will look for other alternative types of scrap steel and will no longer purchase milling iron from 2023. The inventory is expected to be used up in 2026. Starting from 2027, milling iron will no longer be the raw material for electric arc furnace steelmaking. By innovating production technologies that does not use milling iron, the steel industry makes a move toward a more environmentally friendly and sustainable future.

Target of Renewable Energy Use

About 73% of our total Scopes 1 and 2 (Category 1 and 2) GHG emissions are generated by electricity use. To realize our goal for sustainable development, purchasing renewable energy certificates (RECs) is one of the important measures for THS to achieve this goal. Additionally, fulfilling our environmental commitment, lowering fossil fuel dependency, reducing energy costs, and meeting the national requirements for renewables are also the realization of our social responsibility and mission.

However, in terms of Taiwan's existing generation capacity of renewables, it will be impractical for all manufacturers with high carbon emissions join RE100. After assessing from a practical point of view, we believe that RE30 is an achievable target through continuous efforts. At the 25th meeting of the 24th term Board, we further passed the use of 30% of renewables in total electricity consumption as the stage target for RE30: 2030 of our "Net Zero 2050" policy. In 2025 we already purchased REC (Bundled REC System) of up to 210,957,467kWh from our subsidiary, Tung Kang Wind Power Corp. and other external entities, equivalent to 18.46% of the total electricity consumption in 2025, gradually advancing the RE30 target.

Internal Carbon Pricing and Appropriation of Emissions Reduction Fund

To promote climate change adaptation and mitigation activities, we have been active in managing carbon risks and establishing operating procedures and regulations concerning climate-related financial disclosures and internal carbon pricing. For internal carbon pricing, we have adopted the price of the national carbon fee to help achieve the set targets of greenhouse gas reduction and promote clean energy transition.

To implement climate change adaptation and mitigation activities, in the 20th meeting in August 2022, the 24th term Board passed the establishment of the "Regulations for Appropriation and Utilization of Special Reserve for Climate Change Adaptation and Mitigation" and temporarily set the fund at NT$200/tCO2e to appropriate the special reserve for addressing climate change adaptation and mitigation in respect of the total Scope 1 and 2(Category 1 and 2) GHG emissions recorded in the annual internal inventory. The special reserve will be spent on projects and programs for climate change adaptation and mitigation, such as energy-efficient equipment, equipment performance improvement and replacement, the R&D of energy conservation technology, and the development of technology for low-emission products. The total expenditure in 2025 was approximately NT$ 156 million. The expenditure items included the establishment of a big data energy management system, the renovation of heating furnace fuel, the improvement of water turbines, the purchase of variable frequency air compressors, centrifugal air compressors, inverter water-cooled packaged air conditioner, and the use of renewable energy sources such as wind power and solar PV power.

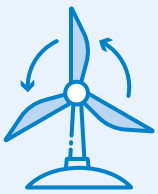


• Investment in Clean Energy in Response to Climate Change

Tung Kang Wind Power Corp.

In response to the government's renewable energy development policy, Tung Ho Steel carried out environmental impact assessments and construction work for five wind turbines in 2007 and invested in Tung Kang Wind Power Corp., making Tung Ho Steel one of the early investors in wind power industry. In 2016, Tung Kang Wind Power Corp. obtained a renewable energy generation license to sell electricity through the feed-in-tariff (FIT) program, and in 2023, it transferred renewable energy and renewable energy certificates (RECs) to Tung Ho Steel Enterprise Corp.

In 2025, Tung Kang Wind Power generated 20,964,144 kWh of electricity from wind turbines and 18,984,122 kWh of electricity from solar power, and transferred 39,785,844 kWh to Tung Ho Steel, accounting for about 99.59% of the total electricity generation. A total of 162,382 kWh of surplus electricity generated by the solar power system was sold to Taiwan Power Company (TPC), accounting for approximately 0.44% of the total power generation. The revenue generated from the electricity sales can be used to gradually recover the investment cost of green energy over time.



Wind power generation

In 2025, the total gross power generation amounted to 20,964,144 kWh, contributing to reduction of 9,769 tons of carbon emission [Note].

Address	Longgang Industrial Park in Houlong Town, Miaoli County
Equipment invested	5 Enercon E-70/2300kW wind turbines
Annual generation capacity	25,000,000 kWh
Installed capacity	11,500 kW



Solar Power Generation

In 2025, the total gross power generation amounted to 18,984,122 kWh, contributing to reduction of 8,847 tons of carbon emission. [note]

Since 2022, Tung Kang Wind Power Corp. has installed 16.986 MW of solar PV power generation equipment at Tung Ho Steel's Taoyuan Works, Miaoli Works, Kaohsiung Works-Jiaxing, Taoyuan Fabrication Center, Taipei Port Warehouse, Taichung Harbor Logistics Office, and the rooftop of Tung Sugar Energy Service Co., Ltd., and electricity business licenses were obtained for all facilities in 2024. In 2026, it is planned to add approximately 7,000 kWp of solar PV power generation equipment at Tung Ho Steel's Taoyuan Fabrication Center and Kaohsiung Works-Daye, and investment in clean energy will continue to stay in line with RE30 standards.

Note: Electricity emissions were calculated based on the electricity carbon emission coefficient of 0.466 kg announced by the Energy Bureau of MOEA in 2025.

Tung Sugar Energy Service Co., Ltd.

Tung Sugar Energy Service Co., Ltd. is an energy service company that produces energy from biomass, collecting various biodegradable biomass externally. After processed by anaerobic fermentation technology, three major products can be produced: biogas, biogas residue, and biogas slurry. Biogas can be converted into electricity through the biogas generator; biogas residues can be used as organic fertilizers after proper treatment, and biogas slurry can be provided as liquid fertilizer. It is the only bioenergy company in Taiwan to achieve "full circular utilization model", and provides the food processing industry with comprehensive and sustainable waste treatment solutions.

As of the end of 2025, Tung Sugar Energy Service has invested NT$300 million in capital expenditures and generated 2,190,000 kWh of electricity.



Special Column

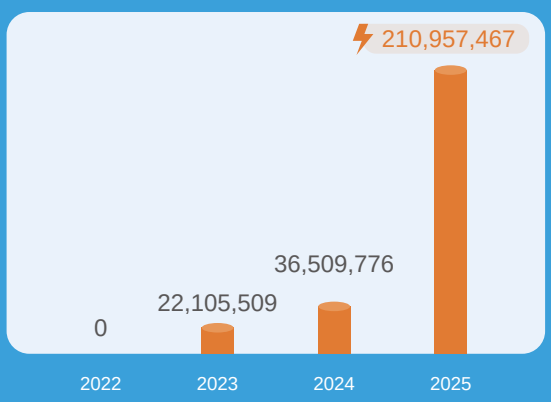
Renewable Electricity Reaches 18% of Total Electricity Consumption

In response to global warming and climate change, countries have successively promoted policies to address the challenges of energy transition. In response to the government's renewable energy development policy, Tung Ho Steel carried out environmental impact assessments and construction work for five wind turbines in 2007 and invested in Tung Kang Wind Power Corp., making Tung Ho Steel one of the early investors in wind power industry.

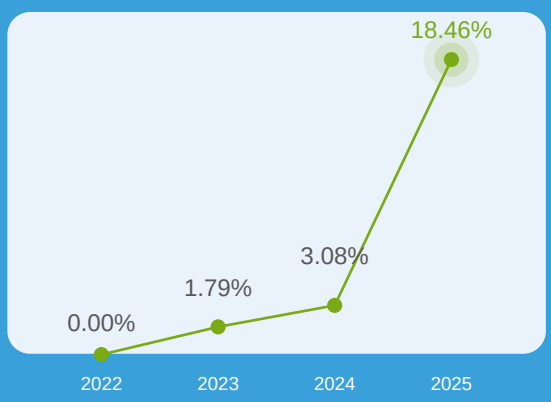
With the promulgation of Taiwan's Climate Change Response Act and related regulations on renewable energy, the Company is actively considering energy transition in response to the net-zero trend and customers' demands for low-carbon products and services. We have reviewed all feasible renewable energy deployment plans across the Company and incorporated climate change into a material topic of sustainable development. As a result, our subsidiary, Tung Kang Wind Power Corp., continues to develop renewable energy sources such as solar and wind power and supplies them to Tung Ho Steel. This reduces the operational risks brought about by climate change-related regulations, responds to customer needs, and also enhances the competitiveness of our products in the market. In 2023, we set a phased target of RE30 for 2030, which means that 30% of our total electricity consumption will come from renewable energy by 2030.

Since 2023, the Company has been using renewable energy and gradually moving towards the RE30 target, achieving RE18 in 2025. We utilized wind power from Tung Kang Wind Power Corp. and purchased external renewable energy certificates (Bundled REC System) totaling 210,957,467 kWh, increasing the green energy usage ratio from 3.08% in the previous year to 18.46%. In addition, the planned additional installation of 6-7 MW of solar power generation equipment is expected to be commissioned successively from 2027 to 2028, to further increase the proportion of renewable energy used. Tung Ho Steel will continue to develop and procure renewable energy in the future, demonstrating our commitment to climate change adaptation and mitigation.

Renewable energy electricity (kWh)



Share of Renewable Electricity in Total Electricity Consumption



3-3 Product and Service Quality

Quality Management

In line with the philosophies of ensuring product value and respect for life, Tung Ho Steel strives to provide safe services involving quality steel building materials. We have insisted and stood by "Quality First, Credit First, Customer First". Every year, we achieve the goal to improve the quality of our products through the efforts and improvement of the annual quality target and the review of the applicability of quality policy, striving to make efforts from customers' perspective to ensure customer satisfaction.

To ensure the appropriateness and the implementation of the quality management system, the Quality Management Committee composed of the factory director and heads of production operation control, sales and procurement departments is set up in each factory, which is convened regularly for the review of quality achievement status and proposal of improvement measures. In addition, quality control (Q/C) laboratory is set up, and various instruments and equipment for testing are purchased and maintained for their normality to provide accurate and objective results to ensure the quality of products.

In 2025, there were 73 routine customer visits in total to our various works, and 136 customer factory inspections for steel bars, section steel and steel plates. These factory inspection results all indicated that the product production process and quality met the customer requirements.

Our declared product quality philosophy

To seek ongoing innovations to improve product quality, satisfy customer needs, and promote a cleaner environment

100% free of radiation contamination

The steel products produced by Tung Ho Steel are strictly checked by the radiation detection system from the incoming raw materials to the inspection of finished products and to the delivery inspection. Relevant document of proof is also provided upon delivery.

Note: Tung Ho Steel has the certification for radiation detection operations in the steel industry, and the validity period for Taoyuan Works is until September 7, 2028, the validity period for Miaoli is until March 26, 2027, the validity period for Kaohsiung-- Jiaxing is until March 26, 2027, the validity period for Kaohsiung--Daye is until March 23, 2028.

Verification of Management Systems and Product Certification

Tung Ho Steel continued to improve its quality management and plant verification results in 2025. In June, we successfully completed the three-year extension of our ISO 9001 quality management system certification, and in March, we completed ACRS AS/NZS 4671 product certification. In addition, regarding product certification, our Rebar products have passed 11 types of certification marks while our steel sections and steel plate products passed 20 types of certification marks in 2025, demonstrating the Company's strong commitment to product quality and international standards.

All products meet the safety impact assessment improvement and legal requirements for product information, labeling and regulations. In addition, we also established and provide product purchase information and use instruction from customers' perspective, attesting to our product quality, integrity, and our insistence that customers always come first.

Works Passing ISO Verification						
Verification Items		Taoyuan Works	Miaoli Works	Kaohsiung Works- Jiaxing	Kaohsiung Works -Daye	Head Office
Occupational Safety and Health Management System	ISO 45001	✓	✓	✓	✓	✓
	TOSHMS	✓	✓	✓	✓	✓
Environmental Management System	ISO 14001	✓	✓	✓	✓	
Quality Management System	ISO 9001	✓	✓	✓	✓	
Energy Management System	ISO 50001	✓	✓	✓		
Water resource efficiency management system	ISO 46001	✓	✓			

Certification marks our major products passed					■ means 100% passed
Category of certificate marks	Product Type / Certification mark	Rebar	Beam	Steel plate	Billet steel
Product Certification	MIT Smile Logo	■	■	■	
	Product Safety Mark	■	■	■	
	CNS Mark （CNS560-2018）	■	■	■	
	Recycled Green Product Certification				■
	ACRS certified hot-rolled steel	■	■	■	
	JIS SPECIFICATION / APPROVAL	■	■	■	
	ABS certified ship steel		■	■	■
	NIPPON KAIJI KYOKAI certified ship steel		■	■	■
	BV certified ship steel		■	■	■
	DNV certified ship steel		■	■	■
	Lloyd's Register certified ship steel		■	■	■
	KS certified hot roll steel	■	■	■	
	Singapore BC 1: 2023. Factory Production Control (FPC) Certificate		■		
	Certified by UK Conformity Assessment Body (UKCA)		■		
	Construction Products Regulation (CPR)		■		
Product Carbon Footprint	ISO 14067:2018	■	■	■	
Laboratory Accreditation	TAF Chemistry Laboratory	■	■	■	
	TAF Physics Laboratory	■	■	■	
Factory Production Control Certification	Lloyd's Register CPR		■		
Environmental Labels and Declarations	Type III Environmental Product Declaration	■	■	■	
Sustainable Product Certification	UL2809 Recycled Content Validation Mark	■	■	■	

Obtaining the UL 2809 Recycled Content Validation

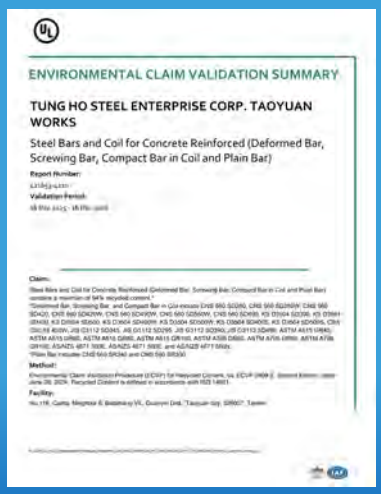
The circular economy has become a new economic development model incorporated into the policies of many countries. Steel resources can be used and remanufactured repeatedly, making steel one of the most recyclable materials available. As a result, steel plays a crucial role in advancing the circular economy.

The Company uses scrap steel as the main raw material, which is smelted in an electric arc furnace (EAF) to produce structural steel for buildings. At the end of a building' s service life, the steel is recycled through a resource recycling system and used as raw material for electric arc furnace steelmaking. To enhance the green competitiveness of our products and meet the needs of our customers and the market, our company obtained UL2809 recycled content validation for all products in 2025. UL 2809 is the Environmental Claim Validation Procedure (ECVP) for Recycled Content, verifying the content of recycled materials in the products through impartial third-party verification.

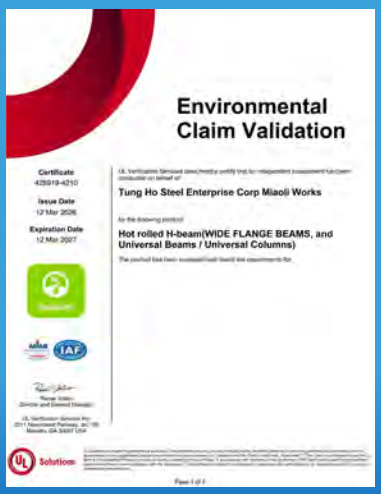
All of our products have been verified to be RC94 (Recycled Content 94%), meaning that 94% of the raw materials used in our products are from recycled materials. This validated recycled content is clearly displayed on the product label, which enhances the competitiveness of our products in the market and demonstrates our commitment to a circular economy and to sustainable production and consumption.



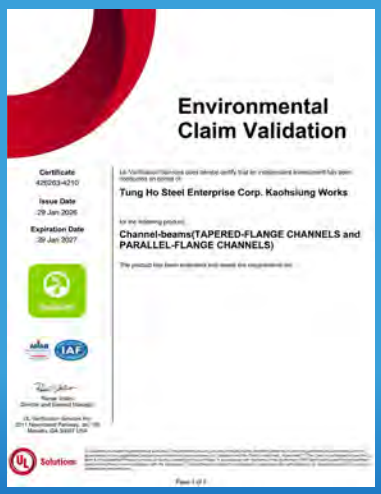
UL 2809 Recycled Content Validation Mark



Rebar



H-Beam



Steel plate

3-4 Customer Service

Rebar Processing Service

Due to the extensive demand of the domestic engineering industry for the back-end processing of Rebar and the increasingly serious labor shortage problem, the Company integrates the upstream and downstream operations of the steel bar industry, deepens the rebar processing field, and provides comprehensive product sales and services. The Company has further established the Taoyuan Fabrication Center and further expanded the processing capacity of the Taichung Harbor Logistic Office. In addition, we also added a new processing production line in Kaohsiung Works- Daye to provide customers in central and southern regions with more complete and diversified services.

The establishment of fabrication center in northern, central and southern Taiwan enables the production capacity and shipment quantity of rebars to reach more than one million tons, accounting for over 22% of total domestic demand. The total production volume after processing has reached over 70% of the Company' s total shipment, leading the industry in terms of our production scale and output volume.

Advantages of forming and processing services

1. Provide a one-stop shopping for a full set of services to save the number of times for material handling, reduce the freight costs and the exhaust emissions from vehicle transportation, and achieve reduction of GHG emissions.
2. Increase the amount of friction welding processing, reduce the loss of rebar head and tail scraps, increase steel recovery rate, avoid secondary refining processing, and achieve the purpose of energy conservation and carbon reduction.
3. Provide high-quality processed rebar finished products in the market to improve the building safety of customers, creating a safe and secure living quality.


Cut to Length


Bending


Friction Welding Coupler


Re-bar Wire Mesh

Customer Satisfaction

Tung Ho Steel provides its customers with the best and satisfactory products and services. In addition to assigning dedicated personnel to provide purchase services, consultation and suggestions, a dedicated e-mail box is also established to handle and respond to customers' comments and suggestions. At the same time, the Customer Complaint Handling Procedure has been established to set up a comprehensive handling mechanism. In addition, regular distributors meetings are held to understand customer's comments and feedback.

In addition, we also actively conduct customer satisfaction survey every year. We will review and improve the problems our customers report and continue making improvement to listen to and proactively respond to customers' opinions for the optimization of our service processes and product quality. In 2025, we scored 96.68 points from our section steel customers and 93.8 points from our rebar customers, with 14 copies and 30 copies of questionnaire returned respectively. The customer suggestions and unsatisfactory items have been handled immediately and obtained customers' replies showing satisfaction.

Customer Privacy

Tung Ho Steel attaches great importance to the issues of customer information confidentiality and privacy. In the 20th meeting of the 25th Board of Directors dated on December 30, 2025, the "Customer Rights Policy" and the "Personal Data Protection Policy" were established. To effectively manage customer data and for security maintenance, we have set up the Regulations Governing Personal Information Data Security Maintenance and Management, and the legal affair unit implements education and training for business-related personnel. Moreover, a firewall, an e-file encryption system and an electronic personal data storage platform are established to control and check the access and records of relevant personnel to implement customer data security protection. In 2025, there were no complaints of infringement of customer privacy or loss of customer data.

4 - 1 Green Procurement Management

Special Column: Acquisition of Steel Sustainability Australia (SSA)

4 - 2 Use of Energy Resources

Special Column: Founding member of the Ministry of Environment's "Green Growth Alliance"

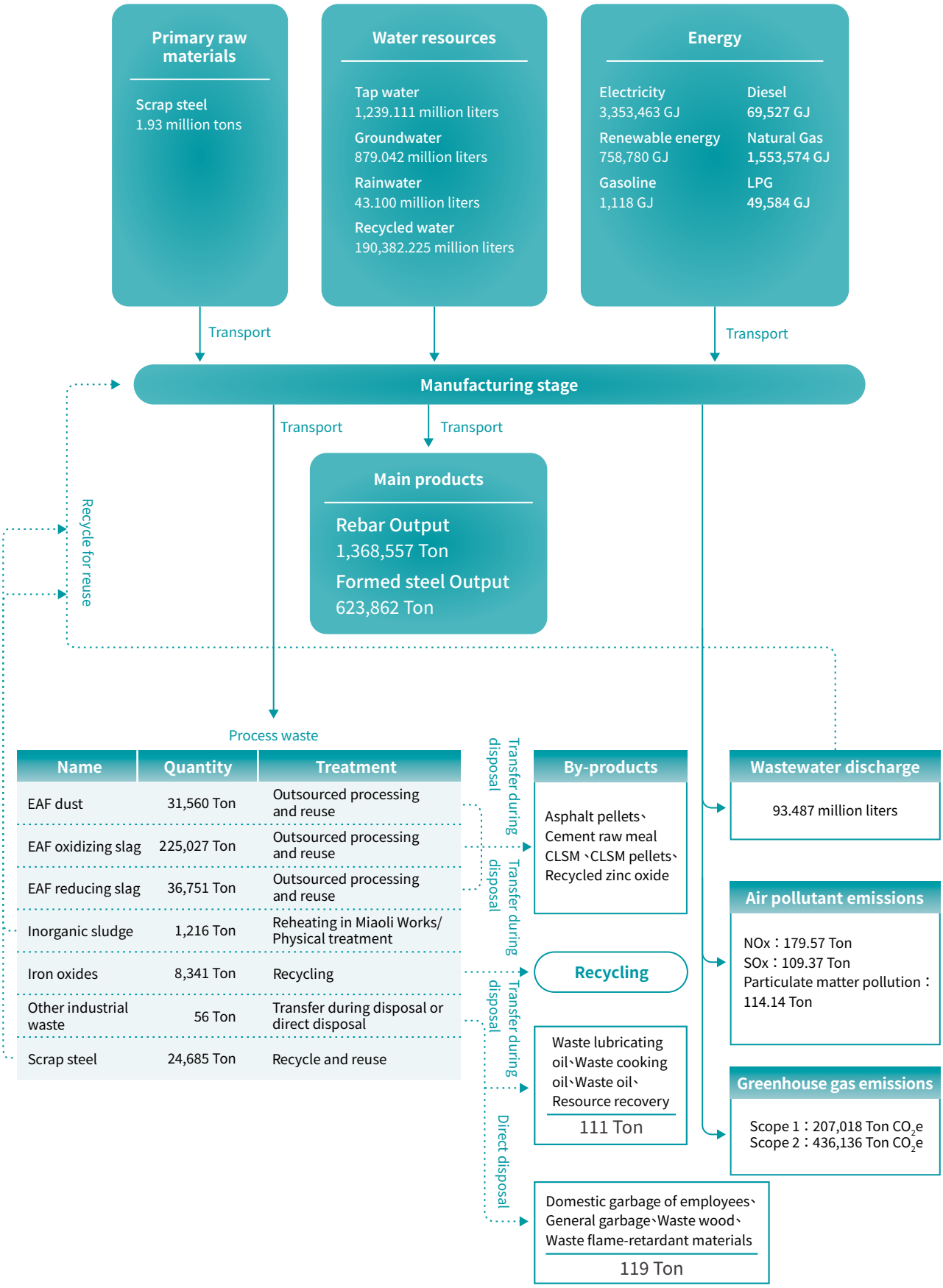
Special Column: Promotion of the ISO 46001 Water Efficiency Management System

4 - 3 Pollution Prevention and Control Management

4 Environmental Protection

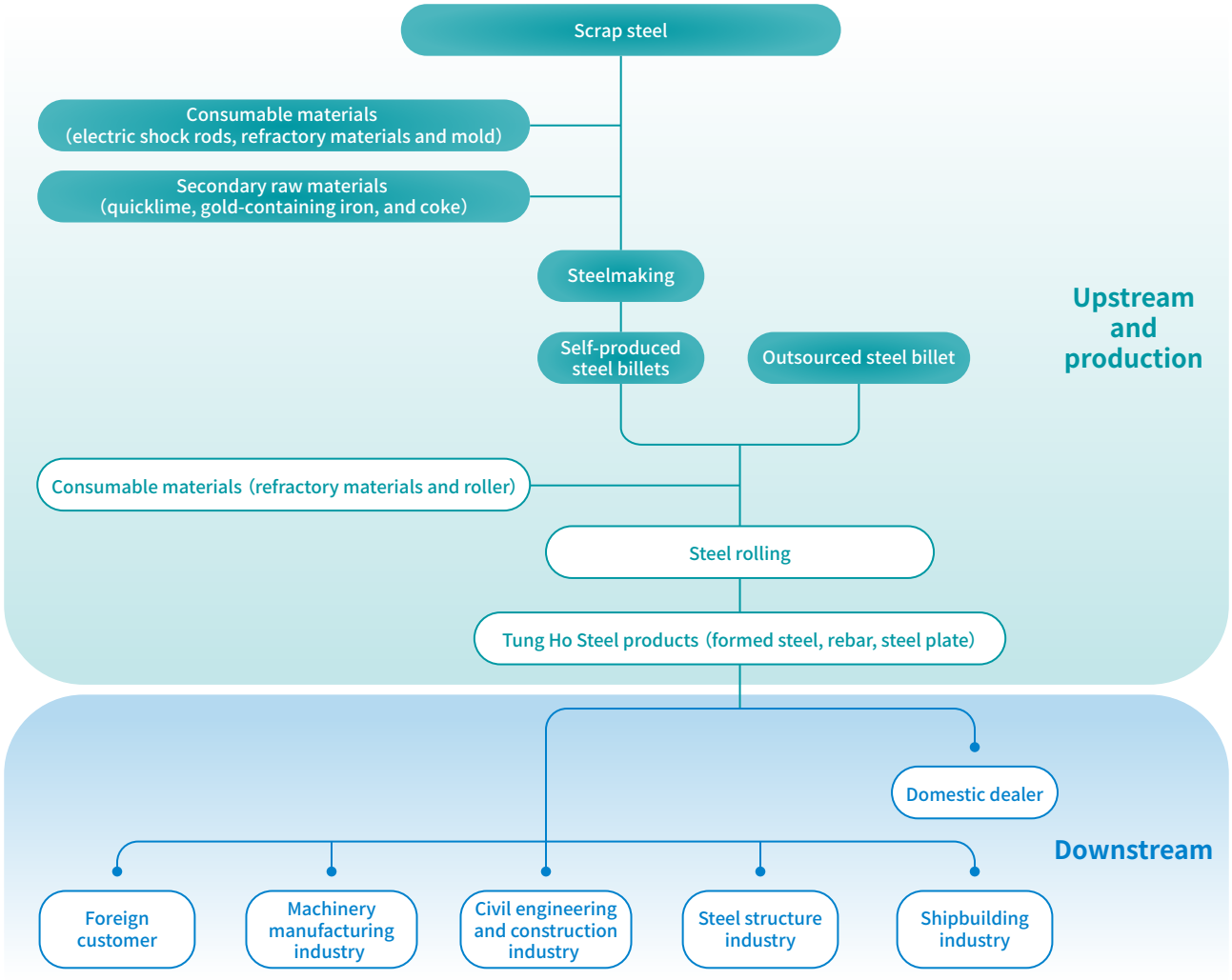


4-1 Green Procurement Management



Introduction of Value Chain

The connection of upstream, midstream and downstream of the industry



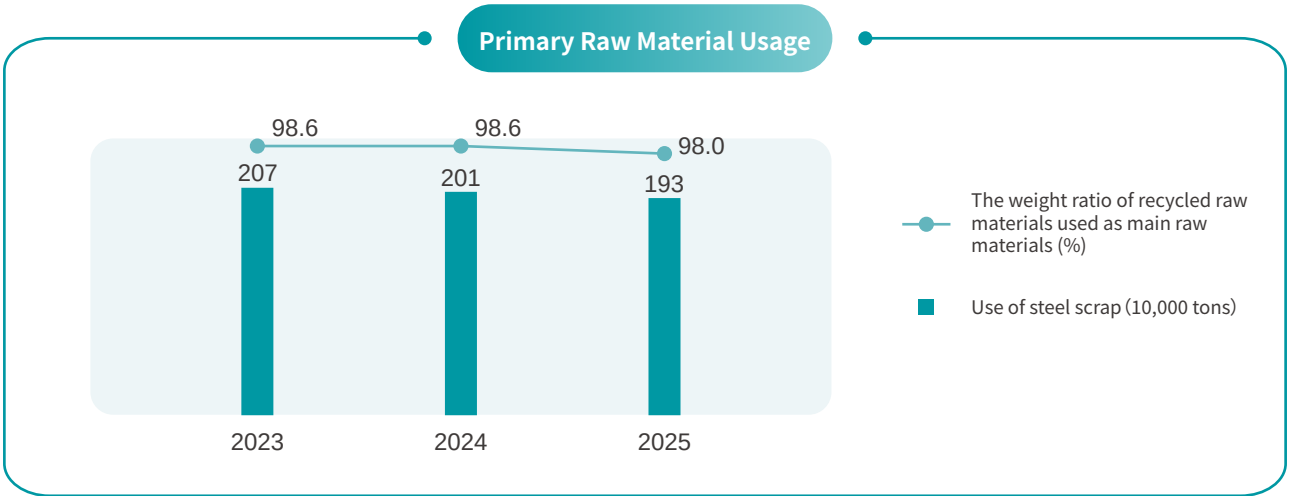
● Overview of Primary Raw Material Usage

Ore resources are non-renewable raw materials, but their characteristics are that they can be reused and remanufactured, making them the materials that are with the highest recycling rate. They also play an important role in the regenerative cycle. Tung Ho Steel uses the unique characteristic of steel that can be indefinitely reused and recycles steel scraps from urban mines to produce steel products in a more energy-saving, low-carbon, and eco-friendly way.

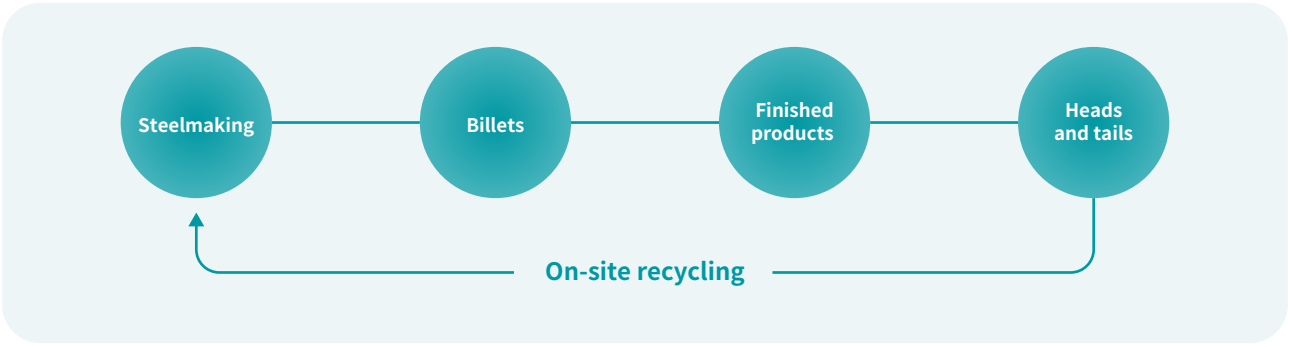
Making use of scrap steel for steelmaking is the most energy-saving and carbon-reducing process

Tung Ho Steel's products are steel materials for building and construction. In 2025, 98% of the primary raw materials are scrap steel (non-renewable raw material). The Company uses steel scrap as the main raw material and uses electric arc furnaces to smelt it to produce steel products for building structures. When the building reaches the end of its service life, the waste steel is recycled again through the resource recovery system to be used as steelmaking raw materials for the electric furnace plants.

Using low-carbon materials is one of the goals of Tung Ho Steel's decarbonization pathway. In the traditional steel production process, milling iron is an indispensable raw material. On the basis that steelmaking technology can overcome the complete non-use of milling iron, the Company will look for other alternative types of scrap steel and no longer purchase milling iron from 2023. The inventory is expected to be used up by 2027, and milling iron will no longer be the raw material for electric arc furnace steelmaking, allowing the steel industry to make a move toward a more environmentally friendly and sustainable future.

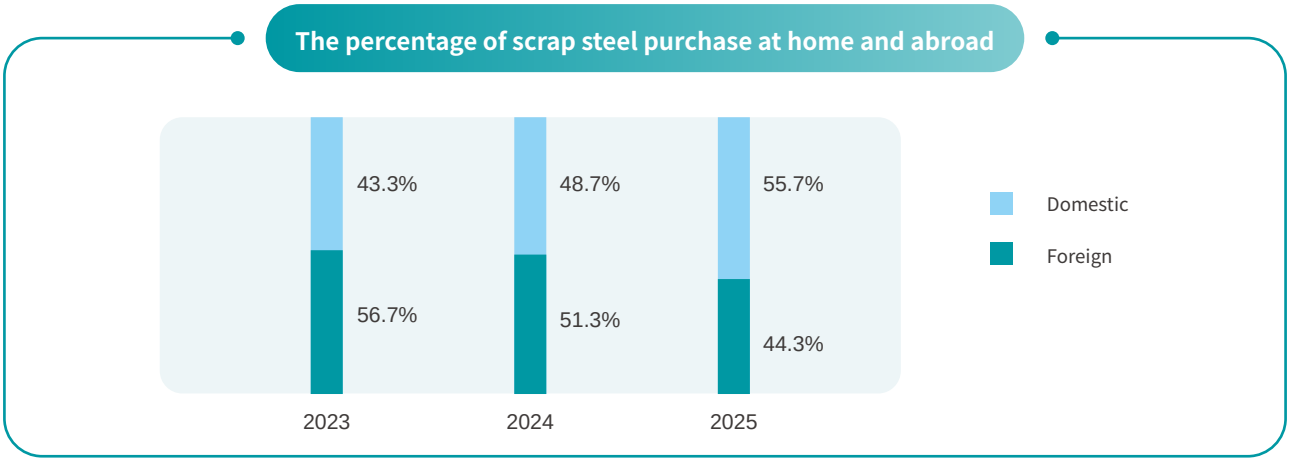


We have established the ISO 9001 management system and set up standards for steel scrap acceptance inspection and electric furnace operation. We increase the procurement amount of domestic scrap steel based on the monthly production plan, set up the crush workshop and increase the recovery rate in the steelmaking process to reduce the consumption of raw materials and energy to further reduce the environmental impact. In 2025, the proportion of rolling and cutting head and tail materials or the ratio of scrap material recycled in furnaces was 1.67% for rebar and 4.99% for section steel.



Overview of Primary Raw Material Procurement

The primary raw materials of Tung Ho Steel are mainly scrap steel, cast iron and iron alloy. In 2025, due to the insufficient domestic demand in China, the domestic market has been disrupted by an influx of low-priced Chinese steel billets. Meanwhile, the implementation of retaliatory tariffs by the United States also caused a sharp decline in export orders for domestic processing industries, resulting in a significant reduction in the output of scrap materials. The Company gave priority to local manufacturers in Taiwan (over 40% local procurement), and the purchase of domestic scrap steel was strengthened strategically to maintain the procurement ratio. In addition to considering the supply efficiency, it also contributed to domestic economic stability and indirectly supported the establishment of a scrap iron recycling system in Taiwan.



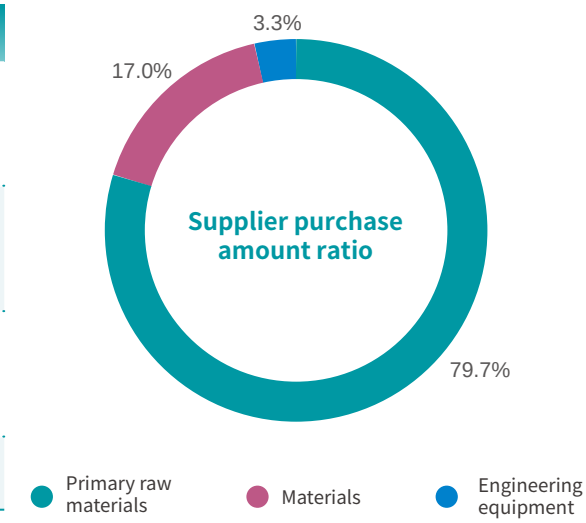
Note: Foreign purchases were mainly from the U.S., Japan and Central and South America.

Supplier Management

Percentage of suppliers

Tung Ho Steel regards its suppliers as important partners in its operation. In addition to ensuring the quality, cost, delivery and quality of service of its suppliers, the Company also urges its suppliers to jointly implement environmental protection, climate change response and disclosure of information of labor rights and human rights. During the procurement process of equipment or engineering, we let the third-party suppliers know about the Company' s Ethical Corporate Management Best Practices Principles and Procedures for Ethical Management and Guidelines for Conduct for them to fulfill the social responsibility, aiming at growing with our suppliers and establishing a mutually beneficial, long-term and stable supply chain. There were about 1,831 suppliers and contractors working with us in 2025.

Procurement type	Number	Transaction percentage (%)
Primary raw materials	178	79.7%
Materials	1,439	17%
Engineering equipment	214	3.3%
Total	1,831	100%



Supplier Management Policy

1. To urge suppliers to comply with laws and regulations to achieve sustainable development and create a win-win situation in the three major aspects, including economic, environmental and social aspects as the core of common development.
2. To protect the stakeholders' rights and interests and at the same time include topics of social responsibility, labor safety, human rights and environmental protection as the basis for management decision and implementation.
3. To attach importance to business ethics and morality, equal opportunities and fair trade as the prime directives for the interaction of the supply chain to eliminate illegal interests and severely punish illegal acts.
4. To jointly strengthen the response and information disclosure concerning the impact of climate change and take actions on GHG emissions.

Integrity Clauses

The suppliers shall not impose any direct or indirect contact and agreement or provide any improper benefits (including but not limited to kickbacks, commissions, improper gifts, and entertainment, etc.) to Tung Ho Steel personnel. Violators shall not only bear civil and criminal legal responsibility, but also promise to accept Tung Ho Steel' s unconditional termination and rescission of the contract or deduct the equivalent amount of the illegitimate interest from the price payable. In case of coercion, bribery, intimidation, injury, or other abnormal conditions, the suppliers can report and appeal to Tung Ho Steel.[note]

Note: Please see 1-2 Communication with Stakeholders-Complaint Handling and Responses for the grievance and complaint channels.

Supplier Social Responsibility Commitment

Tung Ho Steel has incorporated Integrity Clauses and corporate social responsibility into the supplier management regulations, requesting the suppliers to sign the Supplier Social Responsibility Commitment, and the commitments include labor rights and human rights, environmental protection, emphasis on climate change mitigation and adaptation, integrity management and ethics. If the suppliers fail to fulfill the commitment, the Company may require improvement first within a time limit, and if improvement is not made within the time limit, the contract may be terminated or rescinded at any time, and the supplier shall not claim any damage. In 2019-2025, a total of 982 manufacturers have signed the Supplier Social Responsibility Commitment, accounting for 87.9% of the Company's transaction amount.

Collaborative Carbon Reduction Agreement

The Company has been incorporated "climate-related responsibility" into the scoring items to encourage suppliers to complete GHG inventory and verification as soon as possible. A collaborative carbon reduction agreement with the value chain manufacturers were drafted, and the questionnaire was distributed to manufacturers in the value chain, including the upstream suppliers, downstream construction companies, and the transportation companies to investigate their willingness to join the collaborative carbon reduction agreement. We will start negotiation with manufacturers willing to join this agreement.

In 2024, one session of GHG reduction briefing and one GHG inventory workshop were held in Taoyuan Works, Miaoli Works, and Kaohsiung Works each, inviting suppliers who have signed the collaborative carbon reduction agreement and 12 manufacturers in the supply chain of Kaohsiung Works- Daye's Subsidy Program for Low-Carbon and Smart Transformation in Manufacturing through Large Enterprises Supporting Smaller Ones to participate. A total of six sessions were held, with 207 participants in total.

• Screening and Evaluation of Suppliers

New Supplier Screening

Tung Ho Steel selects suppliers meeting requirements in accordance with the New Supplier Selection Evaluation Form as the procurement targets and establishes the Basic Supplier Information. The screening criteria include passing ISO quality assurance system verification, ISO environment/ occupational safety and health verified companies, signing the Supplier Social Responsibility Commitment, issuing sustainability reports in accordance with corporate governance evaluation, and meeting the Company's environmental/ occupational safety and health requirements. In 2025, the number of qualified new suppliers passing the environmental/social screening was 88 (100% passing rate).

Evaluation of Existing Suppliers

The Company has set up the Regulations Governing the Selection and Evaluation of Suppliers of Primary Raw Materials, Secondary Materials and Materials and established basic information of suppliers to have a series of effective management of supplier selection and evaluation. We carry out self-inspection or inspection carried out by a third-party notarization for every batch our suppliers deliver. Every 6 months, we make evaluation of our suppliers in terms of quality reliability, delivery quantity, price level, handling quality improvement for customers, and corporate social responsibility. Based on the evaluation results, we will discuss the reason with the suppliers, make an improvement plan, and track the improvement results to reconfirm the improvement of the deficiency. When the quality of materials provided by suppliers is not good and improvements have not been made, the result of the regular evaluation will be determined as non-conformity. The qualification of such supplier shall be re-determined, which will also be noted in the supplier' s basic information sheet, and the supply from such supplier will be suspended. For semi-finished products and secondary materials supplied by suppliers at home and abroad fail to pass the incoming material inspections for three times in a row, the Quality Management Section will fill out the "Incoming Material Quality Improvement Notice" and notify the Trading Department or the personnel in the Material Department, while such supplier will be notified to put forward the cause analysis and countermeasures for improvement within a time limit, and the effectiveness of the countermeasures proposed will be tracked.

We guide secondary material suppliers to take into account regulations concerning product quality, energy saving and environmental protection. For example, whether the selected suppliers pass the ISO 9001 quality management system verification and the ISO 14001 environmental management system verification, whether the products have the environmental protection mark, whether the products have eco-friendly and recyclable packing methods and materials, and whether the suppliers comply with our environmental protection policies and regulations concerning reduction in industrial waste, energy conservation, pollution prevention and environmental regulations. Currently, the secondary materials are all directly imported by suppliers without domestic production process and are directly placed in large bags or shipped by tank trucks, leaving little negative environmental impact, so no identification was conducted.

In 2025, all domestic and foreign steel scrap dealers met the evaluation criteria, and the 372 material suppliers as well as the 60 secondary material suppliers all received the supplier evaluation, with 100% passing rate. There were no suppliers having significant or potential impact on the environment or society.

In addition, Tung Ho Steel also proactively promotes sustainable supply chain management and continuously aligns with international standards. Both the Miaoli and Kaohsiung Works successfully obtained Steel Sustainability Australia (SSA) certification in August 2025, demonstrating that the Company meets international sustainable steel industry requirements in areas such as raw material management, process control, environmental protection, and sustainable supply chain management. Through this certification system, we continue to strengthen supply chain management and cooperation, encourage suppliers to jointly enhance their environmental and social responsibility performance to achieve the goals of sustainable procurement and green supply chain management.

Acquisition of Steel Sustainability Australia (SSA)

The Company obtained Steel Sustainability Australia (SSA) certification in 2025. SSA certification is a sustainable steel supplier certification system established by the Australian Steel Institute (ASI) to assess the steel industry's process management, supply chain management, and environmental, human rights, and social impacts, ensuring that companies comply with the principles of responsible sourcing.

The Company has established relevant procedures for the selection and evaluation of suppliers. Based on the supplier evaluation criteria, existing suppliers are assessed twice a year on delivery quality, corporate social responsibility (CSR), and climate-related responsibilities. To strengthen supply chain human rights management and prevent the risks of modern slavery, the Company has incorporated human rights and sustainability issues into the supplier management mechanism and added a "Supplier Self-Assessment Questionnaire on Modern Slavery Risk Prevention and Ethical Sourcing", reminding them not to be involved in risks related to modern slavery such as child labor, forced labor, and discriminatory treatment.

The successful acquisition of SSA certification demonstrates that the Company meets sustainability standards in carbon emissions management, water resource recycling, human rights, and labor practices. According to SSA certification standards, steel products certified by SSA can earn points or recognition in Australia's building sustainability rating systems (such as Green Star). Our company will continue to provide products that combine quality assurance and sustainable value, and closely monitor relevant international trends, working with our customers and the supply chain to practice environmental protection and social responsibility.



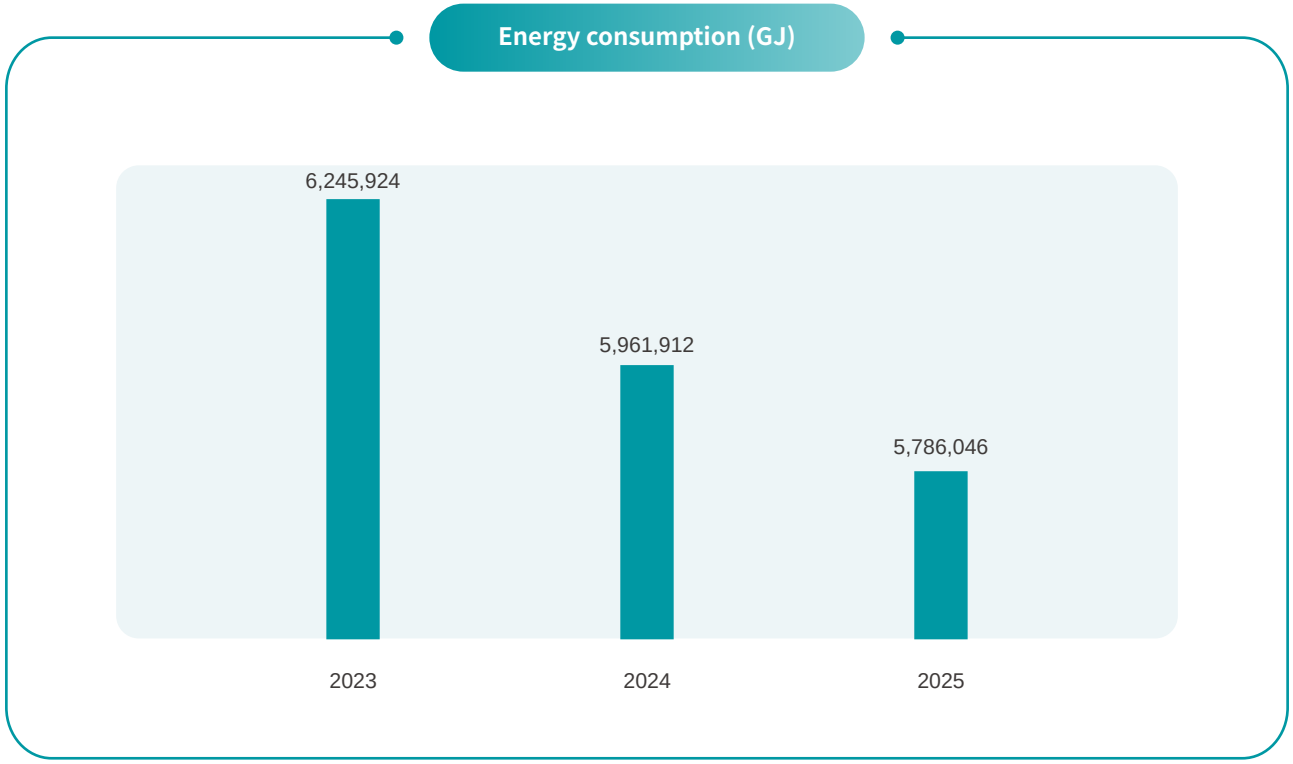
Steel Sustainability Australia (SSA) Certification

4-2 Use of Energy Resources

Broadening sources and reducing consumption

Tung Ho Steel has introduced ISO 50001 Energy Management System to continue monitoring the changes in energy usage at our works. The total energy use of the Headquarters and three Works in 2025 amounted to 5,786,046 GJ, including 3,353,463 GJ from purchased electricity from Taipower, 758,780 GJ from purchased renewable energy from Tung Kang Wind Power Corp. and other external units, and 1,673,803 GJ non-renewable fuel. No renewable fuel was used, and the proportion of renewable energy use accounted for 13.1%[Note1].

Energy consumption and energy intensity[note2]				
Item/year	2023	2024	2025	Comparison with 2024
Energy consumption (GJ)	6,245,924	5,961,912	5,786,046	↓ 2.95%
Billet output (tons)	1,901,382	1,840,779	1,784,923	↓ 3.03%
Energy intensity (GJ / tons)	3.29	3.24	3.24	↑ 0.09%



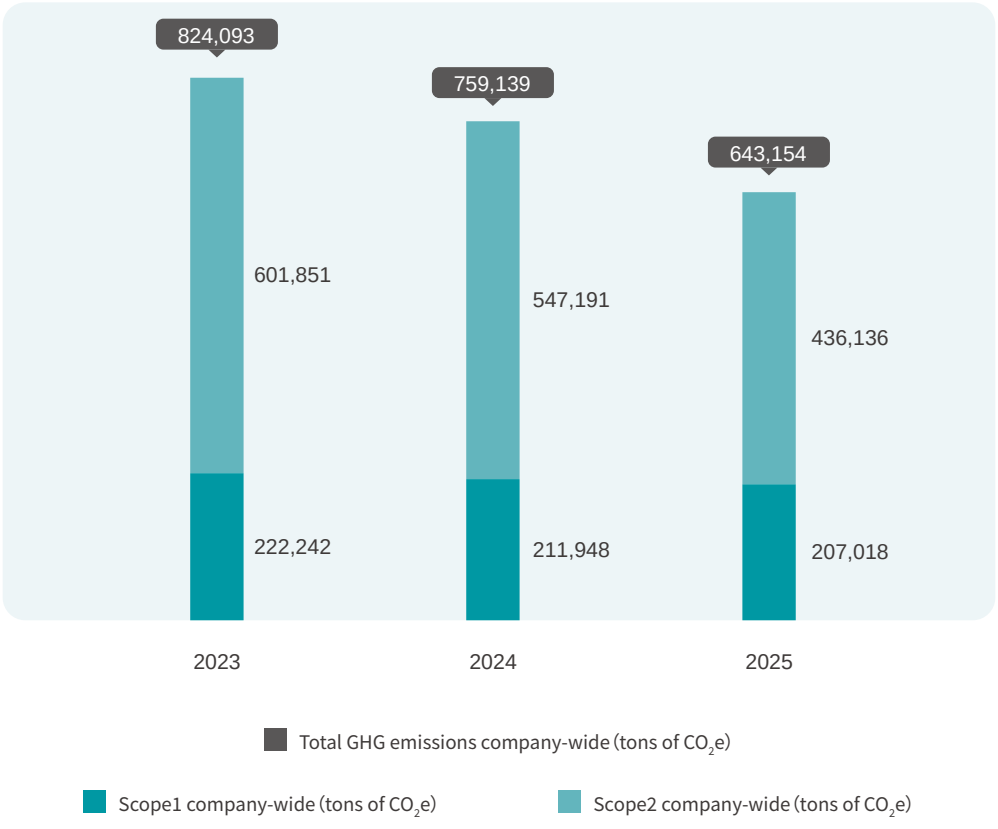
Note:
1. Renewable energy usage ratio = Renewable energy purchased from Tung Kang Wind Power Corp. / Total energy consumption
2. Scope of energy calculation: Head Office, Taoyuan Works, Miaoli Works, and Kaohsiung Works.
3. Standards, methodology, assumptions and/or other calculation tools used: The energy consumption amount all came from estimates in the receipts or the monthly natural gas consumption statement and material sheet &AS400/ checklist of changes in material inventories by material part number, and there were no estimated values.
4. Energy use has been converted into GJ (1 GJ=10^9 joules)
5. Conversion coefficients of calorific values of various energy sources: In 2022 and 2023, 1 kWh = 3,600 KJ; 1 L of gasoline= 32,635.2 KJ (7,800 kcal); 1 L of diesel = 35,145.6 KJ (8,400 kcal); 1 L of liquefied petroleum gas = 27,779.4 KJ (6635 kcal). 1 m^3 of natural gas in Taoyuan Works = 9,000 kcal; 1 m^3 of natural gas in Miaoli Works =8,000 kcal; 1 m^3 of natural gas in Kaohsiung Works-Jiaxing = 8,848 Kcal; 1 m^3 of natural gas in Kaohsiung Works-Daye = 8,847 kcal. In 2024, Kaohsiung Works- Jiaxing and Kaohsiung Works-Daye made the following adjustments: 1 L of gasoline= 31,857.36 KJ (by referring to the lower calorific value of automotive gasoline=7,609 kcal/L for 2024 announced by the Ministry of Environment on February 13, 2025); 1 L of diesel = 36,182.33 KJ (by referring to the lower calorific value of automotive diesel= 8,642 kcal/L for 2024 announced by the Ministry of Environment on February 13, 2025).
6. In 2025, the natural gas calorific value per cubic meter at Kaohsiung Works-Jiaxing was 8,878 kcal, and that at Kaohsiung Works-Daye was 8,870 kcal. The adjusted calorific value per liter for gasoline at the Kaohsiung Works-Jiaxing and Kaohsiung Works-Daye plants was 31,761.06 kJ (based on the Ministry of Environment's announcement on February 10, 2026 that the lower heating value of gasoline for vehicles in 2025 was 7,586 kcal/L), and for diesel was 36,157.21 kJ (based on the Ministry of Environment's announcement on February 10, 2026 that the lower heating value of diesel for vehicles in 2025 was 8,636 kcal/L).

Greenhouse Gas Inventory

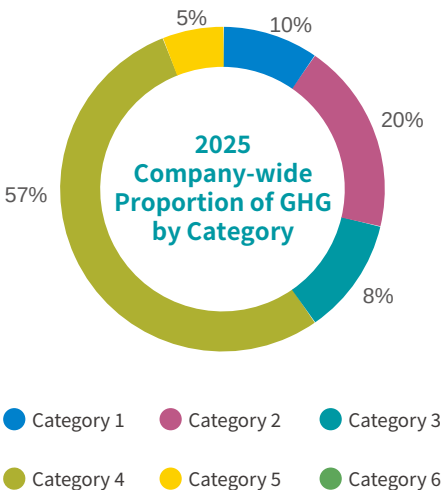
To cope with global warming and effectively mitigate the impact brought by climate change, Tung Ho Steel has been actively promoting energy conservation and carbon reduction. The ISO 14064-1 organizational GHG inventory system is introduced, and the GHG emissions are calculated by identifying emission sources, establishing activity intensity data, emission data, and setting up relevant management procedures for GHG emissions. The Company's 2025 GHG emissions included 207,018 mtCO_2e from direct emissions (Scope 1/Category 1), 436,136 mtCO_2e from indirect emissions from purchased electricity (Scope 2/Category 2), and 1,520,125 mtCO_2e from Scope 3 (covering all items from Categories 3 to 6).

GHG Emissions[Note 2]				
Facility/year	2023	2024	2025	Comparison with 2024
Scope 1 / Category 1 (tons of CO_2e)	222,242	211,948	207,018	↓ 15.28%
Scope 2/Category 2 (tons of CO_2e)	601,851	547,191	436,136	
Total (tons of CO_2e)	824,093	759,139	643,154	
Billet output (tons)	1,901,382	1,840,779	1,784,923	↓ 3.03%
GHG emission intensity (tons of CO_2e/ tons of steel billet production)	0.433	0.412	0.360	↓ 12.63%

Total GHG emissions company-wide (tons of CO_2e)



Company-wide Proportion of GHG by Category[Note2]			
Scope	Category	Description	tons of CO_2e
Scope 1	Category 1	Direct GHG emissions	207,018
Scope 2	Category 2	Energy input	436,136
Scope 3	Category 3	Transportation	175,125
	Category 4	Products purchased by the reporting company	1,231,898
	Category 5	Use of sold products from the company	113,102
	Category 6	Others	-
Total			2,163,279



Note:
1. The GHG inventory of our three works and the Head Office was conducted in accordance with ISO 14064-1 procedures and also passed the external verification by a third party. The method used to consolidate the amount of GHG emissions: operational control approach.
2. Scope of GHG inventory: Head Office, Taoyuan Works, Miaoli Works, and Kaohsiung Works, Taoyuan Fabrication Center, and Taichung Harbor Logistic Office.
3. Uncertain assessment of GHG emissions referred to the table of GHG emission coefficient management v. 6.0.4 released by Ministry of Environment and the Technical Specifications for Calibration and Inspection of Measuring Instrument.
4. Power coefficient was calculated with 0.466 kgCO_2e / kWh in Scope 2 and that of Scope 3 was calculated using the Simapro database. The GWP used in the reports is the "IPCC Sixth Assessment Report (2021) version.
5. Types of greenhouse gases include carbon dioxide (CO_2) , methane (CH_4) , nitrous oxide (N_2O) , hydrofluorocarbons (HFCs) , perfluorocarbons (PFCs) , sulfur hexafluoride (SF_6) , nitrogen trifluoride (NF_3) and so on.
6. Standards, methodology, assumptions and/or other calculation tools used: The energy consumption amount all came from estimates in the receipts or the monthly natural gas consumption statement and material sheet &AS400/ checklist of changes in material inventories by material part number, and there were no estimated values.

Continue to participate in the Worldsteel Climate Action Program

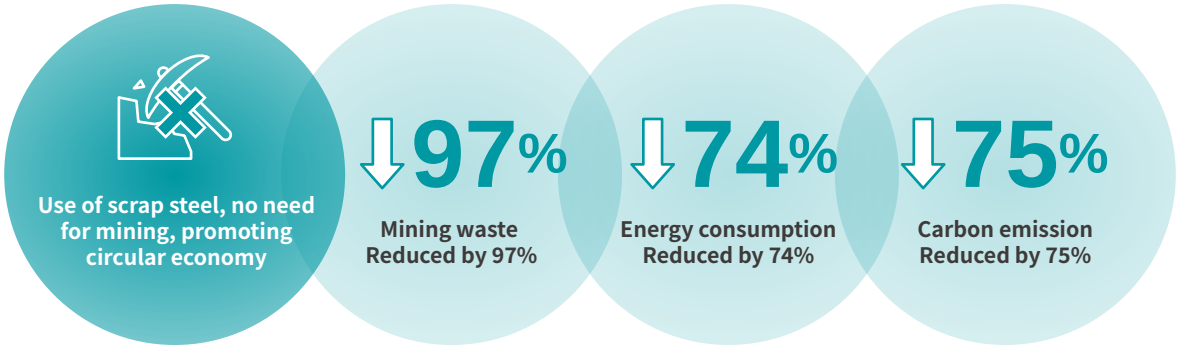
Tung Ho Steel pays close attention to the global climate trend and the international response direction. We have conducted the GHG inventory as early as in 2003, successively carried out carbon footprint verification, and participated in the Voluntary Emissions Reduction Project. In 2012, Tung Ho Steel actively joined the World Steel Association (WSA) Climate Action Program and became a Climate Action Member and discloses the GHG management information and finds possible opportunities for improvement while at the same time analyzing feasible methods to reduce GHG reduction. Currently, there are only 58 steel companies in the world that joined this program.

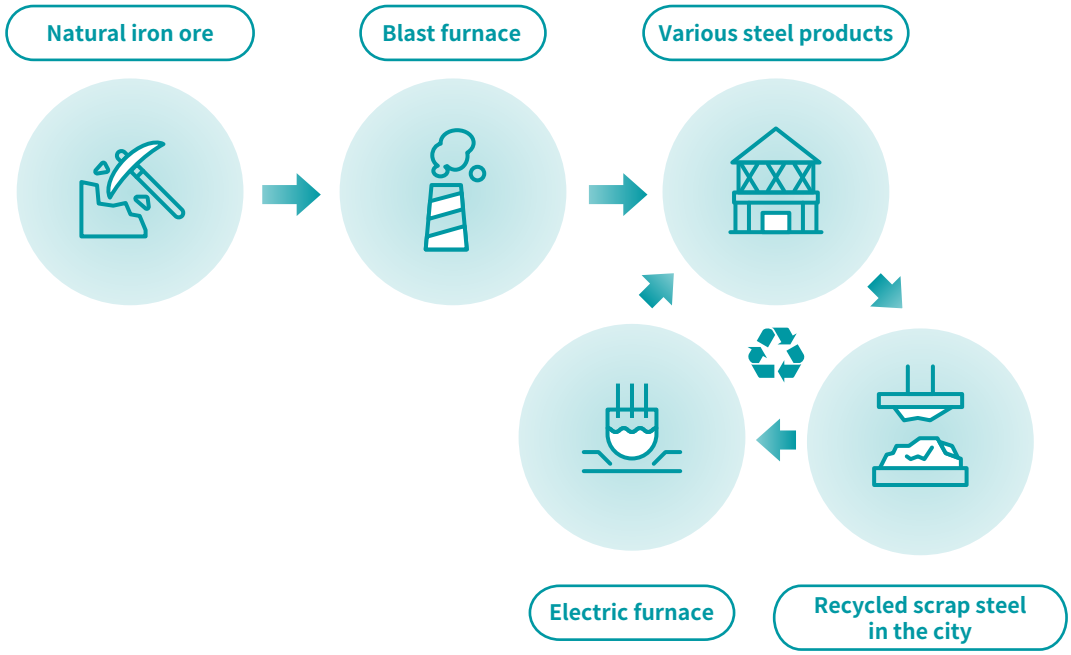


Green Process

• Scrap Steel Remelting Process in the Electric Furnace

Comparison of new electric furnace process with blast furnace process





Note : Data of mining waste and energy consumption were from LAPLACE CONSEIL (2012) , EAF or BOF which route is best for Europe. Data of 75% reduction in carbon emission were calculated from the carbon emission intensity difference between the electric arc furnace process and the conventional steelmaking process from the announced GHG Emission Intensity for Iron and Steel Industry by EPA.

Q&A: What is an electric furnace?

Although compared with other industries, iron and steel industry is relatively more energy-consuming. However, steel can be produced and used through resource recycling and in a more energy saving and carbon reducing, as well as an eco-friendly way. Tung Ho Steel makes analysis from the perspective of the life cycle of steel. Steel is an environmentally friendly C to C (Cradle to Cradle) material. Since recycled steel has little impact on the quality of the original materials, we hope to "minimize the damage created by demand". Using electric furnaces for steelmaking is the best way for the earth. Therefore, electric furnaces are utilized for steelmaking in Tung Ho Steel.

One-stop Operation of Steelmaking and Rolling

Tung Ho Steel's Taoyuan Works introduces the most advanced and direct rolling process with the brand-new design of energy conservation and carbon reduction as well as the environmental protection design and through the modern configuration to integrate smelting and rolling operation, the red-hot steel billets are quickly sent to the rolling mill to be rolled into steel bars, and only electric induction heating is used in the process to make up a small amount of steel billet temperature, making Tung Ho Steel the very first steel company in Taiwan without traditional heating furnaces. Without the polluting emissions during the combustion process, the heating energy consumption in the process is even largely decreased (after conversion, the emissions of CO_2 reduced every year reached 68,631 tons, equivalent to the absorption of CO_2 of 176 Daan Forest Parks)

It' s indeed not easy to leave out the heating furnace!

Most steel works in the world need to reheat the steel billet in a heating furnace before rolling. The innovative process in our Taoyuan Works skips the heating furnace for direct rolling consumes low energy and is nearly non-polluting, which has been imitated and introduced by many steel works at home and abroad, making a very positive and significant contribution to environmental protection.

Comparison of the benefits of eliminating a heating furnace and traditional rolling process

⇩85%
Energy consumption Reduced by 85%

⇩60%
Carbon emission Reduced by 60%

⇩100%
Particulate pollutants Reduced by 100%

⇩100%
NOx, SOx Reduced by 100%

Note: The calculated data in the table above referred to the comparison of the actual performance of Taoyuan Works and Bade Works (former Taoyuan Works), and the calculation was made based on an annual output of 800,000 tons of rebars.

More energysaving





23,840,000liters = 22,495
x annual energy consumption of 22,495 cars

The process of direct rolling without a heating furnace can reduced 29.8 (liters-heavy oil/ton rebar) of energy consumption compared with the process in the single rolling mill. Every year, the consumption of 23.84 million liters of heavy oil can be reduced, equivalent to the annual energy consumption of 22,495 cars (calculated based on the annual mileage of 15,000 kilometers per vehicle and the average consumption of 12 km/liter).

More carbon reduction





68,631tons = 176
Equivalent to the annual CO_2 absorption of 176 Daan Forest Parks.

According to the statistics from the Energy Bureau of MOEA, the annual CO_2 absorption of Daan Forest Park is 389 tons.

EPD (Environmental Product Declarations)

Environmental Product Declarations (EPD) is an international report as a disclosure tool mainly used to help consumers know more about the environmental impact of a product based on the product life cycle characteristics of ISO 14025 standard (Environmental labels and declarations), providing customers with quantified and comparable environmental performance results.

EPD conducts assessment of the environmental data of a product' s entire life cycle (LCA), calculating value of the environmental impact of a product from the acquisition of raw materials, manufacturing and other life cycle stages, such as ozone depletion, acid rain, eutrophication, climate change, potential toxicity risks, and water consumption water footprint. The results are then verified by an independent and impartial third party, serving as an important reference basis for customers when purchasing environmentally-friendly products. Tung Ho Steel is the very first domestic steel factory to obtain EPD certification (Environmental Product Declarations) for rebar, formed steel, and steel plates.

● Other Energy-saving and Carbon Reduction Measures

To cooperate with the development of the national GHG reduction strategy while taking into account the sustainable energy development goals of resource efficiency, energy conservation and environmental protection, Tung Ho Steel has promoted ISO 50001 energy management system, ISO 14064-1 GHG inventory, and ISO 14067 product carbon footprint certification. At the same time, we also invest capital expenditures and related manpower and material resources through the resource requirement of various energy saving programs, aiming at grasping production costs and making effective and appropriate use of energy.

In 2025, a total of 12 energy-saving and carbon reduction measures were implemented, and the emission reduction fell entirely under indirect energy (Scope 2) [Note], and were calculated based on equipment capacity, operating hours, and production output. The GHG included in the calculation are carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6) and nitrogen trifluoride (NF_3). Compared to 2024, the total energy savings amounted to approximately 340,113.31 GJ, with an estimated carbon reduction of 40,748.92 mtCO_2e.

Energy conservation and carbon reduction			
Facility	Energy conservation and carbon reduction measures	Energy savings estimates (GJ)	Carbon reduction estimates (tons of CO_2e)
Taoyuan Works	The cooling tower fan drive was replaced with a water turbine	344.86	45.41
	The vibratory feeder was converted to variable frequency control	8.57	1.13
	The conventional water-cooled packaged air conditioner was replaced with an inverter-driven water-cooled packaged unit	6.38	0.84
	Demand load management measures - Daily time-of-use period selection	307,977.18	40,550.33
	Demand load management measures - flexible response type	783.48	103.16
Miaoli Works	Energy-saving solutions for electric furnace processes	29,185.25	3.84
	Energy-saving solutions to reduce adjustment time for secondary eccentricity correction	883.05	0.12
	Replaced Air Compressor No. 7 in the compressor room with a variable frequency drive (VFD) model.	225.14	0.03
	The centrifugal air compressors in the compressor room were replaced with energy-saving centrifugal air compressors.	365.04	0.05
Kaohsiung Works - Jiaxing	Improved the lighting in the plant	147.74	19.45
	Replaced light tubes in the control room and rest room of the section steel production line	86.83	11.43
Kaohsiung Works - Daye	Improved lubrication of process motor bearings	99.79	13.14
Total		340,113.31	40,748.92

Note:
1. Electricity emissions were calculated based on the electricity carbon emission coefficient of 0.474 kg CO_2 equivalent announced by the Energy Bureau of MOEA in 2024 for the calculation of Scope 2 electricity reduction.
2. The calculated gases included carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride.
3. The scope of reduction was indirect emissions (Scope 2) .
4. This was calculated based on the equipment capacity, operating time and output.
5. The calculation of energy consumption and GHG emissions reduction benchmark is based on the consumption in the previous year.

Special Column

Founding member of the Ministry of Environment's "Green Growth Alliance"

Green growth and transition to net zero have become national development priorities. To accelerate the green transition, the Ministry of Environment invited 17 domestic companies with green growth potential and relevant ministries to form the "Green Growth Alliance". The company is one of the founding members of the alliance. We will promote the development of Taiwan's green economy through cross-departmental and cross-industry collaboration.

The carbon fee system has been officially launched in Taiwan. The Ministry of Environment plans to promote the Taiwan GHG Reduction and Emissions Trading System in the second half of 2026. The alliance members will jointly discuss the design of Taiwan's early emissions trading system, aiming to reflect the actual carbon reduction costs incurred by industries through market mechanisms and improve the overall emission reduction efficiency.

The Company actively engages in government-led meetings to stay informed of policy developments related to domestic carbon pricing and emissions trading systems. This enables us to proactively respond to regulatory changes and the transition to a low-carbon economy, while addressing the challenges of sustainable development with a pragmatic and forward-looking manner. The Company will continue to participate in the Green Growth Alliance, deepen our collaboration with government and industry partners, and work with the Ministry of Environment and alliance members to promote the low-carbon transition of Taiwan's industries.



Green Growth Alliance Launch Ceremony

Water Resources Management

In the face of global warming and global climate change, Taiwan has experienced extreme climate in recent years, and the wet and dry periods are becoming more serious, leading to increased risk of water shortage. Therefore, we respond to the national water policy and reduce emissions, save water and increase the cooling water recycling rate. Our three works are located in Guanyin District in Taoyuan, Xihu Township in Miaoli County, and Kaohsiung Linhai Industrial Park. According to World Resources Institute's (WRI) Aqueduct Water Risk Atlas, the water stress level of the regions our works are located in belong to "Low - Medium risk (1-2)". The water resource of the Company's business locations is mainly from tap water (sourced from reservoirs in different regions) [note1].

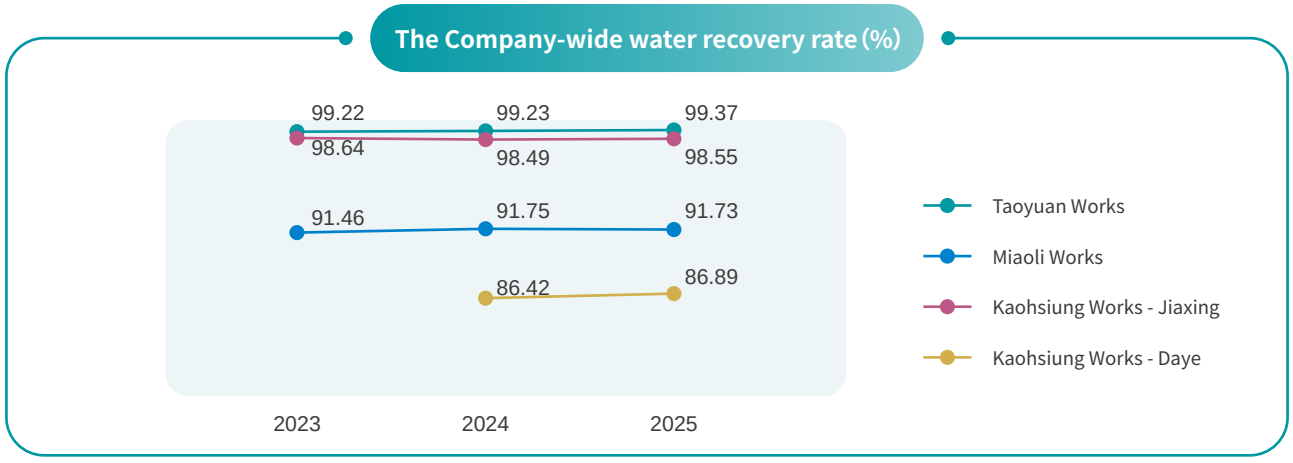
The main water uses for Tung Ho Steel are for cooling towers, process water, and domestic water. The water sources for each business base come from tap water (sources are reginal reservoirs: Shihmen Reservoir, Liyutan Reservoir, Fengshan Reservoir, Feicui Reservoir), underground well water with water right, and rainwater collection. We have applied for the approved usage of tap water and underground well water from Taiwan Power Corporation and the local competent authority respectively.

In 2025, the total water intake amounted to 2,161.253 million liters (tap water: 1,239.111 million liters, underground well water: 879.042 million liters, and rainwater: 43.1 million liters), and the water discharged amounted to 93.487 million liters, with the total water consumption reaching 2,067.766 million liters. In addition, the process water is recycled and reused after sedimentation. Among them, water recovery rate of Taoyuan Works was even as high as 99.37%.

When our Taoyuan Works was relocated and underwent capacity expansion construction, it was promised in the EIA[Note2] to use tap water for production, and a water use plan was proposed and then approved by the Water Resources Agency. The Second Branch of Taiwan Water Company (TWC) assessed that the amount of water needed could be met. The water source of the Second Branch of TWC is from Shihmen Reservoir, whose total output in 2025 reached 1,085.66 million m^3, and the total water consumption of Taoyuan Works in 2025 was 1.102 million m^3(mainly industrial water), accounting for merely 0.10% of the reservoir's water output. The calculated water consumption of the steel billet production in Taoyuan Works was about 1.034m^3/ton, also lower than the promised value of 1.15m^3/ton in the water use plan. The average daily underground well water intake of Miaoli Works in 2025 was 2,322 m^3 / day, lower than the approved daily underground well water use of 4,797 m^3 / day. Therefore, the water intake of each Works should not have a significant impact on the water source. In 2025, our Taoyuan and Miaoli Works obtained the ISO 46001 Water Efficiency Management System certificate, showing that the Company has established a systematic management mechanism for water use management and water efficiency improvement.

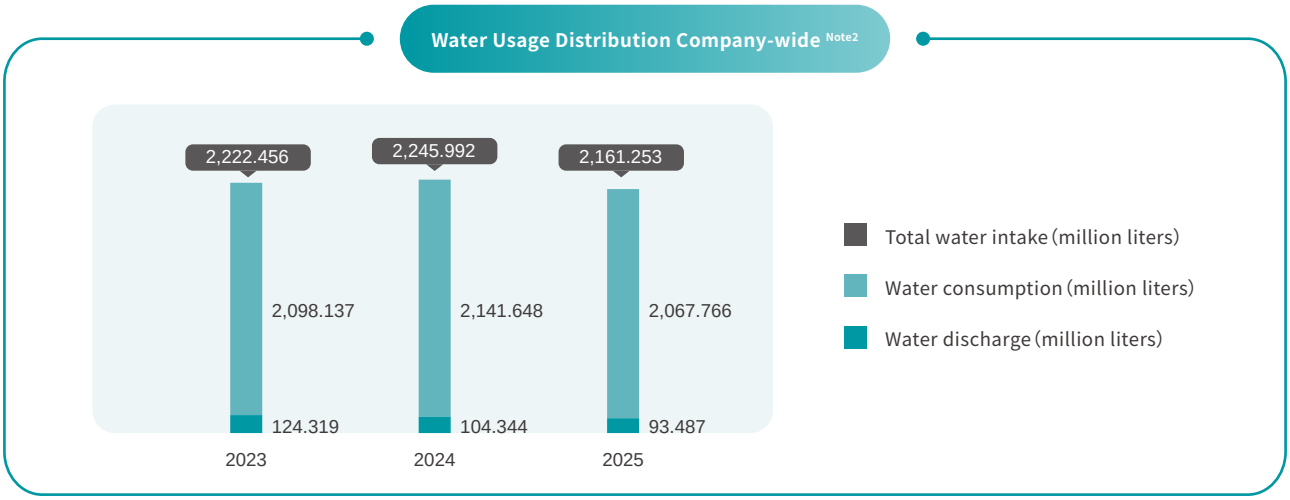
Note:

1. WATER RISK ATLAS.
2. The Taoyuan Works' Water Usage Plan for Capacity Expansion has an approved daily water consumption of 3,959 m^3. The actual water consumption in 2025 was 3,021 m^3, accounting for 76% of the approved amount.



Note: The amount of recovered water is calculated by multiplying the total water consumption declared in the water use plan by the number of days. The total water recovery rate (%) of the whole plant is the total recycled water amount/ (water intake+ total recycled water amount).

Water Usage Distribution Company-wide [Note2]			
Year	2023	2024	2025
Total water intake (million liters)	2,222.456	2,245.992	2,161.253
Water discharge (million liters)	124.319	104.344	93.487
Water consumption (million liters)	2,098.137	2,141.648	2,067.766
steel billet production (tons)	1,901,382	1,840,779	1,784,923
Water intensity (million liters/tons of steel billet production)	0.001169	0.001220	0.001211



Note:
1. Water consumption = Water withdrawal (water usage) - Wastewater discharge.
2. Scope of water usage distribution calculation: Head Office, Taoyuan Works, Miaoli Works, and Kaohsiung Works.
3. The tap water consumption was actual measured values and could be supported by water bills. Rainwater recovery of Taoyuan Works was an estimate value, and rainwater and underground well water of Miaoli Works were from the record of water meters.
4. Discharge volume is based on discharge water meter. The discharge volume of Miaoli Works, Kaohsiung Works include domestic sewage.
5. Unit conversion: One million liters is equivalent to one thousand cubic meters.
6. Total water withdrawal= Tap water intake + Rainwater harvesting + Groundwater (well water) extraction.
7. The water intake data have been revised to correct a previously reported error.

Water Management Strategies and Reduction Targets

Tung Ho Steel attaches great importance to water resources and continues to work on various water saving measures. In addition to the adoption of the Best Available Technology (BAT) and the direct hot-rolled steel process in Taoyuan Works to effectively reduce the unit water consumption, industrial water (cooling water and process water) is reused with the adoption of a circulation design for the circulation and use of cooling water, soft water, and process water for repeatedly use, and the recycled water will be reused until the water quality cannot be used anymore and then will be discharged to the recycling pool for secondary use to reduce the need for external supplementary water for the implementation of effective use of water resources. For example, process drainage and domestic sewage are collected in the recycling pool after properly treated to provide secondary water as non-drinkable water or for other uses not involving human body contact from the claimed water pipeline or for direct use. The uses of secondary water include green land irrigation, sprinkling in storage area, cooling water for slag, refilling water for the landscape pond, road dust prevention and washing cars to reduce the overall water consumption.

The Company attaches great importance to water resources management and has set water management strategies and short- and medium-term reduction targets in 2024. Taking 2023 as the base year, the action plan includes reduction of discharged water, introduction of a water resource management system, increased rainwater recycling and reuse, and reduction in water withdrawal intensity, so as to lower the consumption and waste of water resources and reach sustainable use of water resources. The Company received a B-level rating in 2025 CDP Water Security Questionnaire, showing that it has entered the water resources management stage and taken integrated actions on water-related issues.

Action Plan	Short- and Medium-term Goals of Water Management
Reduction of runoff	● Short-term (2024-2025) : Reduction of effluents in Miaoli Works and Kaohsiung Works-Jiaxing was 15% and 20% respectively. Implementation status: The discharge from Miaoli Works was reduced by 29% compared with the baseline year, achieving the target, and the construction of Kaohsiung Works-Jiaxing is still under planning. ● Medium-term (2026-2030) : Net-zero discharge of effluents in Taoyuan Works, Miaoli Works, and Kaohsiung Works-Jiaxing Implementation status: Taoyuan Works achieved zero discharge of water and achieved the goal.
Introduction of water resources management system	● Short-term (2024-2025) : Taoyuan Works, Miaoli Works, and Kaohsiung Works-Jiaxing obtained ISO 46001 Water Resources Efficiency Management System Certificate. Implementation status: Taoyuan and Miaoli Works obtained the ISO 46001 Water Efficiency Management System certificate in 2025. ● Medium-term (2026-2030) : Taoyuan Works, Miaoli Works, and Kaohsiung Works-Jiaxing to obtain ISO 14046 Water Footprint Certification.
Increase rainwater recovery and reuse	● Medium-term (2026-2030) : Taoyuan Works increased rainwater recovery by 15% while other Works increased by 10%.
Reduce water intake intensity	● Medium-term (2026-2030) : All Works reduce water intake intensity by 5%.

Promotion of the ISO 46001 Water Efficiency Management System

In response to global climate change risks and water resource management trends, our Taoyuan and Miaoli Works obtained ISO 46001:2019 water management system certification in 2025. This enables us to establish water efficiency management that covers equipment, systems, processes and other related operations, to ensure the effective use of water, and to implement water resource policies in operational management through reduction, substitution or reuse.

To enhance water use efficiency, the Company has established a water management strategy and set short- and medium-term water reduction targets, including reducing water discharge, implementing a water management system, increasing rainwater reuse, and reducing water intake intensity. We continuously promote water-saving equipment and measures, including optimizing cooling tower temperature control, planning rainwater harvesting projects, repairing leaking pipes, controlling water flow between electric furnaces, and improving dust suppression sprinkler piping, so as to reduce water consumption and avoid unnecessary waste, thereby achieving the goal of sustainable water utilization.



Education and training course

The Company received a Management Level B in the CDP Water Security Questionnaire for two years in a row. In the future, we will continue to implement water management strategies and objectives through institutionalized management and optimization of water-saving technologies, so as to reduce water consumption and waste and promote the sustainable utilization of water resources.



bsi.

Certificate of Registration

WATER EFFICIENCY MANAGEMENT SYSTEM - ISO 46001:2019

Holds Certificate No: WEMS 825163

...making excellence a habit.

ISO 46001:2019 Certificate for Taoyuan Works



Bureau Veritas Certification

ISO 46001:2019

ISO 46001:2019 Certificate for Miaoli Works

4-3 Pollution Prevention and Control Management

Emission Control

Environmental policy

- Care for the environment and respect life
- Compliance, continuous improvement, pollution prevention and control and sustainable management
- Continue to reduce waste, maintain the natural environment, improve the working environment and be dedicated to corporate sustainable development

Effective management of exhaust gas, wastewater and waste can not only reduce the environmental impact but also maintain the image of the Company. We have set up a dedicated unit to promote the ISO 14001 environmental management system to continue the investment in the improvement of pollution prevention equipment and implement pollution prevention and industrial waste reduction so as to comply with environmental regulations.

● Air Pollution Control

The Company complies with the ISO 14001 environmental management system and continues improvement of its production operation, products and services to reduce the impact on the natural environment. Tung Ho Steel continues to monitor and is devoted to air pollution prevention and control. By adopting the best available control technology （BACT）, the emission of particulate pollutants is effectively reduced.

The production process in Taoyuan Works adopts the direct rolling method without a heating furnace, which is more environmentally friendly compared with the traditional use of fuel oil for heating. The steel rolling production lines in Miaoli Works and Kaohsiung Works mainly use natural gas to heat the steel billets, and advanced combustion equipment is adopted to reduce pollutant emissions. Natural gas is used to replace low-sulfur fuel in part of the process to greatly reduce the emissions of CO_2 (carbon dioxide), NOx (nitrogen oxide), and SOx (sulfur oxide). All works comply with the air pollutant emission standards, and the average monitoring value of emissions in 2025 was in line with the local air pollutant standards; there were no penalties for air pollution violations.

Air pollutant emissions standards in all facilities					
Facility		NOx (ppm)	SOx (ppm)	Particulate pollutants (mg / Nm^3)	Dioxin (ngI-TEQ / Nm^3)
Taoyuan Works		150	100	10	0.5
Miaoli Works	Steelmaking process	150	100	15	0.5
	Rolling process	80 (Natural gas) 80 (Heavy oil)	100 (Natural gas) 300 (Heavy oil)	100 (Natural gas) 100 (Heavy oil)	-
	Scrap steel crushing	-	-	100	-
Kaohsiung Works-Jiaxing	Gas fuel	80	100	100	-
Kaohsiung Works-Daye	Liquid fuel	150	100	100	-

Note: In terms of the air pollutant Emission Standards, Taoyuan Works follows the content in the environmental impact assessment; Miaoli Works complies with the operating permit approval standards; Kaohsiung Works – Jiaxing is compliant with the Standards for Air Pollutant Emission from Stationary Pollution Sources; and Kaohsiung Works – Daye abides by the Kaohsiung City Combustion Equipment Air Pollutant Emission Standards.

Air pollutant emissions of all Works						
Facility	year	NOx emissions (ton)	SOx emissions (ton)	Particulate pollutants emissions (ton)	Dioxin emissions (gram)	VOCs emissions (ton)
Taoyuan Works	2023	78.19	41.91	18.89	0.52	26.34
	2024	84.37	40.78	19.92	0.52	25.63
	2025	103.01	37.77	19.90	0.62	23.74
Miaoli Works	2023	54.60	64.20	86.84	0.06	14.08
	2024	51.21	74.20	79.59	0.53	13.51
	2025	55.54	71.60	93.46	0.22	14.12
Kaohsiung Works-Jiaxing	2023	14.43	0.00	0.56	-	1.16
	2024	15.13	0.00	0.56	-	1.55
	2025	12.51	0.00	0.51	-	0.85
Kaohsiung Works-Daye	2023	29.77	46.10	9.44	0.00	1.21
	2024	13.28	0.00	0.48	-	1.35
	2025	8.51	0.00	0.27	-	1.58

Note:

1. In Taoyuan Works, the emissions of volatile organic compounds (VOCs) were calculated from the factory coefficient; those of sulfur oxides (SOx) were calculated in accordance with the coefficients announced by EPA; emissions of nitrogen oxides (NOx) , particulate pollutants and dioxin were all calculated from detected values.
2. Volatile organic compounds (VOCs) : the process part of Miaoli Works was calculated from the factory coefficient while the oil tank part was calculated based on the coefficient announced by EPA. Sulfur oxides (SOx) , nitrogen oxides (NOx) , particulate pollutants and dioxin were calculated from the regular inspection values.
3. In Kaohsiung Works-Jiaxing, hourly emissions of pollutants in the annual inspection report X annual natural gas usage = annual emissions; the emission coefficient used was based on the annual inspection value. Kaohsiung Works-Jiaxing did not emit dioxin. The monitoring value of sulfur oxides (SOx) was zero (0) because natural gas is used as the fuel in Kaohsiung Works-Jiaxing, and no sulfur oxides would generate when burning
4. In Kaohsiung Works-Daye, emissions are calculated based on the air pollution control fee declaration. The emission factor used for calculation is from the announced factor and regular inspection values. Kaohsiung Works-Daye did not emit dioxin. The monitoring value of sulfur oxides (SOx) was zero (0) because natural gas is used as the fuel in Kaohsiung Works-Daye, and no sulfur oxides would generate when burning.

● Control and Management of Ozone-Depleting Substances

Some equipment in all facilities use R-12 and R-22 refrigerants. In Miaoli Works, the consumption of R-12 refrigerant was 0.00021 tons/year (equivalent to 0.00021 metric tons of CFC-11), and the consumption of R-22 refrigerant was 0.00011 metric tons/year (equivalent to 0.000006 metric tons of CFC-11). In Kaohsiung Works-Daye, R-22 refrigerant consumption was 0.0017 metric tons/year (equivalent to 0.031 metric tons of CFC-11 equivalent). In Kaohsiung Works-Jiaxing, eco-friendly refrigerants (R-134A, R404A, R-407C, R-410A, R-32, R-600A) are used and refrigerants are recycled for reuse. There is no replenishment of R12 or R22 consumption. In addition to the use of the above-mentioned refrigerants, the process of Kaohsiung Works-Jiaxing does not use ozone-depleting substances. In the future, the air-conditioning system will be integrated to strengthen the maintenance of air-conditioning equipment, the high-temperature operation area of the crane will adopt the high-efficiency units, and eco-friendly refrigerants will be used in the plant while refrigerants will be recycled for reuse to control ozone-depleting substances.

Note: The ozone depletion potential (ODP) of HCFC-22 (R-22) is 0.055, and the ODP of CFC-12 (R-12) is 1.0.

• Water Pollution Control

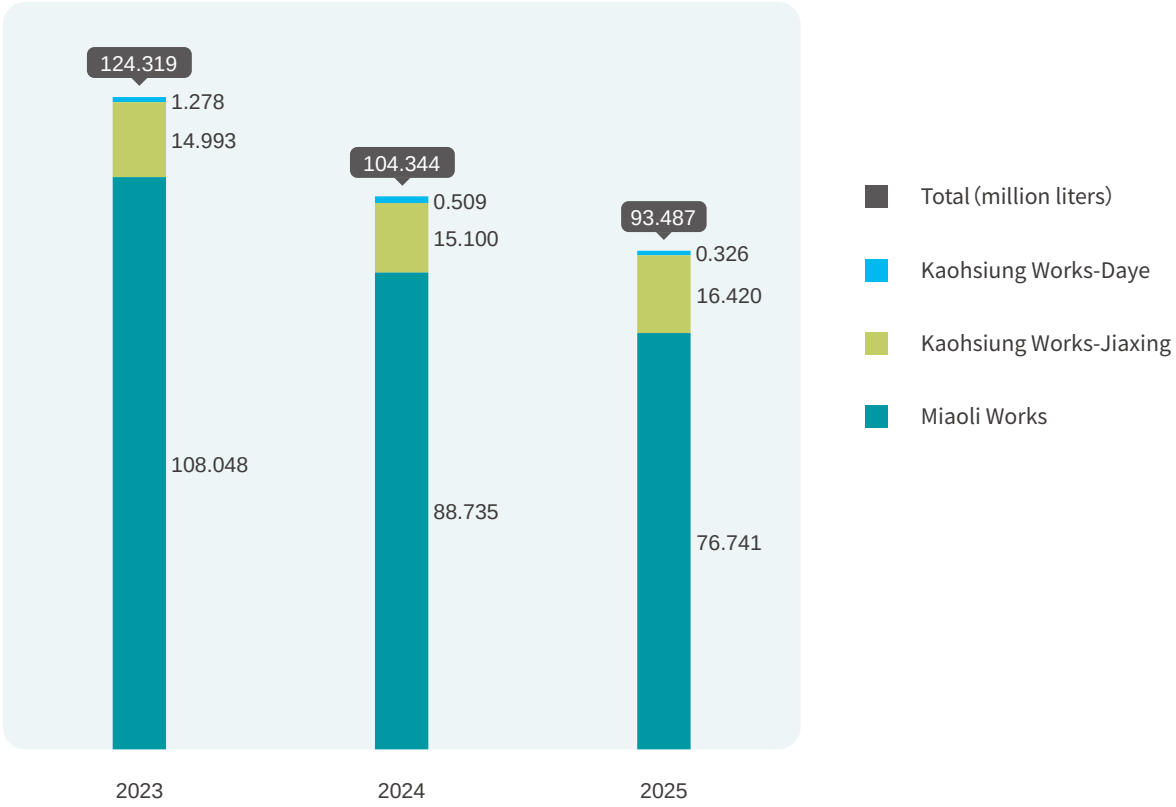
All the Works have relevant wastewater treatment procedures and application for discharge permit in place in accordance with the water pollution control regulations. The wastewater (sewage) from the main production plants is reclaimed and reused after passing through appropriate wastewater treatment facilities. Part of the reclaimed water is used for watering the green space in the Works and suppressing dust.

In 2020, Taoyuan Works applied for changes in water measures and canceled wastewater discharge to achieve zero wastewater discharge. Miaoli Works discharges wastewater to Xihu River (the average daily discharge is 213m^3/day, lower than the approved daily discharge of 950 m^3/day) through the water meter. The runoff wastewater (rainwater) from Kaohsiung Works-Jiaxing is discharged into Yamshuigang Stream, and the wastewater from the manufacturing process in Kaohsiung Works-Jiaxing and Kaohsiung Works-Daye is included into the Kaohsiung Linhai Linyuan & Dafa Industrial Parks Combined Wastewater Treatment Plant and discharged into the adjacent waters (Taiwan Strait) , with the daily maximum discharge volume of 525 tons. The joint sewage treatment plant will inspect the quality of the discharged water in the plant area from time to time. The water volume is declared and discharged in accordance with regulations, and the treatment fees are paid every month as required. Wastewater in the Head Office belongs to general domestic wastewater, which is discharged into public sewage sewers and is collected into Taipei City Sewage Treatment Plant for treatment.



In 2025, the total amount of wastewater discharged from the three Works of Tung Ho Steel amounted to 93.487 million liters, and the discharged volume is actually monitored by flow meters. The discharged water quality is regularly sampled and inspected as prescribed to ensure that the biochemical oxygen demand (BOD), chemical oxygen demand (COD), and suspended solids (SS) all meet the local discharge testing value and standards[note3], and that the discharged water does not have any significant impact on the environmental load of the surrounding water bodies, and nor are there any special habit-related requirements. The wastewater discharge volumes of each Works over the years are as follows.

Wastewater discharge volume[Note1]

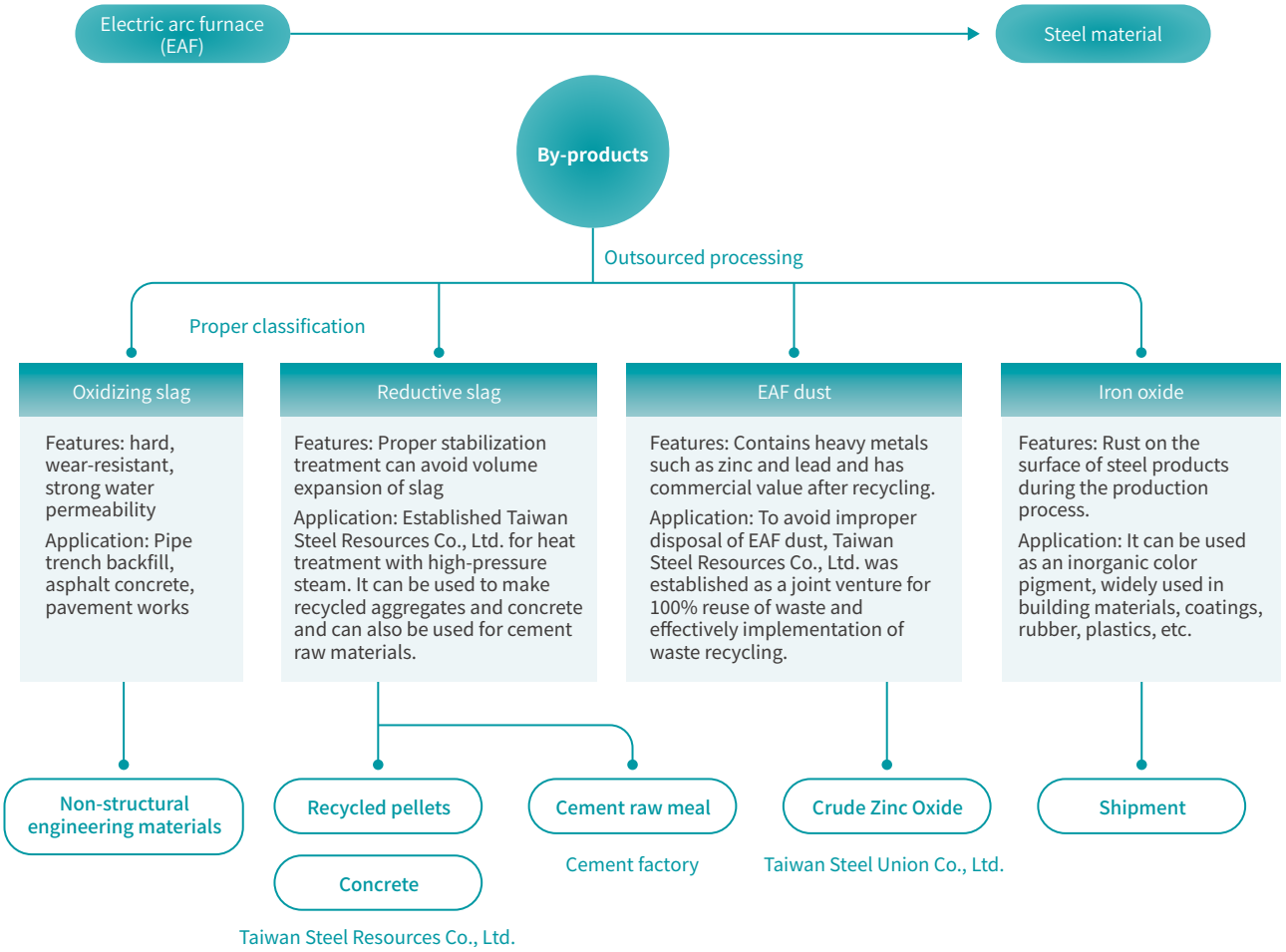


Average Wastewater Discharge						
Year/ Facility	Miaoli Works		Kaohsiung Works-Jiaxing		Kaohsiung Works-Daye	
	Chemical oxygen demand (COD) Average discharge mg/L	Suspended solids (S.S) Average discharge mg/L	Chemical oxygen demand (COD) Average discharge mg/L	Suspended solids (S.S) Average discharge mg/L	Chemical oxygen demand (COD) Average discharge mg/L	Suspended solids (S.S) Average discharge mg/L
2023	14.65	12.88	61.62	11.76	51.09	10.72
2024	16.78	13.93	89.67	17.12	293.55	43.25
2025	16.50	13.18	87.75	16.50	322.17	48.58

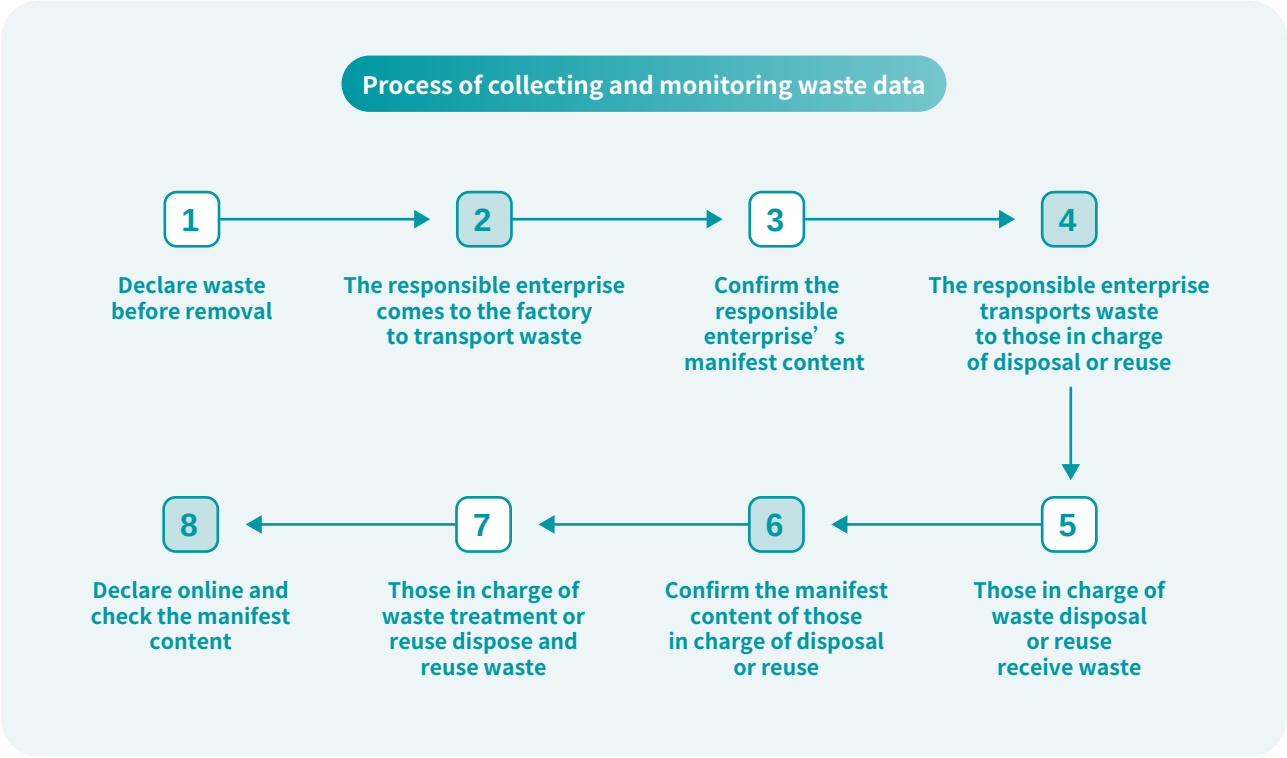
Note:
1. Scope of wastewater discharge calculation: Miaoli Works and Kaohsiung Works.
2. Taoyuan Works applied for modification of water pollution control measures in 2020, and has no wastewater discharge.
3. Taoyuan Works complies with Table 5 Water quality items and limits of discharge from the primary metal industry, metal finishing industry, electroplating industry, PCB manufacturing industry of Effluent Standards. The effluent standards Miaoli Works uses are the test methods and assumptions of effluents announced by EPA. Kaohsiung Works-Jiaxing and Kaohsiung Works-Daye Works use the analysis standards, methodology and assumptions of the Kaohsiung Linhai Linyuan & Dafa Industrial Parks Combined Wastewater Treatment Plant.
4. In Taoyuan Works and Miaoli Works, the discharge standard for chemical oxygen demand (COD) was 100.00 mg/L, and 30 mg/L for suspended solids (SS). In Kaohsiung Works-Jiaxing and Kaohsiung Works-Daye Works, the discharge standard for chemical oxygen demand (COD) was 480.00 mg/L, and 240 mg/L for suspended solids (SS).

Waste Treatment and Recycling

● Waste Management



Various waste in our all Works is placed by classification. Before outsourcing the removal and treatment of waste in the plant to qualified vendors in accordance with the method approved by the Waste Disposal Plan, it is necessary to confirm that the entrusted treatment company has the required qualifications and capabilities, and the permit for removal and treatment operations issued by the competent authority. In addition, the generation of waste, storage, removal and disposal of industrial waste should be declared online before the entrustment contract is signed. The declared information should be kept for three years. In addition to designating people to control the waste generation, the management of waste storage, removal, treatment and reuse of the entrustee will also be inspected and records are also kept for future reference.



In addition, all works of the Company have established an autonomous waste inspection and audit system, and the results are all kept in written records. Improvement of defects is also followed up and included in the main point of autonomous inspection and audit.

Waste Monitoring Items		
Waste item	Item for surveillance test	Frequency/ Times for surveillance test
EAF slag	Heavy metal dissolution test and dioxin item test	Once for oxidizing slag and reducing slag each
Inorganic sludge, EAF dust, Sludge cake	Dissolution test	Once a year

Note: The control standards are in accordance with the "dissolution test standards of toxic hazardous industrial waste in Standards for Defining Hazardous Industrial Waste" of MOEA' s Management Regulations on the Recycling of Industrial Waste.

The major waste in Taoyuan Works and Miaoli Works are furnace slag and EAF dust whose amount of generation depends on the quality of the scrap steel, the main raw materials for steelmaking. Currently, the EAF dust generated is handed over to Taiwan Steel Union Co. to extract crude zinc oxide to be used as industrial raw material. The recycling and reuse of oxidizing slag is handed over to the recycling agency approved by the environmental protection agency, and after the oxidizing slag is crashed, magnetically separated and screened, it is used for non-structural engineering purposes. The recovery and reuse of reduced ballast is mainly handed over to the cement factory approved by the environmental protection agency to make cement raw meal, and part of it is sent to Taiwan Steel Resources Co., Ltd. for stabilization, which is used for non-structural engineering purposes. The total weight of waste amounted to 327, 845.6 metric tons in 2025, among which 327,727.8 metric tons were disposed and transferred (reuse or other recovery operations) and 118.8 metric tons were directly disposed (incineration), and the total waste recycling ratio (recycling and reuse) was 98.28%.

Waste treatment					Unit: ton/year
Category		Description of Processing Categories and Methods	On-site	Offsite	total
Hazardous industrial waste	EAF dust or sludge	Taoyuan Works and Miaoli Works: recycling. EAF dust includes recyclable metal (such as zinc, lead, iron and so on) .	0.0	31,560.5	31,560.5
	Waste filter bag	Miaoli Works: Tung Ho Steel jointly applied for the reuse of waste filter bags with Taiwan Steel Union, and the waste filter bags were put into rotary kilns as an alternative energy source.	0	6.01	6.01
	subtotal		0.0	31,566.5	31,566.5
Non-hazardous industrial waste	EAF slag	Taoyuan Works/Miaoli Works : recycling Taoyuan Works : It is handed over to the reuse plant as the CLSM material for trench backfill, raw materials for asphalt concrete pellet, and aggregate gradation for pavement engineering. Miaoli Works: Delivered to the recycling plant for reuse as controlled low strength material (CLSM).	0.0	225,027.3	225,027.3
	LF slag	Taoyuan Works / Miaoli works: recycling. It is handed over to the reuse plant and used as raw materials for cement.	0.0	36,751.3	36,751.3
	Inorganic sludge	Taoyuan Works / Kaohsiung Works-Jiaxing : Other recycling operations, physical treatment (heat treatment) . Miaoli Works: recycling, self-reuse it by remelting.	946.1	269.5	1,215.6
	Other industrial waste (including waste refractory materials, general garbage and employees' domestic garbage)	Taoyuan Works / Miaoli works / Kaohsiung Works: Other recycling operations, incineration (including energy recovery)	0.0	166.2	166.2
	Waste wood	Kaohsiung Works : incineration (including energy recovery)	0.0	8.4	8.4
	Waste oil	Kaohsiung Works : Other recycling operations, Physical treatment	0.0	34.1	34.1
	Waste lubricating oil	Taoyuan Works /Kaohsiung Works: Other recycling operations, Physical treatment Miaoli Works: off-site recycling	0.0	66.3	66.3
	Waste cooking oil	Miaoli Works: recycling	0.0	1.5	1.5
	Recycling	Kaohsiung Works: recycling	0.0	9.6	9.6
	Scrap steel Iron oxide	Taoyuan Works / Kaohsiung Works: recycling	4,574.3	28,424.5	32,998.8
	subtotal		5,520.5	290,731.3	296,251.8
Total			5,520.5	322,325.1	327,845.6

Note:
1. The works of the Company follow the treatment methods listed on the waste disposal contractors' permit, such as heat treatment of physical treatment.
2. In 2025, Tung Ho Steel did not transport, import or export substances considered hazardous waste in Annexes I, II, III, and VIII to the Basel Convention.

● Reuse of By-product

Waste in all facilities is all recycled. The reuse method of oxidizing slag focuses on asphalt pavement, the base layer for subgrade, and CLSM. Tung Ho Steel commissioned National Taipei University of Technology to conduct research on the Application of Oxidizing Slag and Water Sludge Cake to the Controlled-Low-Strength-Materials (CLSM) and significant results have achieved. There will be more extensive application of oxidizing slag in the future. Tung Ho Steel also worked with Hao Sheng Industrial Co., Ltd. and applied oxidizing slag to the road pavement and subgrade projects of the Taoyuan City Government, and the application of oxidizing slag to local government road projects can effectively remove the waste, and it also has positive assistance in the construction quality and service life of the roads. It is hoped that the development of applying oxidizing slag to ultra-high-strength concrete can be further advanced to turn waste into gold.

To facilitate the promotion of EAF slag use, it is planned that the construction specifications is to be revised and that Taiwan Steel & Iron Industries Association compiles technical manuals to have complete integration of oxidizing slag reuse technology in Taiwan to serve as reference for engineering units. The manual of applying oxidizing slag to asphalt concrete pavement and the trial use manual of applying EAF slag to the aggregate gradation subgrade have passed the review by the Industrial Development Bureau. The manual of applying EAF slag to CLSM has also been completed and promulgated for implementation.

As for the reuse of reducing slag, it is introduced in the manufacturing process of cement raw meal, and through the cooperation with companies of Ruentex Materials and Taiwan Cement Corporation, the purpose of total removal of reducing slag is achieved, and 100% of it is used as cement raw meal. In addition, we applied for the Technology Development Program of Ministry of Economic Affairs through our affiliated company, Katec R&D Corporation, combined with the in-depth exploration of the basic properties and stability of oxidating slag and reducing slag by the Graduate Institute of Department of Materials Science & Engineering, National Chung Hsing University. The research results won the Outstanding R&D Consortium Award. Moreover, the reducing slag stabilization equipment of Taiwan Steel Resources Co., Ltd, has officially started operation, and the technology and development as well as the application manual will mature gradually. It is believed that it will make positive contribution to the complete recycling of the LF slag in Taiwan.

Reuse of By-product					
Category	Output characteristics	Annual output (ton)	In-plant recycling (%)	Off-site recycling (%)	Purpose of recycling
EAF slag	Generated from scrap steel smelting in the electric furnace	225,466	0	100	Used for the CLSM materials for trench backfill, raw materials for asphalt concrete pellet, and aggregate gradation for pavement engineering.
LF slag	Generated from refining in refining furnace	36,653	0	100	Cement raw meal.
EAF dust	Dust collected in the electric furnace process	31,588	0	100	Sent to Taiwan Steel Union Co., Ltd. for zinc oxide recovery.
Inorganic sludge	Generated from wastewater treatment	1,056	75	25	The annual output is based on the data of Miaoli Works. Miaoli Works recover iron oxide with electric furnace while other works dispose it as waste.

Environmental Compliance

● Environmental Protection Expenditures

The Company not only keeps improving the product quality and customer service but also spares no efforts in pollution prevention and control, industrial waste reduction, and environmental protection. In order to fulfill our corporate social responsibility, we have made investment to handle environmental protection related work. The total environmental protection expenditure in 2025 amounted to NT$ 658,573 thousand.

Environmental protection expenditures					Unit: NTD 1,000
Item / Facility	Taoyuan Works	Miaoli Works	Kaohsiung Works-Jiaxing	Kaohsiung Works-Daye	Subtotal
Environmental capital expenditures (depreciation)	50,616	16,265	-	2,489	69,370
Current expenditures for environmental protection	304,815	270,751	11,915	1,722	589,203
Subtotal of environmental protection expenditures by works	355,431	287,016	11,915	4,211	658,573

● Environmental Compliance-Cases, Responses and Handling

The Company did not receive any major liquid or gas leakage penalties in 2025, nor were there any environmental penalties imposed, showing that all Works at Tung Ho Steel have implemented environmental management and complied with relevant regulations.

5 - 1 Manpower Structure with Equality

5 - 2 Labor-Management Relations

5 - 3 Career Development and Training

5 - 4 Occupational Health and Safety

Special Column: Creating a Worker-Friendly Workplace Through the Introduction of Robotic Arms

5 A Friendly Workplace



5-1 Manpower Structure with Equality

Workplace Diversity and Human Rights Policy

Tung Ho Steel respects and supports the internationally recognized human rights norms and principles, including the "Universal Declaration of Human Rights", "United Nations Global Covenant", and the International Labor Organization's "Declaration on Fundamental Principles and Rights at Work". We abide by the laws and regulations of the place where the Company is located and have established Workplace Diversity and Human Rights Policy in accordance with the UN Guiding Principles (UNGPs) on Business and Human Rights. The scope of this policy also applies to the Company' s subsidiaries, foundations whose cumulative direct or indirect donations exceed 50%, and other group companies and organizations such as institutions or legal persons that we have substantial control over.

Workplace Diversity and Human Rights Policy

● Sexual Harassment Prevention

To prevent and handle sexual harassment of other incidents damaging the rights of all staff or other employees in the workplace, the Company has publicly announced the Prohibit Workplace Violence Written Statement. Tung Ho Steel has established Regulations for the Prevention and Handling of Sexual Harassment, Regulations Governing Employee Grievance and Whistleblowing, and the Review Committee for Sexual Harassment Grievance that apply to all directors, employees, practitioners and service targets, providing grievance channels to respond appropriately and look for assistance.

To enhance employees' awareness of workplace sexual harassment (including other forms of unlawful conduct) and the associated legal risks, the Company has provided the "Prevention of Workplace Sexual Harassment and Other Unlawful Conduct" course on the online learning platform. The training covered directors, management at all levels, all staff and new hires. All employees completed the course and passed the test, achieving a 100% pass rate. In 2025, we planned the "Workplace Misconduct and Sexual Harassment Prevention Course", a required course for management at the section chief level and above. The number of participants of this course reached 157, with a cumulative training time of 471 person-hours.

● Employee Care Measures for Foreign Employees

To implement the life management responsibility of our foreign employees, we have set up the Regulations on the Administration of Foreign Workers. Besides, multiple welfare activities are also organized regularly, including seminars, employee gatherings, birthday parties, and those working for more than 3 years will be granted rewards. To address dietary differences among foreign employees, kitchen facilities are also provided in the dormitories for them to prepare meals that suit their tastes. In case of illness, our management unit arranges transportation for foreign employees to seek medical assistance to ensure their well-being.

According to Ministry of Labor's human rights requirement item in the Foreigners' Life Care Service Plan, local competent authority would assign personnel to conduct labor inspection of the dormitory living facilities and life management of the factory in accordance with the human rights requirement. During the reporting period, our all Works received a total of 9 inspections (4 times in Taoyuan Works, and 3 time each in Miaoli Works and 2 times in Kaohsiung Works), and all the three Works passed the inspections. Relevant customer inspections do not include human rights impact assessment review or impact assessment.

The Company obtained the Steel Sustainability Australia (SSA) certification in 2025, incorporating human rights protection and sustainability concept into the supply chain management mechanism. To prevent modern slavery and forced labor and to safeguard foreign workers' labor rights, we have gradually implemented the "Zero Placement Fee" Policy since 2025. During the initial phase, the Company assumes full responsibility for the monthly service fees payable by foreign employees to the employment agency, helping them alleviate their financial burden and enabling them to work and live in Taiwan with peace of mind. This initiative reflects the Company's dedication to the UN's Sustainable Development Goals (SDGs), particularly to Reduced Inequalities and Peace and Justice, fulfilling our commitment to protecting human rights.

Timeline for "Zero Placement Fee" Policy Implementation			
Implementation Phase	Implementation Period	Applicable Targets	Description of Policy Content
Current Measures	2025	All foreign employees	The Company covers the monthly domestic agency service fees payable to the employment agency, helping them work and live with greater peace of mind.
Medium-Term Plan	It is estimated to start in 2027	New foreign employees	The Company covers the employment agency fees incurred before newly hired foreign employees arrive in Taiwan, helping them reduce the financial burden associated with the initial stage of employment.
		All foreign employees	The Company plans to expand its coverage of essential employment-related expenses for foreign employees during their employment in Taiwan, including domestic agency service fees, medical examination costs, and work permit and documentation fees to strengthen employment protection for foreign employees.



Birthday celebration for employees born the month



Commemorative gifts for employees completing 3 years of service



Symposium for Thai workers

Distribution of Employees

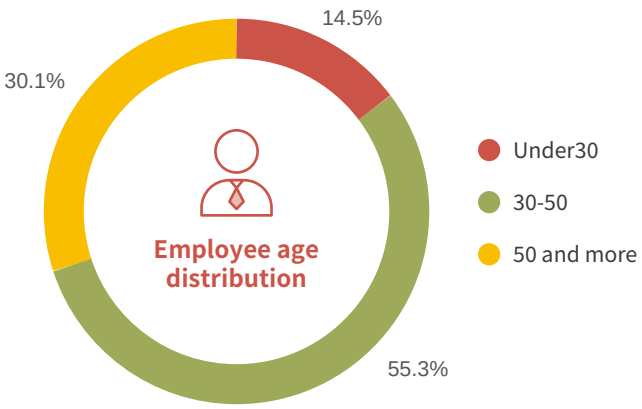
To establish a harmonious, friendly, and healthy working environment, Tung Ho Steel hires employees in accordance with Labor Standards Act, Act of Gender Equality in Employment and Occupational Safety and Health Act. However, due to the characteristics of the iron and steel industry, there are more male employees, and the gap between the number of male and female employees is large.

As of the end of 2025, the total number of employees in Tung Ho Steel was 2,147 (1,964 males and 183 females), including 1,849 full-time employees and 298 male temporary employees [Note 1]. The Company hired 62 indigenous employees (accounting for 2.89%) and 23 employees with disabilities (accounting for 1.07%) [Note 2], higher than the 1% standard of the government's employment quota prescribed in the People with Disabilities Rights Protection Act. All employees are full-time employees, and senior management [Note 3] are 100% Taiwanese nationals. In addition, there were 5 staff members without guaranteed working hours and 298 non-employee workers [Note 4].

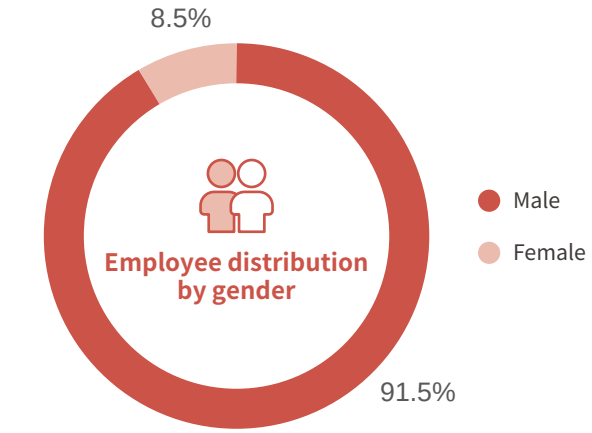
Type of employment and gender distribution of Taiwanese employees — Unit: person

Item / Gender		Male						Female						Total
Facility	Type of contract	Full-time			Temporary			Full-time			Temporary			
	Age	Under 30	30-50	50 and more	Under 30	30-50	50 and more	Under 30	30-50	50 and more	Under 30	30-50	50 and more	
Head Office	Full-time	7	70	43	3	6	1	12	36	26	-	-	-	204
Taoyuan Works		73	387	104	21	56	32	4	30	15	-	-	-	722
Miaoli Works		69	276	227	29	58	-	3	12	12	-	-	-	686
Kaohsiung Works		45	193	172	42	50	-	4	14	15	-	-	-	535
Subtotal		194	926	546	95	170	33	23	92	68	-	-	-	2,147
Total		1,666			298			183			-			

Employee age distribution



Employee distribution by gender



Note:

1. Temporary employees refer to specific contract personnel, mainly foreign workers.
2. Indigenous people account for 2.89% of the total number of employees, and the job categories include department supervisors and other personnel. Employees with disabilities account for 1.07% of the total number of employees, and their job categories include senior executives, department supervisors, and other personnel.
3. High-level management refers to management positions including the president, senior Vice President, vice president, assistant manager and factory director.
4. Non-employee workers refer to contractors, whose main work is rebar processing.
5. The main work of the Company is all conducted by the employees hired by the Company, and there is no dispatched manpower and does not include board members.
6. The employee statistics mentioned above are from the HR system, and there are no numerical assumptions.
7. Local places refer to Taiwan region, and the major operating bases include the Head Office, Taoyuan Works, Miaoli Works, Kaohsiung Works, Taoyuan Fabrication Center, and Taichung Harbor Logistic Office.

Turnover of Employees

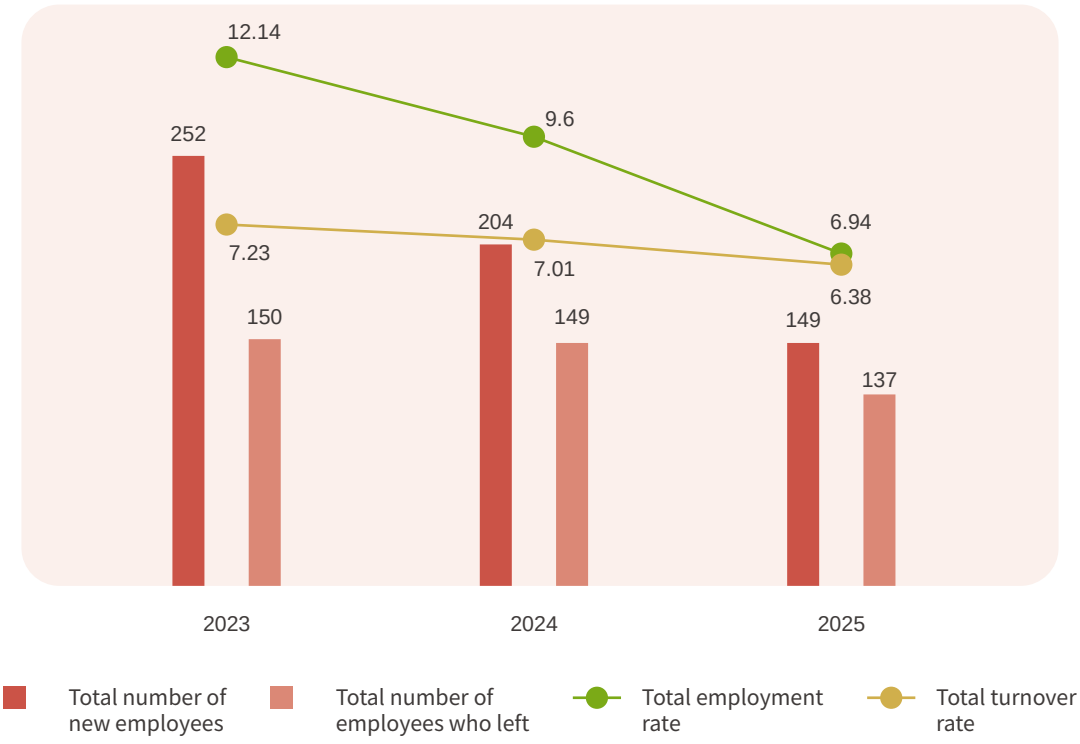
To implement sustainable management and talent development, the Company attracts outstanding talents through diverse recruitment channels, including job-searching platforms, campus job fairs, job-matching programs organized by public employment agencies, and internal employee referral programs. In 2025, the employment rate was 6.94% and the turnover rate was 6.38%. The employee turnover rate has shown a year-on-year decline over the past three years, indicating the Company' s steady progress in improving employee retention.

New Employment Rate and Turnover Rate													
Year		2023				2024				2025			
Gender		Male		Female		Male		Female		Male		Female	
Item/Age		Number	Employment rate (%)	Number	Employment rate (%)	Number	Employment rate (%)	Number	Employment rate (%)	Number	Employment rate (%)	Number	Employment rate (%)
New employees	Under 30	89	30.48	10	41.67	84	28.67	4	19.05	50	17.30	11	47.83
	30-50	141	13.61	8	9.20	104	9.58	7	7.45	75	6.84	9	9.78
	50 and above	3	0.53	1	1.43	5	0.89	0	0.00	3	0.52	1	1.47
	Total New employees	252				204				149			
	Total employees	2,075				2,126				2,147			
	Employment rate (%)	12.14				9.60				6.94			
Gender		Male		Female		Male		Female		Male		Female	
Item/Age		Number	Turnover rate (%)	Number	Turnover rate (%)	Number	Turnover rate (%)	Number	Turnover rate (%)	Number	Turnover rate (%)	Number	Turnover rate (%)
Employees who left	Under 30	31	10.62	1	4.17	38	12.97	2	9.52	24	8.30	5	21.74
	30-50	67	6.47	7	8.05	63	5.80	3	3.19	57	5.20	9	9.78
	50 and above	41	7.24	3	4.29	39	6.91	4	5.88	36	6.22	6	8.82
	Total number of employees who left	150				149				137			
	Total employees	2,075				2,126				2,147			
	Total turnover rate (%)	7.23				7.01				6.38			

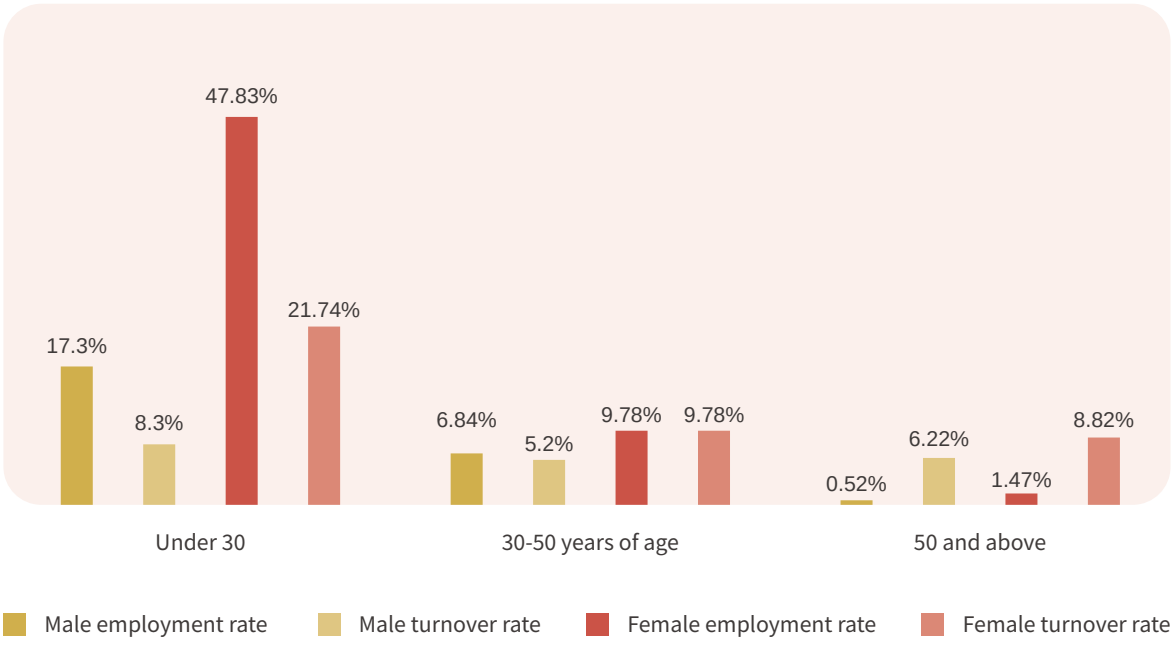
Note:

1. Employment rate (%)=Number of new full-time employee in the category (gender, age) of the current year/ Total number of employees in the category (gender, age) at the end of the current year.
2. Total employment rate (%)= Total number of new full-time employee / Total number of employees at the end of the current year.
3. Turnover rate (%)=Number of full-time employees in the category (gender, age) who left in the current year/ Total number of employees in the category (gender, age) at the end of the current year.
4. Total number of full-time employees who left of the current year/ Total number of employees at the end of the current year.
5. New employees refer to those notified by the Company and complete the registration procedures on the specific date.
6. The number of new employees does not exclude those who left during the year and does not include those returning from leave of absence within the same year.
7. The employees who left refer to those who have terminated the employment relationship with the company due to resignation, being fired, dismissal, and retirement.
8. Employees on leave without pay during the reporting year are included in the number of employees who left the Company.

Number and rate of employment and turnover over the years



New employees and employees who left by age



5-2 Labor-Management Relations

Compensation Structure

Compensation Policy

Company provides reasonable and competitive compensation to attract, retain and motivate talents to facilitate the long-term development and achieve the business goals of the Company. The salary payment is based on stable compensation, and flexible bonuses that take into account the content of each job, the responsibility, contribution and personal work performance are also provided. There is no difference in pay based on race, nationality, social class, language, ideology, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, gender identity and expression, age, marital status, pregnancy, appearance, facial features, physical or mental disabilities, zodiac sign, blood type, or previous union membership. The Company's compensation policy has been set up based on the principle of profit sharing.

Compensation Policy

The main compensation items of our full-time employees include fixed salary, job allowances, supervisor bonuses, fuel subsidies, meal allowances, work bonuses, sales bonuses, and other allowances. In addition, surplus bonuses, year-end bonuses, and employee compensations are distributed based on the company's operating profitability. Employees of the same seniority and job category receive equal pay regardless of gender. Disparities in salary among different job categories are due to different work bonus ratios because of the variations in seniority and job positions. For the average and median salaries of full-time employees who do not hold supervisory positions over the years, as well as their changes from the previous year, please refer to the MOPS for the salary information of full-time employees who do not hold supervisory positions at MOPS, Market Observation Post System.

As of the end of 2025, the salary ratios of males and females in different positions are as follows.

Salary ratio	High-level management	Division head	Section chief	Other personnel
Male	1.30	1.19	1.22	1.17
Female	1	1	1	1

Note:
1. The figures in the table above were calculated based on the compensation of employees in the operating bases (including Head Office, Taoyuan Works, Miaoli Works, Kaohsiung Works, Taoyuan Fabrication Center, and Taichung Harbor Logistic Office) in 2025.
2. Due to the fact that female employees are mostly in administrative positions while male employees are mostly in on-site positions, the ratio of job allowances and work bonuses are different. Therefore, the salaries of male employees are higher than those of female employees.
3. High-level management refers to management positions including the president, vice president, assistant manager and factory director.

Salary and Salary Adjustment Ratio	
Year	2025
Ratio of salary of top paid individual to median of other employees (Top Individual: Employee)	10.14
Salary adjustment ratio of the highest paid individual to the median of other employees (Top Individual: Employee)	-0.6

Note:
1. The calculation is based on the total annual remuneration, including basic salary, supervisor's bonus, job allowance, gas refueling allowance, food allowance, other allowance, work bonus or sales bonus, surplus bonus, year-end bonus, and employee compensation.
2. Calculation formula: 2025 remuneration= 2025 withholding income + 2025 tax-exempt income.

● Remuneration of New Employees

The major operating bases are in Taiwan, and the salary payment range of formal employees is determined based on the positions, as well as individual employee's education, experience, skills, work performance, and development potential. New employees will not be treated differently due to race, nationality, social class, language, ideology, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, gender identity and expression, age, marital status, pregnancy, appearance, facial features, physical or mental disabilities, zodiac sign, blood type, or previous union membership, and performance appraisal will be conducted regularly as a reference for salary adjustment. The monthly regular salary (fixed salary and work bonus) of all new entry-level personnel was a multiple of local (Taiwan) statutory basic salary (NTD 28,590) in 2025, as shown in the following table.

New entry-level employees in different categories	Administrative staff	Technician	Engineering staff
Multiple	1.27 times	1.38 times ~1.73 times	1.47 times~1.78 times

Note: The salary of administrative and engineering staff was calculated based on the salary of university graduates without working experience.

Employee Benefits

● Labor-Management Communication

The Company does not hinder the right to freedom of association. Enterprise unions have been established in all operating bases, with labor-management meetings being regularly held. Trade union members can elect labor representatives to participate in labor-management meetings for labor-management communication, coordination of labor-management relations and promotion of labor-management cooperation. In 2025, more than 99.8% of employees in the Company joined the trade union.



To maintain stable labor relations, promote labor-management harmony, and enhance labor welfare, the Company started a collective agreement negotiation meeting with the enterprise union in Miaoli Works in September, 2023 in accordance with the Collective Agreement Act, discussing matters concerning labor conditions, welfare measures, occupational safety, employee grievance systems, labor union organization operations, and the use of enterprise facilities. After six negotiation meetings, the two parties signed a collective agreement on May 8, 2024. The validity period of the collective agreement was from the signing date till May 7, 2027, with a period of 3 years. This collective agreement covers 100% of the total number of employees at the Miaoli Works.

The Company has set up the Employee Welfare Committee and the Supervisory Committee of Workers' Retirement Fund, both of which have representatives elected by the enterprise union to serve as the committee members to supervise and protect the employees' rights and interests.

Employee Satisfaction Survey

To create a friendly workplace and strengthen labor-management communication channels, the Company carried out its Employee Satisfaction Survey for the first time in 2025. The survey was administered online using a five-point scale, covering six aspects, including work support, learning and development, leadership and management, collaboration and communication, job satisfaction and stability, and employee engagement and retention intention. A total of 400 copies of questionnaires were distributed between October 23 and November 14, 2025, and 280 were returned, with a return rate of 70%. The survey results indicated a high level of employee satisfaction overall, with the average score of over 4 points across all six aspects. Among them, "work support" and "employee engagement and retention intention" scored the highest. We will continue to organize workplace communication and coordination courses and increase diverse learning channels to build harmonious labor-management relations.

Employee Benefits

Tung Ho Steel regards employees as the most important assets of the Company. In order to take full care of the employees and provide great working conditions to satisfy employees' needs, we not only provide basic protection in accordance with legal requirements but also specifically provide or sponsor the promotion of welfare programs with establishment of the Joint Employee Welfare Committee among the major operating bases (including the Head Office, Taoyuan Works, Miaoli Works, Kaohsiung Works, Taoyuan Fabrication Center, and Taichung Harbor Logistic Office) to organize various employee welfare activities and subsidies.

Employee Benefits



Club activity of Miaoli Works



Employee trip of Kaohsiung Works



● Parental Leave without Pay

To implement a friendly workplace and support employees' family care responsibilities, the Company has set up a breastfeeding room in each Works, and provided maternity subsidies and scholarships for employees' children. In 2025, the total amount of educational scholarship for employees' children amounted to NT$ 461,000.

Employees with childcare needs can apply for parental leave without pay. In 2025, a total of 10 employees applied for parental leave without pay (5 males and 5 females). A total of 10 employees (8 male and 2 females) were due to be reinstated, and the actual number of reinstated employees was 6 (4 male and 2 females), and the reinstatement rate reached 60%.

Item/Year	2023			2024			2025		
Gender/Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
The number of employees eligible for application for parental leave without pay (A)	120	21	141	111	15	126	134	19	153
The number of people who actually applied for parental leave without pay of the current year (B)	4	5	9	7	1	8	5	5	10
The number of employees who should be reinstated after parental leave without pay of the current year (C)	3	5	8	3	1	4	8	2	10
The number of employees who were actually reinstated after parental leave without pay of the current year (D)	3	4	7	3	1	4	4	2	6
The number of people who were actually reinstated after parental leave without pay in the previous year (E)	3	2	5	3	4	7	3	1	4
The number of employees who were actually reinstated in the previous year and has been reinstated for 12 months (F)	2	2	4	2	4	6	2	1	3
The reinstatement rate of the current year % (D/C)	100	80	88	100	100	100	50	100	60
The retention rate of the current year %(F/E)	67	100	80	67	100	86	67	100	75

Note: The number of employees who were eligible to apply for parental leave without pay in 2025 was calculated based on the number of employees who had taken paternity leave and maternity leave from January 1, 2022 to December 31, 2025.

● Retirement System

The Company has set up the pension plan for the employees [Note] in accordance with the Labor Standard Act and Labor Pension Act and has approved the establishment of the Supervisory Committee of Labor Retirement Reserve. Actuarial calculation of the labor pensions of the old system is made year by year (from 2015 to 2017 the allocation rate was 7%, and starting from 2018, the allocation rate was adjusted to 10%), and a meeting is convened regularly to protect the employees' rights and interests. As of the end of 2025, the pension reserve has been sufficient to cover the pension of employees who are qualified for retirement in a year. A 6% of monthly contribution to the individual pension account in accordance with the Monthly Contribution Classification Table is made for employees eligible for the new pension system, and the voluntary contribution percentage ranges from 0%~6%.

Note: Please refer to P.41 of the Individual Financial Statement for Q4/2025 for detailed information concerning labor pension.

● Termination Notice Period

The Company abides by the provisions in Labor Standards Act for the minimum period of advance notice when terminating a labor contract.

1. Where a worker has worked continuously for more than three months but less than one year, the notice shall be given ten days in advance.
2. Where a worker has worked continuously for more than one year but less than three years, the notice shall be given twenty days in advance.
3. Where a worker has worked continuously for more than three years, the notice shall be given thirty days in advance.

5-3 Career Development and Training

Performance Appraisal

The Company conducts regular performance appraisal annually, and the assessment items and standards are set in accordance with the job title and job content as a reference for the issuance of year-end bonus, promotion, or salary adjustment. The performance appraisal will be conducted for all employees except for those who have been employed for less than six months, who have taken more than a quarter of the personal or sick leave or those who are on leave without pay and are not yet reinstated. To continue the promotion of sustainability goals, the Company has linked the remuneration of first-level unit management such as the president and vice president to ESG performance, including ESG engagement and promotion in the annual performance evaluation items, which accounts for 10% of the overall annual performance. To encourage senior executives to actively participate in and promote the Company's ESG objectives while enhancing the Company's sustainable competitiveness, the Executive Incentive Plan for ESG Performance has been established, and the amount of ESG incentive bonuses are awarded based on each department's level of alignment with the designated evaluation indicators and the level of target attainment.

For unfit employees, the Company has set up relevant measures for performance improvement. The supervisors assist the employees to jointly establish the improvement plans and take corresponding measures, and three to six months will be provided for improvement. We aim at achieving the purpose of enabling employees to be in appropriate job fit.

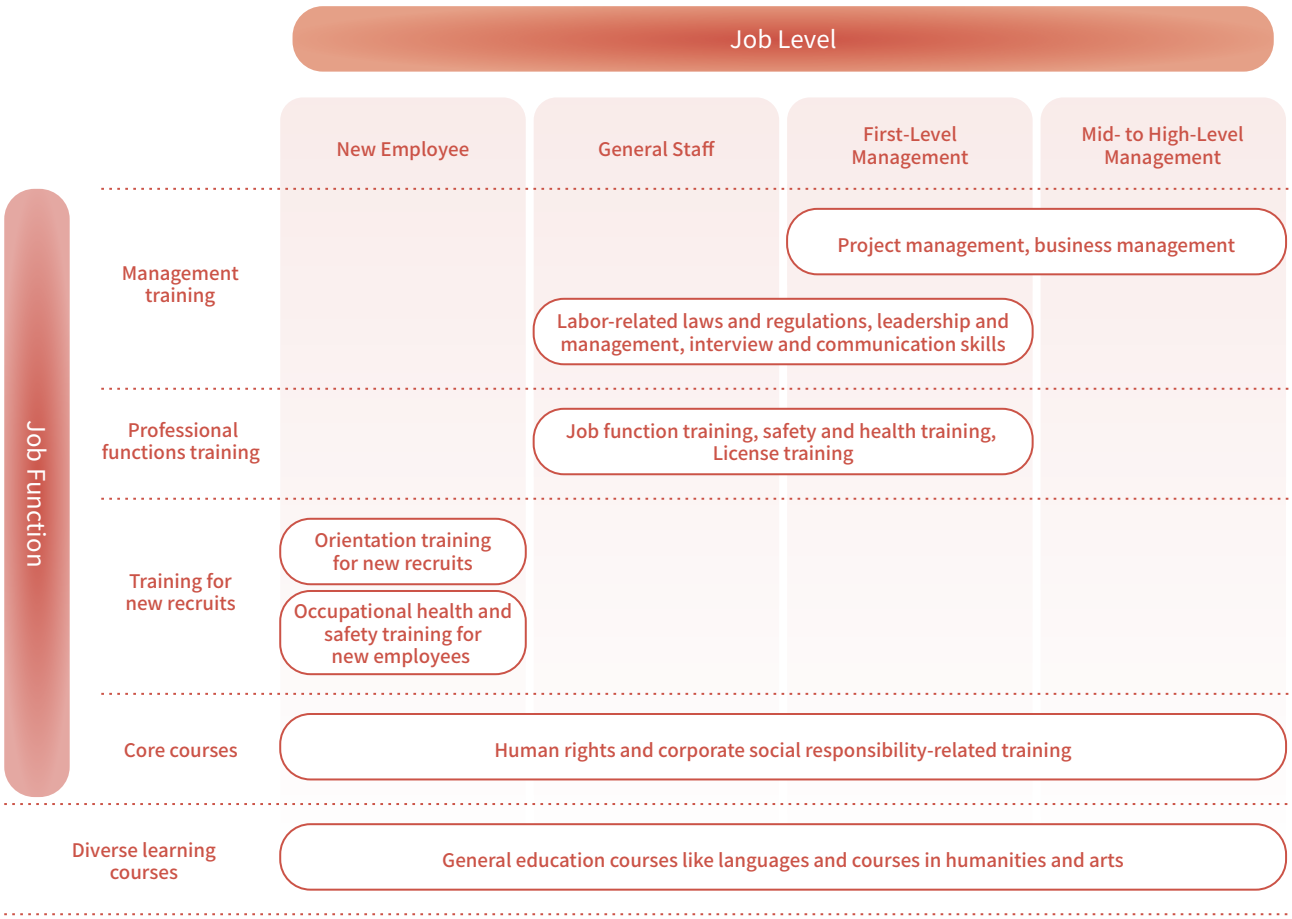
Regular performance appraisal							
Year		2023		2024		2025	
Category		Number of people	Ratio	Number of people	Ratio	Number of people	Ratio
High-level management	Male	15	93.8%	16	94.1%	11	91.7%
	Female	3	100%	3	100%	3	100%
Division head	Male	32	100%	40	100%	39	100%
	Female	4	100%	4	100%	4	100%
Section chief	Male	87	100%	85	98.8%	85	100%
	Female	9	100%	11	91.7%	15	100%
Other personnel	Male	1,367	77.7%	1,444	80.2%	1,474	80.6%
	Female	155	93.9%	158	96.3%	155	96.3%
Total	Male	1,501	79.3%	1,585	81.6%	1,609	81.9%
	Female	171	94.5%	176	96.2%	177	96.7%
	Total	1,672	80.6%	1,761	82.8%	1,786	83.2%

Note:
1. The performance appraisal period for full-time employees is from January 1 to December 31 every year; the performance appraisal period for temporary employees is from the on-board day to the anniversary date.
2. The total periodic performance appraisal uses the number of employees in service in each year as the denominator.

Talent Cultivation

To stimulate the potential of our employees and enhance their professional capabilities, we have provided diverse learning resources and channels, including the orientation training for new recruits, technical and professional training for various functions, management training for supervisors at all levels, and general education courses like languages and courses in arts and humanities. It is hoped that all employees can be in appropriate job fit through a complete education and training system to enrich the human resources of the Company. To encourage our employees to continue on-the-job learning to obtain more knowledge and skills, the costs for participating in education and training at home and abroad of the employees are 100% covered by the Company in accordance with the Education and Training Regulations. If the education and training courses are held beyond normal working hours, the employees can apply for overtime or switch shifts as prescribed.

Career Development and Training System





Extended Management Meeting



Performance appraisal interview and communication skills training

Statistics of the education and training hours											
Position		High-level management		Division head		Section chief		Other personnel		Total	
Item		Training hours	Average training hours per person	Training hours	Average training hours per person	Training hours	Average training hours per person	Training hours	Average training hours per person	Training hours	Average training hours per person
2023	Male	401	25	843	26	2,263	26	35,221	20	38,727	20
	Female	55	18	159	40	209	23	2,472	15	2,894	16
	Total (person) hours	456	24	1,001	28	2,471	26	37,693	20	41,621	20
2024	Male	483	28	1,257	31	2,168	25	40,888	23	44,796	23
	Female	91	30	138	35	290	24	2,916	18	3,435	19
	Total (person) hours	574	29	1,395	32	2,458	25	43,804	22	48,230	23
2025	Male	365	30	1,263	31	3,170	37	39,183	21	43,980	22
	Female	92	31	167	42	495	33	2,822	18	3,575	20
	Total (person) hours	456	30	1,430	33	3,655	37	42,004	21	47,555	22

Note:

1. Due to the nature of the steel industry, the workforce is primarily composed of male employees, and the gap in the proportion of male and female employees is large, and therefore, the difference in the average training hours for male and female employees is also large.
2. The training hours of the above education and training are mainly based on the number of local employees in Taiwan (including the Head Office, Taoyuan Works, Miaoli Works, Kaohsiung Works-Jiaxing, Kaohsiung Works-Daye, Taoyuan Fabrication Center, and Taichung Harbor Logistic Office, and foreign workers are included.
3. The number of education and training hours in 2024 has been revised to 48,230 hours after recalculation.

● Education and Training of Human Rights for Security Personnel

The guards are all full-time employees of the Company, and the entry and exit of personnel are all checked in accordance with relevant regulations to ensure the interests of our employees and manufacturers. According to the Work Rules, all the new security personnel in all facilities receive the orientation education and training (including human rights polity and relevant regulations). During the training, we also arrange learning on the job program in different shifts for them to understand the work items and practical operations of each post. The new security personal will be officially appointed after passing the assessment. The supervisor will conduct assessment on an irregular basis to ensure these guards perform their duties in accordance with the relevant regulations of the Access Control Management Measures. We arranged courses of "Advocacy of Sexual Harassment Prevention Measures" and "Human Rights Education and Training" in 2025, with a total of 46 participants, and the participation rate was 100%.

5-4 Occupational Health and Safety

Occupational Safety and Health Management System

The Company attaches great importance to the employees' rights and opinions, especially focusing on the safety and health of employees. We strive to provide a safe, healthy, and friendly working environment to promote the employees' physical and mental health, so that they can give full play to their working energy and enhance the Company's overall competitiveness.

Safety and health policy

- Respect life, provides education and care
- To have safety and health measures in place to prevent employees from injuries
- Safety first, zero disasters, continuous improvement, and commitment to corporate sustainable development
- Compliance, risk management, full participation, education and training, health promotion and continuous improvement

The Works of the Company complies with the safety and health management work step by step in accordance with the PDCA of the occupational safety and health management system, and they all obtained ISO 45001:2018 Occupational Safety and Health Management System and TOSHMS Taiwan Occupational Safety and Health Management System Verification[Note]. The scope of implementation and applicable objects of this system cover all the operating sites and all the workers in the works. Management System, including all the internal and external issues, all the corresponding compliance obligations, and occupational safety and health risks caused by internal and external stakeholders that can be controlled within the scope of its capabilities due to activities and services derived from order control, procurement of raw materials, production preparation, manufacturing, storage, shipment and use of products. In March, 2025, Kaohsiung Works-Daye passed and obtained ISO / CNS 45001:2018 Occupational Safety and Health Management System Certification and Registration.

In accordance with the requirements of the ISO 45001 : 2018 and TOSHMS, for non-employee workers whose work and/or workplace is under the control of the organization, the Company will follow relevant management procedures to ensure the employees stationed in each Works and the contractors have a safe and healthy workplace environment.

Note: The certificate validity periods are as follows: Head Office until May 2027, Taoyuan Works until August 2028, Miaoli Works until August 2026, Kaohsiung Works-Jiaxing until April 2029, and Kaohsiung Works-Daye until March 2028.

Number and Proportion of People Who have been Audited Internally and Externally

Category of staff	Number of people	Ratio (%)
Employees	2,147	89.3
Non-employee workers whose work and/or workplace is under the control of the organization	258	10.7
Total	2,405	100

Occupational Safety System and Performance

● Occupational Safety and Health Committee

The Occupational Safety and Health Committee is composed of the head of the works, unit supervisors, occupational safety and health management personnel, occupational health nurses, and representatives assigned by the enterprise unions, with the factory director serving as the chairman and the director of the Labor Safety Center as the management representative. Worker representatives are elected by the respective enterprise unions, accounting for an average of 40% of the total number of committee members.

The Committee is convened once a month to discuss issues related to potential risks of safety and health in the works, deliberate and track safety and health meeting affairs, and make decisions and give instructions concerning safety and health related issues in the Company. The Committee is convened once a quarter in the Head Office. The scope of the Committee's review includes safety policies, safety and health management plans, education and training implementation plans, health management, occupational disease prevention, health promotion, occupational disaster investigation reports, contractor management, and other matters related to occupational safety and health management.



In terms of health and safety issues, in addition to the communication and coordination with workers for solutions in Committee meetings, education and training for new employees, monthly industrial safety inspection, safety observation, safety talks, annual health checkups, and health management. Activities such as industrial safety promotion meetings and propaganda of occupational preventions of the Labor Inspection Office are organized on an irregular basis.

Contractor Management

To strengthen the prevention of accidents and losses caused by accidents of the contractors' workers or temporary workers engaged in construction or repair work in the plant areas, the Company has included activities and personnel of contractors and vendors into the risk identification and assessment procedures. We have also established the Contractor Safety and Health Management Regulations, requiring all personnel to recognize potential hazards related to their specific work tasks before commencing operations. Compliance with applicable safety laws and regulations is strictly enforced to ensure workplace safety. In addition, our contracting agreements include specific provisions related to OHS operations, as well as the management and penalties for safety regulations. Any fines collected from such violations are allocated exclusively to safety-related improvement, incentive programs, or safety education and training. The total penalty fund for contractor violations upon entering our facilities totaled NT$ 196,400.



Contractor training

In addition, regular inspections and audits are carried out on the subcontractors stationed in the works. The Labor Safety Office makes annual assessment, and those who fail the assessment shall not renew the contract. Workers from the subcontractors are also required to participate in safety and health education and training courses held in the works and encouraged to participate in the health lectures and the coordination of important matters in the coordination organization meetings to be informed of new knowledge of safety and health for bilateral communication.

A total of 145 vendors were assessed, with a pass rate of 100%

320 vendors participated in safety and health education and training

325 vendors participated in contractor coordination meetings

● Performance of Industrial Safety

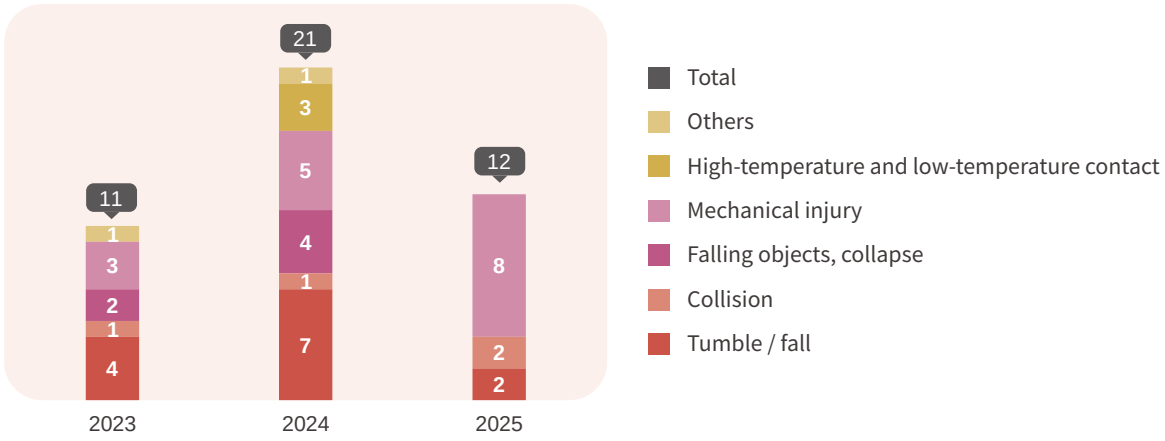
The goal of occupational accident management in all plants aims at zero-disaster as an indicator for enhancing various safety activities in the works. Zero-disaster related activities are supported by providing incentives and commending units with outstanding results. Cause analysis is conducted for each occupational accident in the Occupational Safety and Health Committee meeting, and improvement measures are also presented. In addition to the discussion of the analysis and corrective measures of the occupational accidents in the previous month reviewed by the president, the Audit Office and the Labor Safety Centers in all factories will also conduct joint cross-plant inspection every quarter and report to the president the deficiencies and corrective measures. For major occupational accidents that require hospitalization, the section chief and the division head should conduct monthly and factory director and deputy factory director should conduct autonomous management every two months and report to the president for review. For the accident victims, in addition to necessary first-aid and rescue, the Company will also do its best to assist the employees or their family members with necessary medical care and bereavement allowances.

In 2025, there were no major occupational safety incidents, but 12 injury accidents happened. All Works have carried precaution measures, including re-planning the work areas, installing safety protection measures, adding/revising the safety work standards, enhancing employee safety training, and implementing a 3-month safety observation, and the observation records will be sent to the Labor Safety Centers for review. Hazard identification and risk assessment are carried out again for operations resulting in injury. One mechanical injury incident involving non-employee worker occurred. After a review of the incident, the Company has strengthened safety operation training for contractors and implement machinery inspections and cleaning before and after operations. From 2025, factory-to-factory inspections have been added (once a month, for 8 times in total, excluding quarterly inspections) to increase the frequency of health and safety inspections.

Industrial safety performance			
Item /year	2023	2024	2025
Annual working hours	4,114,217	4,302,657	4,383,426
Number of deaths caused by occupational injuries	0	0	0
Rate of deaths caused by occupational injuries	0.00	0.00	0.00
Number of severe occupational injuries（excluding deaths）	0	0	0
Rate of severe occupational injuries（excluding deaths）	0.00	0.00	0.00
Number of recordable work-related injuries	11	21	12
Rate of recordable work-related injuries	0.53	0.98	0.55
Number of false alarm incidents	4	5	19
Occurrence of false alarm	0.19	0.23	0.87

Note:
1. Scope of calculation of industrial safety performance: The scope included the Head Office, Taoyuan Works, Miaoli Works, Kaohsiung Works, Taoyuan Fabrication Center, and Taichung Harbor Logistics Office.
2. Traffic accidents happened when commuting to or from work are not included in the industrial safety performance.
3. In 2025, the total working hours of non-employees in the company amounted to 515,146 hours. One recordable incident involving a non-employee occurred at the Kaohsiung Works - Daye, and the rate of recordable work-related injuries was 0.39.
4. Rate of fatalities as a result of work-related injury = (Number of deaths caused by occupational injuries/annual working hours)* 200,000
5. Severe Occupational Injuries refers to the condition of the worker that is unable or difficult to be restored to the original healthy state before the injury within 6 months (excluding deaths caused by occupational injuries).
6. Severe Occupational Injuries (SOI) Ratio = (Number of severe occupational injuries (excluding deaths)/annual working hours)* 200,000
7. Rate of recordable work-related injuries (FR)= (Number of recordable work-related injuries/annual working hours)* 200,000
8. Occurrence of false alarm= (Number of false alarms/annual working hours) x 200,000.
9. Number of recordable work-related injuries was reported in accordance with the regulations set forth by domestic competent authorities and submitted to the inspection agency for record-keeping as part of the official occupational injury statistics. The 12 injury cases in 2025 were classified into the following categories: 6 hospitalization cases, and 6 cases no being hospitalized but with disability days greater than 1 day.

Types and times of occupational accidents company-wide



Note: Tumble/falling includes tumble, rolling off and fall; collision includes collisions and being hit; falling objects and collapse includes falling of objects, collapse of objects and collapse; mechanical injury includes being pinched, rolled, cut and bruised.

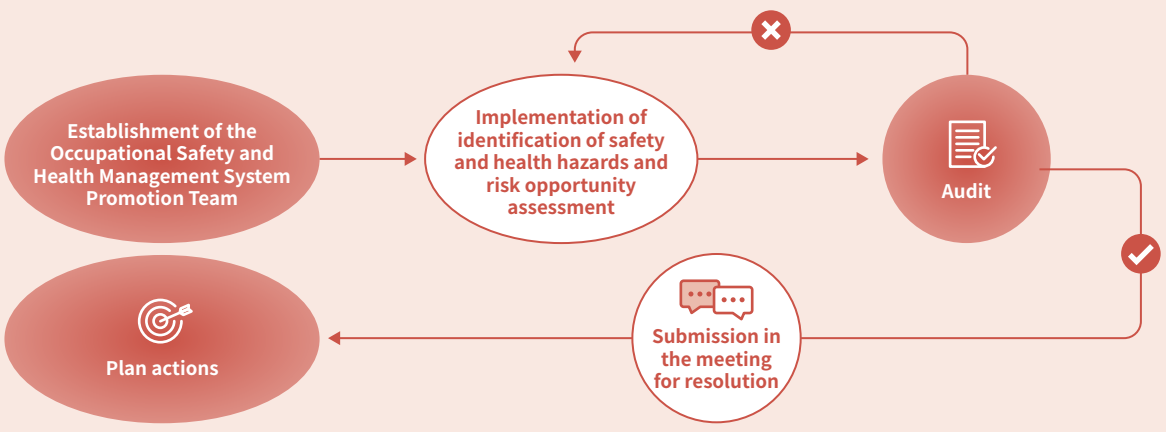
Reducing Risk of Occupational Accidents

• Identification of safety and health hazards

The Company followed the Occupational Safety and Health Administration's technical guidelines for all safety and hazards around the workplace caused by operating activities inside and outside the factory area (including routine and non-routine activities, workers and visitors entering the factory area, personal behavior, and other human factors), and set up the safety and health hazard identification risk assessment regulations and related procedures for risk assessment, the implementation of identification, assessment and control of the work environment and hazards. All the personnel performing hazard identification and hazard assessment are provided with education and training to ensure the quality of identification.

Identification and assessment results have to be classified into different levels for control. For the unacceptable medium- and high-level of risks, actions and measures are taken to reduce the level of the risk. For the accidents that have happened, hazard identification and assessment have to be done again, the operating standards have to be revised, and the education and training of hazard awareness and identification should be implemented to conduct risk classification management and control to ensure the effectiveness of the management system. In 2025, hazard identification and risk assessment were carried out, and a total of 20 cases with medium and high risks were identified. Management plans were formulated for improvement and have been implemented respectively.

Identification of safety and health hazards/ opportunity assessment flowchart

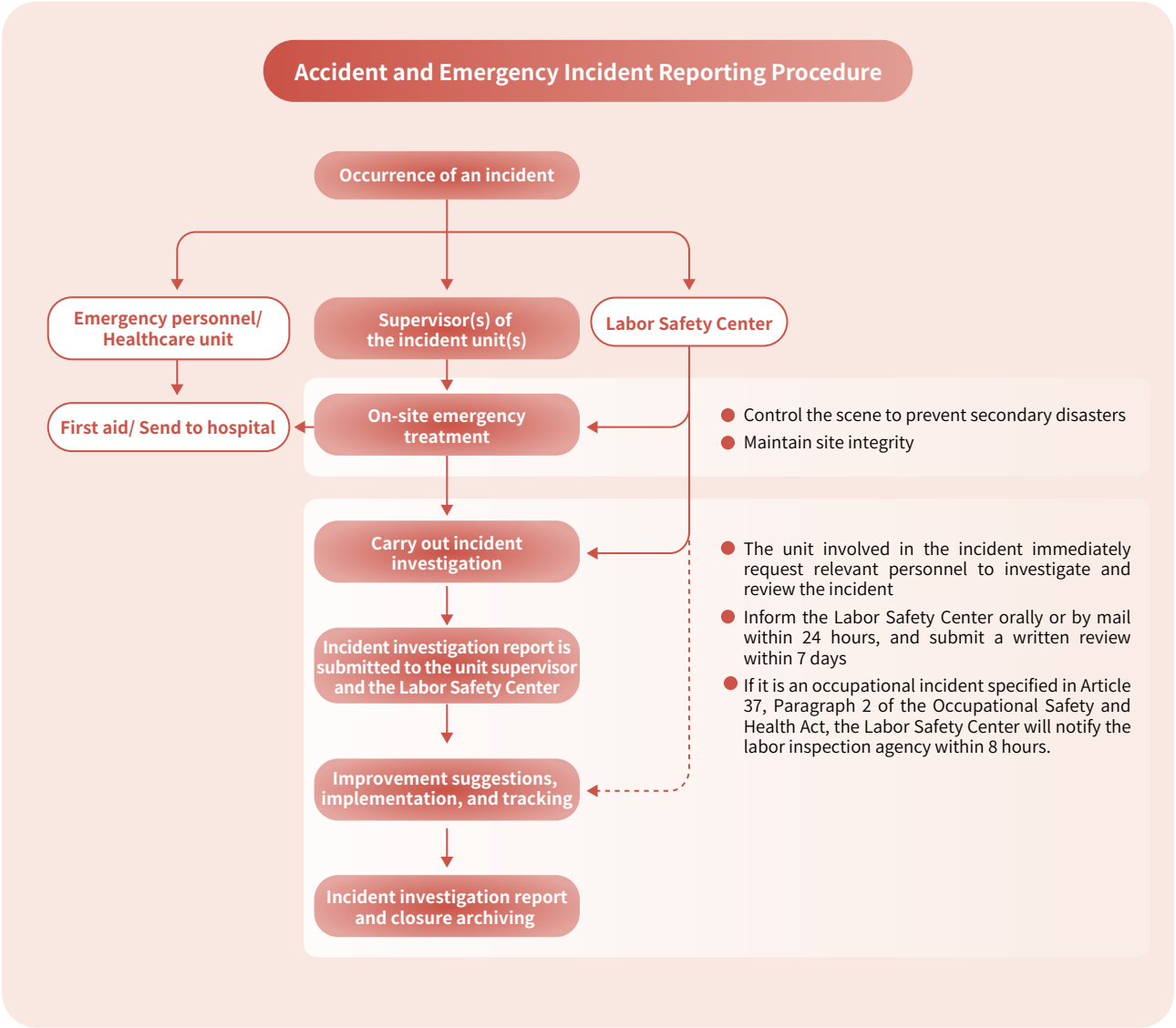


Control and Prevention of Abnormalities

In terms of the operating mechanism of accident management, electronic information management system and on-site incident drills are utilized for the statistics of occupational accidents and cause analysis, and relevant supervisors and parties jointly convene an investigation meeting to thoroughly understand the problem. The investigation results are then used for remedial and improvement measures to eliminate the causes of similar incidents to prevent them from happening again. In addition, all the incidents will be submitted to the Occupational Safety and Health Committee meetings for review. Responsible units shall re-examine the risk assessment in accordance with the safety and health hazard identification risk assessment regulations and make revisions when necessary to establish a complete notification and investigation system.

In view of the unsafe behavior and unsafe environment that cause harm, the AI Team of the Information Technology Division applies AI image automatic detection, surround view monitoring system, and AI automatic protection device to stop operation when detecting the entry of personnel, and warning notification or PA loudspeaker dispersion is immediately made to control or manage unsafe behavior or environment for improved on-site safety and health management.

In accordance with the relevant operating procedures for emergency response, when there is concern of immediate danger in the workplace, the employer and the person in charge of the workplace shall stop the operation at once and evacuate the workers to a safe place. When a worker discovers immediate danger while performing his duties, he shall stop the operation on his own and retreat to a safe place without jeopardizing the safety of other workers, and immediately reports to his direct supervisor. The Company will never dismiss, transfer, or fail to pay the wages during the period of the work suspension or impose unfavorable punishment on them under the circumstances mentioned above.



• Occupational Safety and Health (OSH) Training

Improving the workers' safety awareness and work habits are the focus of the safety and health education and training in all works. All the works will organize education and training every year based on their needs. In addition to the safety and health courses necessary for new recruits and general employees, there are also training for specialty and emergency response measures based on the job positions, and the safety and health management work of the contractors/subcontractors are also promoted and assisted. Through the mutual communication for consensus in the process of education and training, the workers can avoid human negligence in their work habits to improve the workers' capabilities of hazard identification so as to reduce potential risk of occupational accidents. The expenses invested in on-the-job training of safety and health in all works in 2025 amounted to more than NTD 2.25 million, with a cumulative of 25,422 man-hours of training.

Note: Safety and health education training courses include on-the-job education and training of general labor safety and health, occupational safety and health-related regulations and operating standards, fixed crane operators, forklift operators, anoxic operation supervisors, operator radiation safety, fire safety training, retraining of safety and health education for class-1, class-2, and class-3 manager of occupational safety and health affairs, etc.



First aid education and training (CPR and AED drills)



Oxyacetylene safety education and training



Forklift operator training

The Company also participates in relevant labor safety and health plans promoted by local competent authorities. In 2025, relevant executives at all levels participated in the Symposium, publicity meetings and seminars organized by the Occupational Safety and Health Center of Occupational Safety and Health Administration, Ministry of Labor or Labor Inspection Office. By the partnership between the government and the employer groups and through the review and discussion of cases of major occupational accidents as well as experience sharing and dialogues among the senior management, the companies could be assisted with the reinforcement of the implementation of process risk assessment, the management they are in charge of, and the efficiency of self-managed safety and health.

• Environmental Monitoring and Disaster Prevention Drills

The Company set up work environment monitoring plans and flowchart in accordance with the "Measures for Implementing Exposure Monitoring in the Workplace", and a quality work environment monitoring agency is appointed for the implementation of regular work environment monitoring on the Head Office and the all Works[note], and the items include noise, comprehensive temperature heat index carbon dioxide, chemical substances (manganese compounds, hydrochloric acid, sulfuric acid, hydrofluoric acid, butanone, n-Hexane, Toluene compounds), illuminance monitoring, and dust. Improvement will be immediately made if there is any abnormality found in the monitoring results to protect the health of the personnel. In 2025, the monitoring results showed that the noise level slightly exceeded the standards. Subsequent monitoring will be conducted to ensure the employees use protective gear. All the other items are compliant with statutory standards.

Note: There are 96 monitoring points in the Head Office, 142 in Taoyuan Works, 142 in Miaoli Works, 74 in Kaohsiung Works-Jiaxing, and 74 in Kaohsiung Works-Daye; the monitoring points of all factories include areas and personnel.



Fire drill

To improve the on-site emergency response capabilities in all the works to avoid or reduce injuries of personnel, property loss and environmental impact, various emergency response drills are conducted according to the on-site operation risks. In 2025, a total of 35 sessions of emergency response and disaster prevention drills were held (20 emergency response drills, 15 firefighting drills), and the content included emergency response drills for natural gas and liquefied petroleum gas leaks, high-pressure gas storage tank operation, wastewater treatment equipment malfunctions, air pollution in steelmaking/rolling mills, steel leakage in processes, personnel injured by falling objects and falling into coma, personnel in shock during operations, confined space operations and earthquake escape emergency response drills, self-defense fire prevention education and training, disaster prevention and escape drills, etc.



Occupational incident emergency response drill

Health Promotion

● Health Examination

The Company provides employee health checkups exceeding the frequency and items required by law, including general health examination and special health examination. In our Taoyuan Works, expanded lung cancer screening and free bone density testing are provided, with professional physicians conducting health management and statistical analysis based on the medical examination reports. The health promotion policy for the following year is also planned to provide comprehensive health care and assist our employees with the implementation of self-care management. In 2025, a total of 1,848 people received general health examination while 1,785 received special health examination, and the costs of the health examination totaled approximately NTD 4.04 million, an increase of 5.4% compared with 2024 (approximately NT$3.83 million) .

In all the works, the on-site physician will arrange health consultations for our employees. For those whose special health checkup results are classified as Level 2 or above occupational health management personnel, health lectures and individual doctor consultations are arranged. In addition, to prevent and control the risks associated with obesity and metabolic syndromes such as hypertension, hyperglycemia, and hyperlipidemia, the Company organized health lectures on "Conquering Metabolic Syndrome-Tips for Weight Loss Fasting" and "Dietary Management for Hypertension, Hyperglycemia, Hyperlipidemia, and Obesity". We also collaborated with medical institutions to administer influenza and COVID-19 vaccines for the improvement of the immune protection of people with hypertension, hyperlipidemia, and hyperglycemia and reduction of the risk of severe complications and death. In addition, for the employees identified as being at risk for hypertension, hyperlipidemia, and hyperglycemia based on the annual health checkup results, health consultations are scheduled for them to follow up on their medical visits and medication compliance as appropriate. In 2025, four major health plans, tiered health management, and health interviews related to obesity and hypertension, hyperlipidemia, and hyperglycemia were implemented, with 917 interviews in total.

The works control the hazards of the working environment and the employees' health through Measures for Implementing Exposure Monitoring in the Workplace and the special health examination, and the employees' relevant knowledge of emergency treatment of burns and scalds is also promoted. Monthly health consultations are provided to employees by the on-site physicians. If an abnormal case is found, the Labor Safety Center will conduct case management, and the physician of occupational medicine will provide one-on-one consultation to comprehensively evaluate the factors of the employees' work nature, lifestyles, family history and others to provide suggestions for improvement for the employees and the Company. There has not been any case of occupational disease among our employees over the past 5 years, and there has been no occurrence of occupational disease among workers (whose work and workplace are under the control of the organization).

In 2025, there were 401 employees under level 2 noise hazard management and 1 employee under level 3 or above. For level 2 management, improvement measures included enhanced protective measures during work, arranging health seminars and physician consultations, and follow-up outpatient visits within three months. For level 3 and above, measures included the use and supervision of personal protective equipment and reducing exposure time to noisy operations. Relevant information was recorded in the "Labor Health Service Implementation Record Sheet.

Facility	General health examination (number of people)	Items for special health examination (number of people)							
		High temperature operation	Dust work	Noise operation	Ionizing radiation work	Manganese operations	n-Hexane	Catering operations	Subtotal
Head Office	167	-	-	19	-	-	-	-	19
Taoyuan Works	672	-	287	122	36	3	-	6	454
Miaoli Works	573	110	213	272	67	30	3	8	703
Kaohsiung Works-Jiaxing	319	-	214	214	-	-	-	3	431
Kaohsiung Works-Daye	117	-	89	89	-	-	-	-	178
Total	1,848	110	803	716	103	33	3	17	1,785

Note: Employees who started working in the current year have already submitted their physical examination reports, so health examinations were not arranged for them.



Annual employee health check-up activity



Health lecture



Lecture on special operation hazards

Care for the Employees' Health

The Company establishes the health service plan based on the Occupational Safety and Health Act and Regulations of Labor Health Protection and adopts relevant regulations concerning labor health protection and safety and health measures, coupled with the provision of integrated employee health service by professional physicians. In 2025, a total of 917 people participated in health interviews, including 549 people for consultation, 204 people for fitness for work evaluation, 108 people for return-to-work evaluation, 7 people for maternal health protection, 49 people for overload assessments, and 2 health consultations for non-employees. The on-site health service expenses totaled approximately NT$2.26 million.

A total of 30 health lectures were held in 2025, with the themes covering shingles prevention and treatment, betel nut and tobacco harm prevention, dementia and overwork prevention, HPV-related cancer prevention, colorectal cancer and HIV screening, CPR and AED first aid teaching, prevention of special work hazards, and prevention of illegal infringements while performing duties. During the occupational safety and health (OSH) meetings, health promotion topics were presented, including colorectal cancer screening, hepatitis B and C screening, lung cancer screening, obesity prevention and weight management, flu prevention and in-plant influenza vaccination, heat hazard prevention, and dengue vector control.



Influenza and COVID-19 vaccination program



Lecture on obesity prevention and weight loss

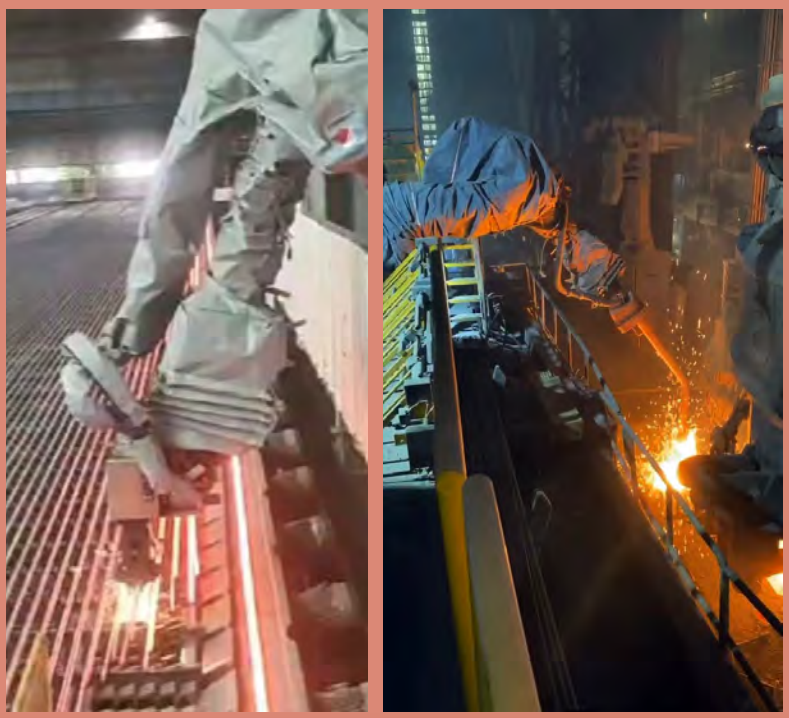
Special Column

Creating a Worker-Friendly Workplace Through the Introduction of Robotic Arms

The nature of steel manufacturing process makes it unavoidable to have significantly higher noise levels and ambient temperatures in certain work areas compared with those in general working environments. To ensure a safe working environment, the Company started the introduction of robotic arms for specific workstations with high load characteristics in 2025. Taoyuan Works was the first to introduce a robotic arm specifically designed for high-temperature operations to assist in the temperature measurement and sampling of molten steel.

Robotic arms feature high-temperature resistance, high precision, and operational stability. By adopting robotic arm operation, workforce allocation can be optimized and employees' workload can be reduced. In the following five years, the Company will expand the adoption of robotic arms and automated equipment, gradually applying them to high-temperature and high-noise areas in the manufacturing process to reduce the impact on employees working under high load conditions and improve process stability and safety management.

The Company is committed to creating a safe and healthy workplace. The implementation of robotic arms demonstrated the Company's proactive efforts to improve working conditions and enhance occupational safety. In the future, more automated equipment will be added to the factory processes to create a worker-friendly working environment.



Robotic arm-assisted sampling

6 - 1 Biodiversity

6 - 2 Community Participation

Special Column: Deepen Local Engagement and Community Co-prosperity

6 - 3 Social Participation

Special Column: An Interdisciplinary Experimental Platform-Metal Engineering Leading to Tectonics (M.E.L.T.) Project

6 Social Prosperity



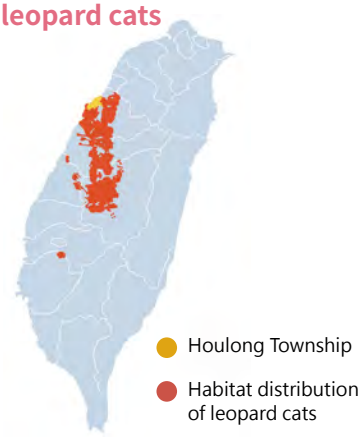
6-1 Biodiversity

Conservation of Leopard Cats is the Responsibility for All

The Company has continuously conducted the monitoring of environmental protection during the construction phase of the Longgang Industrial Park in accordance with the environmental impact assessment commitments since March, 2003 without interruption. The monitoring is conducted across a broad range of ecosystems, covering terrestrial plants and animals, aquatic benthic organisms, and plankton, including both phytoplankton and zooplankton. In addition, after the addition of wind turbines in Longgang Industrial Park, new monitoring items such as the number of bird strikes and the flight altitude of migratory birds have been added as important references for the operation management of wind turbines and environmental protection measures.

With the development of human society, the number of leopard cats in Taiwan has dropped significantly. In 2008, the leopard cats were officially listed as Endangered Species by the Council of Agriculture, Executive Yuan. The Miaoli County Council also passed the " Autonomous Ordinance for the Conservation of Leopard Cats in Miaoli County" on December 10, 2019 to strengthen the local conservation mechanism.

Habitat distribution of leopard cats



Important habitat (areas currently known as leopard cats' habitat) is approximately 2,140 km^2 in area.

The Company's Longgang Industrial Park is located in Houlong Township, the hotspot activity area for leopard cats. To avoid the impact of the development behavior on leopard cats, the Company started to install automatic infrared cameras in the Industrial Park to continuously track the activities of leopard cats and other wild animals around the clock to ensure that operations and human activities can avoid or reduce interference with foraging hotspots, contributing to conservation efforts. Monitoring results over the past seasons show that the diversity and evenness indices of various terrestrial animal species are stable, indicating that the overall ecological environment is still in good condition.

The monitoring data in 2025 show that, within the territory of the Protection & Conservation Land, in addition to leopard cats, the activity footprints of other protected animals such as civet cats and crab-eating mongooses were also recorded, indicating that the area possesses a relatively high degree of biodiversity. Moving forward, the Company will continue to carry out follow-up ecological monitoring to ensure that its operations and related human activities avoid or minimize disturbances to the foraging habitats and activity areas of leopard cats and other protected wildlife, thereby fulfilling its commitment to environmental protection and biodiversity conservation.

Conservation Strategies for Leopard Cats

1. The food sources for leopard cats include small mammals, birds, insects, and reptiles. To avoid affecting the food sources, this project will only cooperate with the Environmental Protection Bureau or health units to use environmental chemicals to prevent and control infectious diseases or pests (such as dengue fever, red imported fire ants and other related pesticide needs). No other chemical herbicides, insecticides, or pesticides will be used to avoid possibilities for leopard cats to ingest toxic food and are indirectly poisoned.
2. Leopard cats are a carnivorous nocturnal animal that are more likely to appear in early morning or night. Therefore, except for safety or necessary continuous projects (such as grouting projects), operations of large machinery will be arranged after 8 am and before 10 pm during the construction period.
3. Responsible construction companies conduct education and training for construction workers entering the site to identify the characteristics of leopard cats. Construction site personnel are strictly regulated to refrain from harassing, abusing, or capturing leopard cats to avoid violations of Act on Wildlife Conservation. If leopard cats are seen or found injured during the construction process, on-site personnel will immediately notify the construction supervision unit to record it and inform relevant responsible unit to assist in handling.
4. This project adopts phased construction, and construction fences are set up to prevent leopard cats from accidentally entering or getting hurt. This can also provide sufficient time for amphibians, reptiles, and mammals with weak habitat capacity, slow movement, and narrow activity space to move to other places. During the construction period, the use of animal trap is strictly prohibited. In addition, construction vehicles are also required to reduce their speed to minimize the risks of accidental wildlife injury and roadkill.
5. It is strictly prohibited to feed or keep wild animals in captivity in the park, and it is also prohibited to keep or bring pets (such as dogs) in the park to avoid disease transmission and chasing wild animals. Construction personnel are informed of proper domestic waste management practices, including centralized collection and secure covering of waste, to prevent scavenging by stray cats and dogs, thereby reducing the likelihood of attracting small wildlife and leopard cats to areas surrounding the construction site.



Diagram of the updated ecological survey routes and locations of infrared automatic cameras.

6-2 Community Participation

The Company attaches great importance to the interaction with the residents in the neighborhood. We conduct regular environmental monitoring to let the stakeholders (community residents) understand that the environmental monitoring items meet the legal requirements. We invest in environmental protection and engage in good neighbor activities like community charity activities to reduce environmental safety risk of the neighbors, promote the interaction with the neighboring residents, and fulfill our corporate responsibility.

Facility	Social participation	2025 Performance
Taoyuan Works	● During the construction and operation period, conduct the environmental monitoring every quarter in accordance with the content of the environmental impact statement, and the monitoring items include air quality and soil. ● Regularly assist with the mowing of weeds on the neighboring roads. ● Actively visit the neighboring communities on an irregular basis, participate in community charity activities, and sponsor neighboring schools, communities, temples, and festival-related activities. ● Sponsor low-income households in the local communities during the Lunar New Year and Mid-Autumn Festival every year to help to ease their financial burden. ● Establish direct communication channels with local village chief and the president of the community development association, including instant messaging applications, mobile phones, and the contact number of our Works.	● **Environmental monitoring results were compliant with regulations** The results of environmental monitoring during operation (including air quality and soil dioxin) showed complete compliance with relevant environmental regulations, and the cancer risk value was less than one in a million (10^{-6}) . ● **Sponsored funds for community activities** Sponsored funds for neighboring community development associations, neighborhood watch teams, school funds, environmental education cultural and creative associations, and low-income households in the neighborhood. ● **Beach Cleanup at Caota Sand Dunes Geopark** Nine people from our Taoyuan Works participated in the Caota Sand Dunes Beach Cleanup and Energy Saving Carbon Reduction Event. ● **Assisted with mowing nearby lanes**
Miaoli Works	● Add the environmental impact and occupational safety and health risk assessment before the implementation of the new manufacturing process. ● Conduct sampling for the environmental impact assessment every quarter, and the monitoring items include air quality, vibration, surface water quality, groundwater, and soil. ● Assign dedicated personnel to actively participate in community development associations and village meetings. ● Sponsor activities of the township offices, neighboring schools, and clubs. ● Adopt nearby streetlights and clean the roads around the works every day.	● **Environmental monitoring results were compliant with regulations** The results of environmental monitoring during operation (including air quality, noise, vibration, surface water quality, underground water, soil, etc.) showed complete compliance with relevant environmental regulations. ● **Participated in community forums** Xihu Rural Neighborhood Leaders' Local Infrastructure Development Symposium. ● **Sponsored funds for community activities** Financial support was provided for the Miaoli County Government's Outstanding Sports Team Fund, winter social relief programs organized by the Xihu Township Office, activities and school lunch programs at neighboring schools, community care center meal programs, and community association activities. ● **Adopt turf and environmental road cleaning** Adopted the green belt turf in the air quality purification zone of Xihu Township and Houlong Town, and cleaning the roads around the factory twice per day. ● **Assist in the maintenance of community infrastructure** Supported the repair of potholes and uneven pavement on local industrial access roads, and participated in a streetlight adoption and maintenance program. ● **Support local environmental sustainability plans** Donated funds to the Miaoli Environmental Protection Bureau to subsidize the Black Soldier Fly Rearing Program and to promote the use of straw-decomposing bacteria in agriculture to prevent open burning.
Kaohsiung Works	● Participate in the Labor Safety and Health Promotion Meeting and Occupational Accident Prevention Demonstration Workshop of Kaohsiung Linhai Industrial Zone on a regular basis. ● Visit the neighboring communities from time to time, and sponsor the community activities, school activities and festivals.	● Participated in the Meeting of the Labor Safety and Health Promotion Meeting of Kaohsiung Linhai Industrial Zone and one session of education and training. ● Participated in one session of the Large Vehicle Traffic Safety Advocacy Symposium held by Kaohsiung City Police Department, Siaogang Precinct. ● Sponsored the training expenses of Siaogang Senior High School Girls' Basketball Team. ● Assisted with sidewalk cleaning and tree adoption in Linhai Industrial Zone.

Note: The Company only implements local community assessment and engagement in important production plant areas. Since each works is located in the industrial zone and does not add new manufacturing process, there are no operations with significant actual or potential negative impacts.

Special Column

Deepen Local Engagement and Community Co-prosperity

The Company values interaction and cooperation with local communities and upholds the principles of neighborly harmony and shared prosperity. Through supporting the maintenance of surrounding roads and environmental improvements, as well as participating in and sponsoring local public welfare, cultural, educational, and community activities, the Company continues to strengthen engagement and establish close bond with neighboring communities. In addition, the Company has set up a dedicated channel to proactively care about the needs of the community. Through regular communication and visits, we understand local needs and maintain good interaction with community residents.

1 Environmental monitoring and maintenance around the works

- During operation, periodic environmental monitoring is carried out for air quality, noise, vibration, surface water quality, groundwater, soil, and other relevant environmental factors. All the monitoring results were found to be in compliance with applicable environmental regulations.
- The Company supports the maintenance and improvement of surrounding roads and public spaces, including pothole repairs, road cleaning, assistance with the maintenance of nearby green spaces, and road tree care.

2 Community engagement activities and public welfare sponsorship

- Actively participate in and sponsor community activities, including supporting community watch teams, community welfare activities, and providing funding for meals at community care centers.
- Based on local community needs, the Company provides emergency assistance and care for vulnerable groups by sponsoring emergency relief funds to help alleviate their financial burdens.

3 Sponsor nearby schools and educational activities

Sponsor and provide resources for activities organized by nearby schools, educational outreach programs, scholarships, and other initiatives, and support local sports development.





Beach Cleanup at Caota Sand Dunes Geopark



Assisted with mowing nearby lanes

6-3 Social Participation

Tung Ho Steel not only is dedicated to the provision of high-quality products and services to our customers, but also participates in social welfare activities actively to fulfill its corporate responsibility. The Company participates in diverse public welfare activities, including educational sponsorship, academic awards, arts and humanities, major disaster relief and project donations. Among them, the establishment of Ho Chin Tui Foundation and the Tung Ho Steel Foundation have shown that with the academic development and culture & arts, it further demonstrates Tung Ho Steel's spirit of dedication and contributions, and what is more, the strong commitment to grow together with this land. In 2025, Tung Ho Steel's public welfare project donations amounted to NT$ 22.48 million and those for community development and good-neighbor sponsorships totaled NT$ 6.1 million.

Ho Chin Tui Foundation

Ho Chin Tui Foundation was established in 1975, and has been committed to rewarding young students excellent in conduct and learning as well as diligent students from disadvantaged families since its establishment. Due to the changes in the social environment later on, it was rare for students to discontinue their studies for poverty. Therefore, Ho Chin Tui Award was set up in 1991 to provide rewards to outstanding scholars who have been making long-term efforts and significant contributions to the development of the industries and economy in Taiwan in four major fields, including basic science (mathematical physics and biology), material science, metallurgy and environmental protection. A new category in Sustainable Architecture has been added to reward outstanding contributors in related fields.

The Ho Chin Tui Foundation is dedicated to promoting academic research, encouraging emerging scholars, and supporting public welfare initiatives in education, culture, and academic pursuits. We hope to nurture talented people, encourage students to work hard, be willing to recommend talented people, and give back to society. The substantial rewards include the awarding of Medal of Honor and rewards of NTD 600,000. As of the end of 2025, there have been a cumulative of 191 winners of this award.



Tung Ho Steel Foundation

Tung Ho Steel Foundation has worked on the improvement of the cultural and artistic literacy of people in Taiwan, cultivation of talents in art, promotion of art education, and development of cultural and creative industries, and organizes and sponsors various cultural and artistic events, and promotes the integration of the steel industry and culture since its establishment. We have actively organized the Artist Residency Program. We have invited artists to enter Miaoli Works for the creation of steel sculptures, which is one of the important cases of cooperation between enterprises and artists in Taiwan, and the works were also awarded the Best Creativity Award of the 10th Art & Business Awards by the Ministry of Culture.

Since the launch of the Metal Engineering Leading to Tectonics (M.E.L.T.) event in 2023, we have constructed an interdisciplinary experimental platform connecting design, structure, and construction professionals to explore the diverse applications of steel structures. In 2025, the Company continued to contribute NT$ 6 million to sponsor Tung Ho Steel Foundation and collaborate with architectural firms in presenting steel structure works. Nearly 700 representatives from industry, government, academia, and research institutions participated in the event, successfully promoting the social impact of innovative steel structure design.

Special Column

An Interdisciplinary Experimental Platform-Metal Engineering Leading to Tectonics (M.E.L.T.) Project



As above so below

Tung Ho Steel Foundation held the second Metal Engineering Leading to Tectonics Project in 2025, inviting KHAA (Kuo+Huang and Associates) to collaborate on a steel structure project. On October 3rd, at Tung Ho Steel R&D Center, the steel structure project, "As Above So Below" was unveiled, exploring the multiple possibilities of steel in architectural practice through the integration of architectural and structural design.

This work uses "New Horizons" as its design concept, extending towards the heavens and earth through geometric curves to form three interconnected staircase structures. The structural design integrates detailed calculation and load-bearing assessments for each steel plate and railing components. The stair steel plate thickness gradually decreases from 4 cm to 1 cm, extending towards both ends; the railings gradually taper from 2.5 cm to 1 cm, presenting a suspended structure that gradually thins. As visitors walk up and down the structure, their movements cause vibrations at different frequencies, allowing them to experience the interaction between the structure and their bodies within the space, creating a resonance between the external universe and the human body's microcosm, a connection experienced through walking and stillness. With each step upward or downward, the visual experience transforms accordingly, enabling visitors to perceive the horizon and surrounding landscape from a variety of elevations and perspectives. Through this immersive experience, visitors are invited to re-discover the flexibility and resilience embedded beneath the rigid exterior of steel, revealing the diverse possibilities of steel as a material in architecture and art.

After the presentation event, the Foundation subsequently arranged a series of guided tour and visiting programs, welcoming participation from schools, professional groups, and community residents, including Miaoli County Government, Zhonghe Elementary School, Chi Ming Elementary School, Chishin Junior High School, Xihu Experimental Junior High School, Xihu Elementary School, Nangang Community Development Association, Taichung Architects Association, Structural Engineers Association, NTU EMBA Class of 2025, and faculty and students of Shih Chien University, with a total of nearly 700 visitors. Through interdisciplinary exchanges and hands-on experiences, the project enhanced public appreciation of steel-structured architecture and engineering aesthetics, and deepened the cultural connection between businesses and society.



Visited by community elementary and junior high school students

Appendix I: GRI Reporting Principles Standards Comparison Table

Appendix II: BSI Verification Statement

Appendix III: Comparison Table of strengthened disclosure of sustainability index of iron and steel industry of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Appendix IV: Climate-related Information of Listed Companies

Appendix V: Sustainability Accounting Standards Board (SASB) Comparison Table- Iron & Steel Producers

7 Appendixes



Appendix I: GRI Reporting Principles Standards Comparison Table

Declaration	Tung Ho Steel has reported the content for the period from January 1 to December 31 in 2025 in accordance with the GRI guidelines.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	No applicable GRI Sector Standards

Type/ Topic	GRI Standards Disclosures Items	Corresponding chapters	Page	External assurance
GRI 2: General Disclosures 2021				
1. The organization and its reporting practices				
2-1	Organizational details	Company Overview	6	■
2-2	Entities included in the organization’ s sustainability reporting	About this Report Company Overview	2 6	■
2-3	Reporting period, frequency and contact point	About this Report	2	■
2-4	Restatements of information	About this Report	2	■
2-5	External assurance	About this Report	2	■
2. Activities and workers				
2-6	Activities, value chain and other business relationships	About this Report Company Overview 3-1 Operating Status Respond to climate change and invest in clean energy 4-1 Green Procurement	2 6 57 73 80	■
2-7	Employees	Distribution of Employees	105	■
2-8	Workers who are not employees	Distribution of Employees	105	■
3. Governance				
2-9	Governance structure and composition	Governance Structure The Composition and Operation of Board of Directors	43 45	■
2-10	Nomination and selection of the highest governance body	Election of Board of Directors	44	■
2-11	Chair of the highest governance body	The Composition and Operation of Board of Directors	45	■
2-12	Role of the highest governance body in overseeing the management of impacts	1-1 ESG Operation and Performance	11	■
2-13	Delegation of responsibility for managing impacts	1-1 ESG Operation and Performance The Sustainable Development Committee	11 50	■
2-14	Role of the highest governance body in sustainability reporting	About this Report 1-1 ESG Operation and Performance	2 11	■

Type/ Topic	GRI Standards Disclosures Items	Corresponding chapters	Page	External assurance
GRI 2: General Disclosures 2021				
2-15	Conflicts of interest	Recusal	47	■
2-16	Communication of critical concerns	1-1 ESG Operation and Performance	11	■
2-17	Collective knowledge of the highest governance body	The Composition and Operation of Board of Directors	45	■
2-18	Evaluation of the performance of the highest governance body	The Composition and Operation of Board of Directors	45	■
2-19	Remuneration policies	The Composition and Operation of Board of Directors Compensation Structure	45 109	■
2-20	Process to determine remuneration	Functional Committees Compensation Structure	50 109	■
2-21	Annual total compensation ratio	Compensation Structure	109	■
4. Strategy, policies and practices				
2-22	Statement on sustainable development strategy	Message from the Chairman	4	■
2-23	Policy commitments	Company Overview 1-1 ESG Operation and Performance 2-2 Integrity Management 2-3 Risk management Supplier Management 5-1 Manpower Structure with Equality	6 11 52 53 83 104	■
2-24	Embedding policy commitments	2-2 Integrity Management Supplier Management 5-1 Manpower Structure with Equality	51 83 104	■
2-25	Processes to remediate negative impacts	Complaint Handling and Responses Supplier Management	21 83	■
2-26	Mechanisms for seeking advice and raising concerns	Complaint Handling and Responses	21	■
2-27	Compliance with laws and regulations	Economic Compliance, Improvement and Prevention Environmental Compliance	51 102	■
2-28	Membership associations	Exchanges and Cooperation	7	■
5. Stakeholder engagement				
2-29	Approach to stakeholder engagement	1-2 Communication with Stakeholders Customer Satisfaction	17 78	■
2-30	Collective bargaining agreements	Employee Benefits	110	■

Type/ Topic	GRI Standards Disclosures Items	Corresponding chapters	Page	External assurance
Material Topics				
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	1-3 Analysis of Material Topics	24	■
3-2	List of material topics	1-3 Analysis of Material Topics	24	■
Material topic: Privacy and Information Security				
3-3	Management of material topics	1-4 Response to Material Topics- Information Security	31	■
GRI 418：Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Privacy	78	■
Material topic: Economic Performance				
3-3	Management of material topics	1-4 Response to Material Topics- Stable Operation	29	■
GRI 201：Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Performance	58	■
	201-4 Financial assistance received from government	Financial Performance	58	■
Material topic: Cleantech Opportunity				
3-3	Management of material topics	1-4 Response to Material Topics- Cleantech Opportunity	30	■
Material topic: Action Against the Climate				
3-3	Management of material topics	1-4 Response to Material Topics- Action Against the Climate	32	■
GRI 201：Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	3-2 Management of and Strategies for Climate Change Risks and Opportunities	63	■
Material topic: Energy/Affordable Energy				
3-3	Management of material topics	1-4 Response to Material Topics- Action Against the Climate	32	■
GRI 302：Energy 2016	302-1 Energy consumption within the organization	Broadening sources and reducing consumption	86	■
	302-3 Energy intensity	Broadening sources and reducing consumption	86	■
	302-4 Reduction of energy consumption	Green Process	89	■
Material topic: Greenhouse Gas Emissions (Carbon Management)				
3-3	Management of material topics	1-4 Response to Material Topics- Action Against the Climate	32	■
GRI 305：Emissions 2016	305-1 Direct (Scope 1) GHG emissions	GHG Inventory	87	■
	305-2 Energy indirect (Scope 2) GHG emissions	GHG Inventory	87	■
	305-3 Other indirect (Scope 3) GHG emissions	GHG Inventory	87	■
	305-4 GHG emissions intensity	GHG Inventory	87	■
	305-5 Reduction of GHG emissions	Green Process	89	■

Type/ Topic	GRI Standards Disclosures Items	Corresponding chapters	Page	External assurance
Material Topics				
Material topic: Raw Material Management				
3-3	Management of material topics	1-4 Response to Material Topics- Materials Circular Economy	34	■
GRI 301：Materials 2016	301-1 Materials used by weight or volume	Introduction of Value Chain	81	■
	301-2 Recycled input materials used	Introduction of Value Chain	81	■
Material topic: Waste Management / Responsible Consumption and Production				
3-3	Management of material topics	1-4 Response to Material Topics- Materials Circular Economy	34	■
GRI 306：Waste 2020	306-1 Waste generation and significant waste-related impacts	Introduction of Value Chain Waste Treatment and Recycling	81 99	■
	306-2 Management of significant waste - related impacts	Waste Treatment and Recycling	99	■
	306-3 Waste generated	Waste Treatment and Recycling	99	■
	306-4 Waste diverted from disposal	Waste Treatment and Recycling	99	■
	306-5 Waste directed to disposal	Waste Treatment and Recycling	99	■
Material topic: Water Resources Management				
3-3	Management of material topics	1-4 Response to Material Topics- Water Resources Management	35	■
GRI 303：Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Resources Management	93	■
	303-2 Management of water discharge - related impacts	Emission Control	96	■
	303-3 Water withdrawal	Water Resources Management	93	■
	303-4 Water discharge	Emission Control	96	■
	303-5 Water consumption	Water Resources Management	93	■
Material topic: Air Emissions				
3-3	Management of material topics	1-4 Response to Material Topics- Air Emissions	36	■
GRI 305：Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)	Emission Control	96	■
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Emission Control	96	■
Material topic: Customer Health & Safety				
3-3	Management of material topics	1-4 Response to Material Topics- Enhancement of Product and Service Quality	37	■
GRI 416：Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	3-3 Product Quality Management	75	■

Type/ Topic	GRI Standards Disclosures Items	Corresponding chapters	Page	External assurance
Material Topics				
Material topic: Supplier Management				
3-3	Management of material topics	1-4 Response to Material Topics- Supplier Management	38	■
GRI 308：Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supplier Management	83	■
GRI 414：Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supplier Management	83	■
Material topic: Talent Retention				
3-3	Management of material topics	1-4 Response to Material Topics- Talent Retention	39	■
GRI 201：Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	Employee Benefits	111	■
GRI 202：Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Compensation Structure	109	■
	202-2 Proportion of senior management hired from the local community	Distribution of Employees	105	■
GRI 401：Employment 2016	401-1 New employee hires and employee turnover	Turnover of Employees	106	■
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Benefits	111	■
	401-3 Parental leave	Employee Benefits	111	■
GRI 405：Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	Compensation Structure	109	■
Material topic: Labor-Management Relations				
3-3	Management of material topics	1-4 Response to Material Topics- Talent Retention	39	■
GRI 402：Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Employee Benefits	111	■
Material topic: Training and Education				
3-3	Management of material topics	1-4 Material Topics- Talent Cultivation	40	■
GRI 404：Training and Education 2016	404-1 Average hours of training per year per employee	Talent Cultivation	114	■
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Cultivation	114	
	404-3 Percentage of employees receiving regular performance and career development reviews	Performance Appraisal	113	■

Type/ Topic	GRI Standards Disclosures Items	Corresponding chapters	Page	External assurance
Material Topics				
Material topic: Occupational Safety and Health				
3-3	Management of material topics	1-4 Response to Material Topics- Safe and Healthy Workplace	41	■
GRI 403：Occupational Health and Safety 2018	403-1 Occupational health and safety management system	5-4 Occupational Health and Safety	116	■
	403-2 Hazard identification, risk assessment, and incident investigation	Reducing Risk of Occupational Accidents	119	■
	403-3 Occupational health services	Health Promotion	122	■
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Safety System and Performance	117	■
	403-5 Worker training on occupational health and safety	Reducing Risk of Occupational Accidents	119	■
	403-6 Promotion of worker health	Health Promotion	122	■
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Safety System and Performance	117	■
	403-8 Workers covered by an occupational health and safety management system	5-4 Occupational Health and Safety	116	■
	403-9 Work-related injuries	Occupational Safety System and Performance	117	■
	403-10 Work-related ill health	Promotion of worker health	122	■

Type/ Topic	GRI Standards Disclosures Items	Corresponding chapters	Page	External assurance
The topic-specific GRI Standards: 200 (Economic topics)				
GRI 203：Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	6-3 Social Participation	129	■
GRI 204：Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Introduction of Value Chain Supplier Management	81 83	■
GRI 205：Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	2-2 Integrity Management	51	■
	205-2 Communication and training about anti-corruption policies and procedures	2-2 Integrity Management	51	■
	205-3 Confirmed incidents of corruption and actions taken	2-2 Integrity Management	51	■
GRI 206：Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Economic Compliance, Improvement and Prevention	51	■
The topic-specific GRI Standards: 400 (Social topics)				
GRI 405：Non- Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Election of Board of Directors The Composition and Operation of Board of Directors Distribution of Employees	44 45 105	■
GRI 406：Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Socioeconomic Compliance, Improvement and Prevention 5-1 Manpower Structure with Equality	51 104	■

Type/ Topic	GRI Standards Disclosures Items	Corresponding chapters	Page	External assurance
GRI 407 : Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Socioeconomic Compliance, Improvement and Prevention Supplier Management Employee Benefits	51 83 111	■
GRI 408 : Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Socioeconomic Compliance, Improvement and Prevention Supplier Management	51 83	■
GRI 409 : Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Socioeconomic Compliance, Improvement and Prevention Supplier Management	51 83	■
GRI 410 : Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Talent Cultivation	114	■
GRI 411 : Rights of Indigenous People 2016	411-1 Incidents of violations involving rights of indigenous people	Socioeconomic Compliance, Improvement and Prevention	51	■
GRI 413 : Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	6-1 Biodiversity 6-2 Community Participation 6-3 Social Participation	126 127 129	■
GRI 416 : Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Socioeconomic Compliance, Improvement and Prevention	51	■
GRI 417 : Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	3-3 Product Quality Management	75	■
	417-2 Incidents of non-compliance concerning product and service information and labeling	Socioeconomic Compliance, Improvement and Prevention	51	■
	417-3 Incidents of non-compliance concerning marketing communications	Socioeconomic Compliance, Improvement and Prevention	51	■

G4 Sector Disclosures – Mining and Metals

Disclosures Items		Corresponding chapter / Description	Page	External assurance
MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated	Not located in or adjacent to high biodiversity value areas	-	■
MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place	Not located in or adjacent to high biodiversity value areas	-	■
MM3	Total amount of overburden, rock, tailings, and sludges and their associated risks	This indicator applies to the mining industry	-	■
MM4	Number of strikes and lock-outs exceeding one week' s duration, by country	No strikes and work stoppage	-	■
MM5	Total number of operations taking place in or adjacent to indigenous peoples' territories, and number of percentage of operations or sites where there are formal agreements with indigenous people' s communities	Not located or adjacent to indigenous territories	-	■
MM6	Number and description of significant disputes relating to land use, customary rights of local communities and indigenous peoples	No occurrence of significant disputes	-	■
MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and indigenous peoples, and the outcomes	Not located or adjacent to indigenous territories, and there were no disputes relating to land use and infringement of rights	-	■
MM8	Number (and percentage) of company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, this site; the associated risks and the actions taken to manage and mitigate these risks	No ASM took place on or adjacent to company sites	-	■
MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process	Did not resettle households	-	■
MM10	Number and percentage of operations with closure plans	Does not have closure plans	-	■
MM11	Programs and progress relating to materials stewardship	1-4 Response to Material Topics-Materials Circular Economy	34	■

Appendix II: BSI Verification Statement

By Royal Charter

INDEPENDENT ASSURANCE OPINION STATEMENT

Tung Ho Steel Sustainability Report 2025

The British Standards Institution is independent to Tung Ho Steel Enterprise Corporation (hereafter referred to as Tung Ho Steel in this statement) and has no financial interest in the operation of Tung Ho Steel other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of Tung Ho Steel only for the purpose of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by Tung Ho Steel. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to Tung Ho Steel only.

Scope

The scope of engagement agreed upon with Tung Ho Steel includes the followings:

1. The assurance scope is consistent with the description of Tung Ho Steel Sustainability Report 2025.
2. The evaluation of the nature and extent of the Tung Ho Steel's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the Tung Ho Steel Sustainability Report 2025 provides a fair view of the Tung Ho Steel sustainability programmes and performances during 2025. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the Tung Ho Steel and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate Tung Ho Steel's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurors in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that Tung Ho Steel's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to Tung Ho Steel's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 10 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018) and GRI Standards is set out below:

Inclusivity

This report has reflected a fact that Tung Ho Steel has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the Tung Ho Steel's inclusivity issues.

Materiality

Tung Ho Steel publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of Tung Ho Steel and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the Tung Ho Steel's management and performance. In our professional opinion the report covers the Tung Ho Steel's material issues.

Responsiveness

Tung Ho Steel has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for Tung Ho Steel is developed and continually provides the opportunity to further enhance Tung Ho Steel's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the Tung Ho Steel's responsiveness issues.

Impact

Tung Ho Steel has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. Tung Ho Steel has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the Tung Ho Steel's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

Tung Ho Steel provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the Tung Ho Steel's sustainability topics.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

The sustainability report is the responsibility of the Tung Ho Steel's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:

Joe Hsieh, Managing Director Northeast Asia, APAC Assurance

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Statement No: SRA-TW-806207

2026-06-02

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Appendix III: Comparison Table of strengthened disclosure of sustainability index of iron and steel industry of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Article 4, Paragraph 3, Schedule 1-6	Indicator Type	Unit	Content response
(1) Total energy consumption, percentage of purchased electricity, utilization rate of renewable energy, and total self-generated and self-consumed energy	Quantitative	GJ, percentage (%)	Total energy consumption 5,786,046GJ Grid electricity usage accounts for 58% Renewable energy accounted for 13% Total self-generated and self-consumed energy: 0 GJ
(2) Total fuel consumption, percentage of coal, percentage of natural gas, and percentage of renewable fuel	Quantitative	GJ, percentage (%)	Total fuel consumption: 1,673,803 GJ Coal accounted for 0 % Natural gas accounted for 92.8% Renewable fuel accounted for 0%
(3) Total water intake and total water consumption	Quantitative	Thousand cubic meters (m^3)	Total water intake: 2,161.253 thousand cubic meters Total water consumption: 2,067.766 thousand cubic meters
(4) Weight of waste generated, percentage of hazardous waste and percentage of recycling	Quantitative	Ton (t), percentage (%)	Total waste generation: 327,845.6 tons (Weight and Waste Declaration Forms Match) Hazardous waste: 9.6% Waste recycling: 98.28%
(5) Explain the number and rate of occupational accidents	Quantitative	Number, Ratio (%)	Number of occupational accidents: 12 people (0.55%)
(6) Output of main products by product category	Quantitative	Differs by product type	Billet steel: 1,784,923 tons Rebar: 1,368,557 tons Section Steel: 623,862 tons

Appendix IV: Climate-related Information of Listed Companies

Item	Implementation Status	Page
1. Describe the board of directors' oversight and governance of climate-related risks and opportunities.	Climate change related governance	63
2. Describe how the risks and opportunities identified affect the business, strategy, and finances of the business (short-, medium-, and long-term).	Climate change related strategies	70
3. Describe the impact of extreme climate events and transitional actions on finances.	Climate change related strategies	70
4. Describe how the identification, assessment and management process of climate risks are integrated in the overall risk management system.	2-3 Risk Management	53
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors used and major financial impacts shall be explained.	Climate change related indicators and goals	71
6. If there is a transition plan for climate-related risks management, describe the content of the plan, and the indicators and goals used to identify and manage physical risks and transition risks.	Climate change related indicators and goals	71
7. If internal carbon pricing is used as a planning tool, the basis for the pricing shall be stated.	Please refer to Sustainability & Climate Related Financial Disclosure (IFRS S1&S2) Report 2026.	-
8. If climate-related goals are set, the activities, scope of GHG emissions, planning schedule, annual progress and other information shall be stated. If carbon offsets or RECs (renewable energy certificates) are used to achieve relevant goals, the source and quantity of carbon reduction credits or the number of RECs to be offset shall be stated.	Climate change related indicators and goals	71
9. Greenhouse gas inventory and assurance, reduction targets, strategies and specific action plans (fill in 1-1 and 1-2).	Greenhouse gas inventory and assurance: As shown in the following table. Reduction targets, strategies and specific action plans: Please see the sections for "Climate Change Related Strategies" and "Climate Change Related Indicators and Targets" on P. 70-74 of this Report.	-

GHG inventory information

Describe the GHG emissions (metric tons CO_2e), intensity (metric tons CO_2e/NT$ million), and coverage of data in the past two years.

Item		2024 (ISO 14064:2018)		2025 (ISO 14064:2018)	
		Total emissions (metric tons CO_2e)	Intensity (metric tons CO_2e/ NT$ million)	Total emissions (metric tons CO_2e)	Intensity (metric tons CO_2e/ NT$ million)
Parent company	Category 1 Direct emissions	211,948		207,018	
	Category 2 Indirect energy emissions	547,191		436,136	
	Subtotal (Category 1+Category 2)	759,139		643,154	
Consolidated financial statements Subsidiaries	Category 1 Direct emissions	130,879		120,878	
	Category 2 Indirect energy emissions	209,181		186,228	
	Subtotal (Category 1+Category 2)	340,059		307,106	
Total		1,099,198	18.27	950,260	16.42

Describe the GHG emissions (metric tons CO_2e), intensity (metric tons CO_2e/NT$ million), and coverage of data in the past two years.			
Parent company	Category 3	255,656	175,125
	Category 4	1,170,589	1,231,898
	Category 5	157,770	113,102
	Category 6	-	0
	Subtotal (Category 3-6)	1,584,014	1,520,125
Consolidated financial statements Subsidiaries	Category 3	161,425	96,807
	Category 4	429,410	428,322
	Category 5	37,769	38,058
	Category 6	0	0
	Subtotal (Category 3-6)	628,603	563,187
Total		2,212,617	2,083,312

Note: the 2024 data have been verified by Bureau Veritas (BV) Taiwan. The verification of 2025 data had not been completed when the annual report was issued, so it was presented based on internal inventory data. The data is mainly based on what is disclosed in the Sustainability Report.

GHG Assurance Information

Describe the assurance situation in the last two years as of the publication date of the annual report, including the scope of assurance, assurance provider, assurance standards, and assurance opinions.

The 2024 data for the Head Office, Taoyuan Works, Miaoli Works, Kaohsiung Works-Jiaxing, Kaohsiung Works-Daye, Taichung Harbor Logistic Office, Taoyuan Fabrication Center, Tung Kang Steel Structure Corporation, Tung Kang Engineering and Construction Corp., Tung Kang Wind Power Corp., Katec Creative Resources Corp., Tung Ho Steel Vietnam Corp. Ltd. (THSVC), and Duc Hoa International J.S.C., were assured by Bureau Veritas Taiwan in accordance with ISO 14064-1:2018.

The 2025 data for the Head Office, Taoyuan Works, Miaoli Works, Kaohsiung Works-Jiaxing, Kaohsiung Works-Daye, Taichung Harbor Logistic Office, Taoyuan Fabrication Center, Tung Kang Steel Structure Corporation, Tung Kang Engineering and Construction Corp., Ltd., Tung Kang Wind Power Corp., Katec Creative Resources Corp., Tung Ho Steel Vietnam Corp. Ltd (THSVC), and Duc Hoa International J.S.C. , were assured by Bureau Veritas Taiwan in accordance with ISO 14064-1:2018.

Appendix V: Sustainability Accounting Standards Board (SASB) Comparison Table-Iron & Steel Producers

Topic	Code	Accounting Metric	Page	Content of report
Greenhouse Gas Emissions	EM-IS-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations (%)	81	● Scope 1 GHG emissions reached 207,018 metric tons CO_2e. ● The total Scope 1 and Scope 2 emissions of Taoyuan Works in the Environmental Impact Assessment Commitment Letter was 735,808 metric tons CO_2e / year. The Scope 1 emission limits of Taoyuan Works was 10.57%. ● Currently, there are no emission limits for the Head Office, Miaoli Works, Kaohsiung Works-Jiaxing and Kaohsiung Works-Daye. ● Please refer to GHG inventory section of this Report for Scope 1 emissions and changes of emissions in the previous year.
	EM-IS-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	70	The strategy is to replace heavy oil by natural gas, not use pig iron and reduce the use of secondary raw materials. Please refer to Sustainability & Climate Related Financial Disclosure (IFRS S1&S2) Report 2026 for detailed Scope 1 reduction plan.
Air Emissions	EM-IS-120a.1	Air emissions of the following pollutants: CO, NOx (excluding N_2O) ,SOx, PM10, MnO, Pb, volatile organic compounds (VOCs), and Polycyclic Aromatic Hydrocarbons (PAHs)	-	Currently, the domestic requirements do not require the monitoring of CO, MnO, lead, PAHs, NOx, SOx, PM10, and volatile organic compounds, VOCs. Please see the section of Air Pollution Prevention in this Report.
Energy Management	EM-IS-130a.1	Total energy consumed (GJ), Percentage grid electricity (%), and Percentage renewable (%)	86	Total energy consumed 5,786,046 GJ Percentage grid electricity 58% Percentage renewable 13%
	EM-IS-130a.2	Total fuel consumed, Percentage coal (%)/ Percentage natural gas (%)/ Percentage renewable (%)	86	Total fuel consumed 1,673,803 GJ Percentage coal 0 % Percentage natural gas 92.8% Percentage renewable 0%
Water Management	EM-IS-140a.1	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	93	Total fresh water withdrawn 2,161.253 thousand cubic meters The total water consumption amounted to 2,067.766 thousand m^3. The water pressure in the region where the Company is located belongs to low-risk to medium risk.
Waste Management	EM-IS-150a.1	(1) Amount of waste generated, (2) percentage hazardous, (3) percentage recycled	101	Amount of waste generated 327,845.6 tons (the weight matches that in the Waste Declaration Form) Percentage hazardous 9.6% Percentage recycled 98.28%

Topic	Code	Accounting Metric	Page	Content of report
Workforce Health and Safety	EM-IS-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	118	Please see the section of Occupational Safety Performance of this Report for recordable incident rate (TRIR), Fatality rate, Near miss frequency rate (NMFR) for full-time employees and contract employees
Supply Chain Management	EM-IS-430a.1	Discussion of the process for managing iron ore and/or coking coal sourcing risks arising from environmental and social issues	-	The Company does not use iron ore or coking coal as production raw materials. Instead, scrap steel is the primary raw material used in its manufacturing process
Activity Metrics	EM-IS-000.A	Raw steel production, percentage from: (1) basic oxygen furnace processes, (2) electric arc furnace processes	-	Steel billets production: 1,784,923 tons Tung Ho Steel does not have the basic oxygen furnace, and steelmaking is conducted 100% by electric furnaces
	EM-IS-000.B	Total iron ore production (Note: The scope of production includes iron ore consumed internally and that which is made available for sale.)	-	The Company does not use iron ore as production raw materials. Instead, scrap steel is the primary raw material used in its manufacturing process
	EM-IS-000.C	Total coking coal production (Note: The scope of production includes coking coal consumed internally and that which is made available for sale.)	-	The Company does not use coking coal as production raw materials. Instead, scrap steel is the primary raw material used in its manufacturing process

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