

EVERGREEN STEEL CORPORATION

Sustainability Report 2024



長榮鋼鐵股份有限公司
EVERGREEN STEEL CORPORATION





TABLE OF CONTENTS

About this Report	003	Chapter 3 Product and Value Chain	052	Chapter 5 Friendly Workplace	092
Letter from the Management	004	3.1 Products and Sales	053	5.1 Employee Policies and Overview	093
Chapter 1 Sustainable Development	006	3.2 Quality Control	056	5.2 Employee Development and Training	098
1.1 Sustainable Development Strategy	007	3.3 Customer Service	059	Column – Sexual Harassment Prevention Training	101
1.2 Stakeholder Interaction	014	3.4 Sustainable Supply Chain Management	063	5.3 Employee Care	102
1.3 Management of Material Topics	018	Column – Outstanding Supplier Achievements	068	Chapter 6 Social Engagement	115
Chapter 2 Corporate Governance	036	Chapter 4 Environmental Sustainability	069	6.1 Arts and Cultural Support	116
2.1 Company Overview	037	Column- ISO 50001 & ISO 14001 Certification	070	6.2 Community Care	117
2.2 Corporate Governance Structure	040	4.1 Climate Action	072	6.3 Social Welfare	118
2.3 Ethical Management	044	4.2 Energy Resource Management	085	6.4 Environmental Protection	119
2.4 Risk Management	048	Column – Promoting High-Efficiency CO ₂ Inverter Welding Machine Replacement	088	Appendix	120
		4.3 Pollution Prevention	089	Appendix I: GRI Content Index	121
				Appendix II: Sustainability Accounting Standards Board (SASB) Index	130
				Appendix III: Sustainability Disclosure Indicators-Steel Industry	132
				Appendix IV: Climate-Related Information of TWSE/TPEx Listed Company	133
				Appendix V: Independent Assurance Statement	137

About this Report

Evergreen Steel Corporation (hereinafter referred to as Evergreen Steel) has published an annual Sustainability Report since 2021. This report is the fourth Sustainability Report covers actions and achievements related to sustainability of Evergreen Steel with regard to its economic, environmental, social and corporate governance aspects for 2024. Through the publication of this report, Evergreen Steel aims to review its sustainability performance, address key issues of concern to stakeholders, and further advance its commitment to sustainable development.

Reporting Period and Frequency

The reporting period is from January 1 to December 31, 2024, and is aligned with the Company's consolidated financial statements. To ensure completeness and comparability, certain data or narratives may cover periods outside the reporting year; such instances are clearly noted in the corresponding sections or charts.

Evergreen Steel publishes the Sustainability Report every year, and provides a downloadable electronic version from [the Evergreen Steel's website](#).



- ✧ Previous release version: August 2024
- ✧ Current release version: August 2025
- ✧ Next release version: Scheduled in August 2026



Report Downloads

Reporting Standards and Frameworks

This report is prepared in accordance with the GRI Standards 2021 issued by the Global Sustainability Standards Board (GSSB) and the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies stipulated by the Taiwan Stock Exchange (TWSE). Furthermore, it references frameworks such as the United Nations Sustainable Development Goals (SDGs), the Sustainability Accounting Standards Board (SASB) Standards, and the Task Force on Climate-related Financial Disclosures (TCFD) for relevant disclosures. For a detailed content index and cross-references, please refer to the Appendix.

Report Boundary and Scope

The scope of financial information disclosed in this report is consistent with the consolidated entities presented in Evergreen Steel Corporation's consolidated financial statements, covering Evergreen Steel and all of its subsidiaries, including Hsin Yung Enterprise Corporation, Super Max Engineering Corporation., Ever Ecove Corporation, and Mingyu Investment Corporation. Non-financial disclosures primarily focus on Evergreen Steel's operational sites, including the Taipei Head Office, Hsinchu Factory, Xinying Factory, Kaohsiung Factory, and the Seventh Container Center. In the event of any variation in the scope of disclosure or restatement of information, supplementary explanations will be provided in the relevant sections or figures.

Unless otherwise specified, all data disclosed in this report are compiled based on the following sources:

Financial data	The financial information presented in this report is derived from the consolidated financial statements audited by Deloitte. Unless otherwise stated, all amounts are expressed in New Taiwan Dollars (NTD).
Environmental data	GHG emissions data compiled in accordance with ISO 14064-1:2018, Waste data disclosed based on ISO 14001:2015, and reported to local environmental authorities at each site.
Other data	Other statistical data are compiled from internal records and reports submitted by individual operational sites.

Report Review

To ensure transparency and accuracy in sustainability disclosure, Evergreen Steel has established the "Sustainability Report Compilation and Verification Guidelines," which are incorporated into our internal control system. ESG-related data is submitted by respective departments following internal review by senior officials. The Supervisory Department consolidates the information and submits the compiled report for review by the President and Chairman. The report is verified by a third-party certifier and submitted to the Sustainability Committee and Board of Directors for final review and approval before issuance.

External Assurance

To enhance the quality and reliability of sustainability information, this report has been verified by an independent third-party assurance provider to ensure compliance with the GRI Standards. This year, with the approval of the Chairman, AFNOR Asia Ltd., a member of the AFNOR Group, was appointed to conduct a Type 1 Moderate Assurance Engagement in accordance with the AA1000 Assurance Standard (v3). Refer to Appendix 5 for the independent assurance statements.

Contact Information

If you have any questions about the contents of this report or any valuable suggestions, please contact us through the following ways:

- ✧ Evergreen Steel Corporation
- ✧ Supervisory Department / Miss Chen Guan-Rong
- ✧ ADD: 11F., No. 100, Sec. 2, Chang' an E. Rd., Zhongshan Dist., Taipei City 104094, Taiwan (R.O.C)
- ✧ TEL:(02) 2513-5858 ext. 5725
- ✧ FAX:(02) 2513-5699
- ✧ E-mail:csr@evergreenet.com



Official
website of
Evergreen
Steel



Corporate
Sustainability
section

Letter from the Management

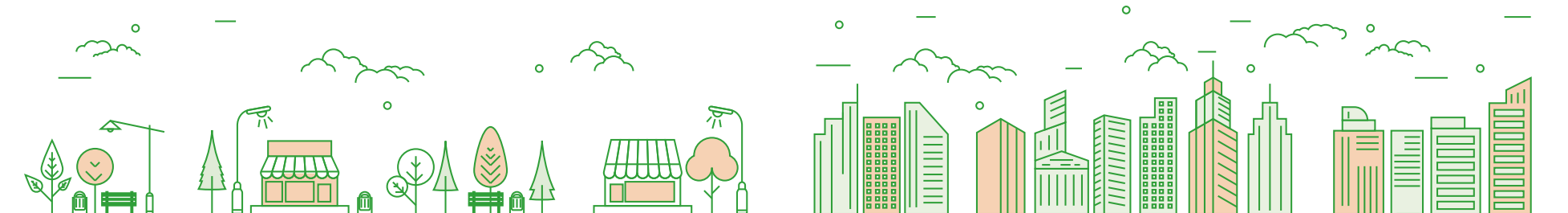
In recent years, the rapid rise of the AI industry has driven ongoing demand for factory construction within the technology sector. Coupled with Taiwan's frequent seismic activity, this has accelerated the reconstruction of aging and at-risk buildings, fueling development in urban renewal, commercial office buildings, and residential high-rises. As a result, the steel structure market has experienced steady short-term growth. While major projects—such as high-rise buildings and large-scale urban redevelopment—continue to be launched, the long-term outlook remains subject to macroeconomic fluctuations and government housing policies. These trends must be closely monitored to ensure timely and effective strategic responses.

In light of domestic demographic shifts such as a declining birthrate and resulting labor shortages, alongside inflationary pressures on material and wage costs, the Company has proactively implemented a floating price mechanism for steel quotations. Upon receiving orders, we prioritize swift subcontracting and rigorous cost control while optimizing expenses to mitigate financial risks and secure target gross margins. This approach forms the foundation of our operational strategy. At the same time, we are dedicated to developing specialized talent in steel construction by collaborating with universities of science and technology to provide internship programs, fostering integration between vocational training and industry needs.

Looking to 2025, as the steel structure market continues to expand, Evergreen Steel maintains a positive outlook and will further enhance its business development capabilities. We remain focused on securing contracts for large-scale urban renewal projects, commercial buildings, and factory facilities. By leveraging our mature steel processing technologies, we aim to effectively reduce manufacturing costs and strengthen supplier management, ensuring continued profitability despite economic fluctuations and industry competition.

In the environmental sector, our investee company Hsin Yung Enterprise completed key renovations of two incineration units in September 2024, significantly increasing treatment capacity and power generation efficiency, thus boosting operational performance. Ever Ecove completed functionality testing of its anaerobic digestion facility and obtained an operating permit in February 2025. Super Max Engineering finalized the construction of a new production line and successfully passed full-scale test incineration, securing its operational license in May 2025 for fixed-source industrial waste incineration and officially commencing commercial operation. These environmental subsidiaries are progressing steadily and are expected to contribute to revenue growth moving forward. However, with environmental policies expected to promote more diversified waste-to-energy solutions, changes in industrial waste treatment market dynamics may emerge. We will closely monitor policy directions and adjust our strategies accordingly. Furthermore, we are evaluating potential investments—both domestically and internationally—in incineration plants, energy storage, renewable energy, and the resource recovery of agricultural residues through collaboration with professional consultants and partners.

Confronted with intensifying climate challenges, Evergreen Steel has adopted a multi-faceted decarbonization strategy guided by the Task Force on Climate-related Financial Disclosures (TCFD) framework. We are committed to mitigating environmental risks associated with climate change and actively promoting the adoption of green energy. To support Taiwan's 2050 net-zero emissions target, we have obtained third-party certification for both the ISO 50001 Energy Management System and ISO 14001 Environmental Management System, laying the foundation for comprehensive energy and environmental management. This includes monitoring and optimizing energy efficiency, waste reduction, and emissions control. We have also invested in process optimization and the replacement of outdated machinery and transportation equipment to reduce carbon emissions and promote waste recycling and reuse. In 2024, we completed the first and second phases of solar PV installations at our Xinying Factory, totaling 2,547 kW, and commenced a third phase installation of 160 kW. We will continue to evaluate additional renewable energy opportunities to further support our transition to a low-carbon operation.



We have established short-, medium-, and long-term carbon reduction targets and roadmaps, and are systematically reviewing performance to ensure alignment with our decarbonization commitments. Our investments in environmental technology and green energy are part of a forward-looking strategy to advance our sustainability goals.

In terms of social responsibility, Evergreen Steel has long prioritized community engagement and actively supports a range of initiatives across education, arts and culture, medical outreach, environmental protection, and charitable giving. Through concrete action, we strive to foster a workplace culture that is safe, inclusive, and supportive. We are committed to protecting the fundamental human rights of our employees and stakeholders and extend this philosophy throughout our supply chain, promoting shared value and mutual growth with our key partners and contractors.

With regard to corporate governance, the Board of Directors has played a vital role in steering the Company's sustainability efforts. In 2023, the Board approved the establishment of the Sustainability Committee to oversee ESG initiatives and risk management, set short-, medium-, and long-term operational goals, and regularly report progress to the Board to ensure sound oversight and effective implementation.

As sustainable development continues to evolve, Evergreen Steel remains dedicated to reducing carbon emissions, preventing the waste of energy and resources, and improving overall operational efficiency through robust management systems. With a steadfast commitment to our quality policy and client trust, we strive to achieve steady performance, sustained profitability, and the successful realization of our ESG objectives—delivering long-term, stable value through responsible and sustainable business practices.



Chairman of Evergreen Steel Corporation

林耿立





CHAPTER

1

– Sustainable Development –

1.1	Sustainable Development Strategy	007
1.2	Stakeholder Interaction	014
1.3	Management of Material Topics	018

1.1 Sustainable Development Strategy

1.1.1 Operation and Implementation of the Sustainability Committee

Evergreen Steel Corporation established a "Corporate Social Responsibility Committee" in 2020,

Corporate Sustainability Policy

To fulfill its corporate sustainability, the company focuses on economic, environmental, and social issues and insists that all operational activities comply with relevant laws and regulations. Through education and training of personnel and internal control systems, the company ensures corporate ethics and compliance with laws and regulations. The company promises to comply with the following corporate sustainability policies:

- All commercial activities and operations are in compliance with relevant laws and regulations.
- Compliance with laws and regulations relating to public disclosure of corporate governance, organizational structure, financial status, and performance.
- Respect the human rights and freedoms of employees, and assist employees to develop and establish a friendly, healthy, and safe working environment.
- All employees and suppliers are required to abide by laws in all business activities and refuse any form of bribery, corruption, and improper transactions.
- Promoting energy conservation, carbon reduction, and compliance with environmental protection laws and regulations. The company also encourages suppliers and business partners to comply with relevant environmental laws and regulations in goods and services procurement.
- Caring for society and committing to public welfare activities, assisting disadvantaged groups, and being the best we can be.
- The "Code for Corporate Sustainability" was formulated to help ensure compliance.

renamed it the "Corporate Sustainability Committee" in 2021. All related policies, systems, and implementation plans of sustainable development are approved by the Board of Directors.

In order to fulfill corporate social responsibility and establish a sound risk management system, the Board of Directors resolved to establish the "Sustainability Committee" in 2023, and appointed five members for its first term, including three independent directors. The Chairman is the convener and the President is the deputy convener. The main responsibilities of the Sustainability Committee are to formulate sustainability (including risk management)

related policies, strategies, targets and management guidelines, review the annual sustainability workplan, supervise and track progress, outcomes, and related matters of workplan implementation by the executive team, and review the Sustainability report.

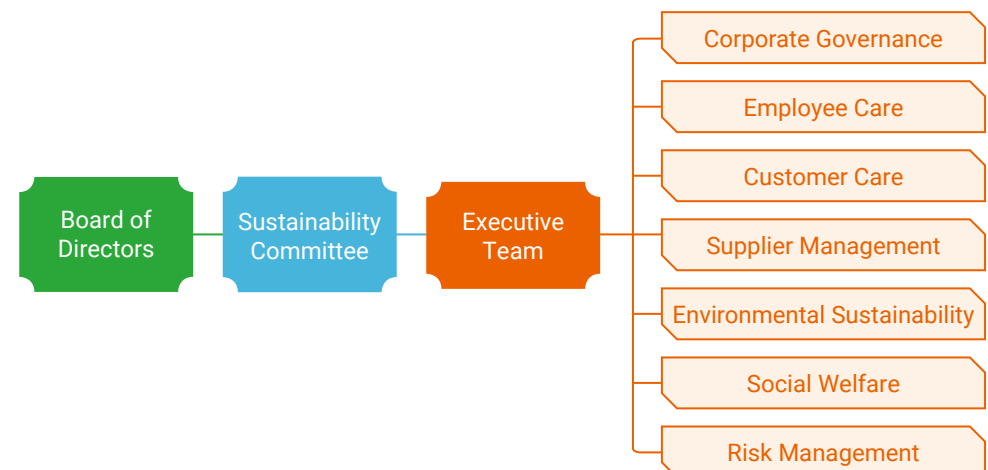
The Sustainability Committee has an executive team, where the head of the Supervisory Department serves as the chair, who is responsible for calling executive team meetings and assisting with implementation of various tasks. The executive team consists of seven groups: the corporate governance group, employee care group, customer care group, supplier management group, environmental sustainability group, social welfare group and risk management group, according to the division of businesses, the relevant departments are responsible for planning and executing related affairs.

The Sustainability Committee and the executive team hold at least two meetings annually, and regularly report the sustainability performance results to the Board of Directors.

Sustainable developments supervised by the Board of Directors in 2024:



- ✦ 2023 Sustainability Report was approved by the Board of Directors.
- ✦ The amendment of the "Sustainability Committee Charter" and "Sustainability Goals" were approved by the Board of Directors.
- ✦ Report the progress of greenhouse gas inventory and verification to the Board of Directors quarterly.
- ✦ 2024 implementation status of the intellectual property management plan, sustainable development, stakeholder communication, operation status of risk management, ethical management, and 2025 sustainability work plan were reported to the Board of Directors on November 12 and December 26, 2024, respectively.

Sustainability Committee Organization



1.1.2 Sustainable Implementation Goals

To promote sustainable business, the Company formulates sustainable development targets. The targets and achievements are reviewed on a yearly basis. The set targets and related implementations are shown below:

<div><p>Economy</p></div>	<p>★ Enhance operating performance to create values for shareholders</p>	<p>2022</p> <ul style="list-style-type: none">Consolidated operating revenue NT\$11,439,152 (thousand)Consolidated net profit after tax NT\$3,089,161 (thousand)	<p>2023</p> <ul style="list-style-type: none">Consolidated operating revenue NT\$11,090,533 (thousand)Consolidated net profit after tax NT\$4,313,805 (thousand)	<p>2024</p> <ul style="list-style-type: none">Consolidated operating revenue NT\$12,917,338 (thousand)Consolidated net profit after tax NT\$2,903,598 (thousand)
<div><p>Environment</p></div>	<p>★ Follow government policy to achieve an average annual electricity saving rate of 1%</p> <p>Note: Average annual electricity saving rate is calculated using the formula: cumulative electricity saved from 2015 to the year/(cumulative electricity saved+ cumulative electricity consumed)</p>	<p>2022</p> <div><p>Hsinchu Factory</p><ul style="list-style-type: none">Electricity saving rate 0.70%Average annual electricity saving rate 1.29%</div> <div><p>Xinying Factory</p><ul style="list-style-type: none">Electricity saving rate 1.15%Average annual electricity saving rate 1.75%</div>	<p>2023</p> <div><p>Hsinchu Factory</p><ul style="list-style-type: none">Electricity saving rate 0.64%Average annual electricity saving rate 1.24%</div> <div><p>Xinying Factory</p><ul style="list-style-type: none">Electricity saving rate 2.05%Average annual electricity saving rate 1.78%</div>	<p>2024</p> <div><p>Hsinchu Factory</p><ul style="list-style-type: none">Electricity saving rate 1.25%Average annual electricity saving rate 1.24%</div> <div><p>Xinying Factory</p><ul style="list-style-type: none">Electricity saving rate 1.10%Average annual electricity saving rate 1.72%</div>
	<p>★ Promote green procurement</p>	<p>2022</p> <ul style="list-style-type: none">Procurement amount approximately NT\$ 9,435 (thousand)	<p>2023</p> <ul style="list-style-type: none">Procurement amount approximately NT\$ 18,908 (thousand)	<p>2024</p> <ul style="list-style-type: none">Procurement amount approximately NT\$ 19,346 (thousand)
	<p>★ Electronic employee benefit tickets. Procure e-tickets with ISO 14067 Carbon Footprint Certification to reduce carbon emissions</p> <p>Note</p> <p>Note: Carbon reduction data is calculated using the carbon reduction calculator on Edenred webpage.</p>	<p>2022</p> <ul style="list-style-type: none">Electronic ticket amount NT\$3,248 (thousand), reducing 357.60 kg CO₂e	<p>2023</p> <ul style="list-style-type: none">Electronic ticket amount NT\$11,829 (thousand), reducing 1,302.37 kg CO₂e	<p>2024</p> <ul style="list-style-type: none">Electronic ticket amount NT\$12,142 (thousand), reducing 1,336.83 kg CO₂e



* GHGs emissions (Scope 1+2)	2022	2023	2024
	<ul style="list-style-type: none"> Amount of GHG emissions 12,946.529 ton CO₂e 	<ul style="list-style-type: none"> Amount of GHG emissions 11,600.521 ton CO₂e 	<ul style="list-style-type: none"> Amount of GHG emissions 13,159.147 ton CO₂e
	2022	2023	2024
* Promote industrial waste minimization	<ul style="list-style-type: none"> Waste recovery rate 95% 	<ul style="list-style-type: none"> Waste recovery rate 93% 	<ul style="list-style-type: none"> Waste recovery rate 90%
	2022	2023	2024
	<ul style="list-style-type: none"> Completed plant construction and proactively engaged in trials. 	<ul style="list-style-type: none"> Obtained Stationary Pollution Source Operating Permit issued by the Department of Environmental Protection, Taoyuan City in December 	<ul style="list-style-type: none"> The completion report for the entire plant has been submitted and is currently under review by the competent authority.



* Promote healthy and safe working environment	2022	2023	2024
	<ul style="list-style-type: none"> Provide employees health examinations exceeding the frequency and content prescribed by law, with a 100% attendance rate. No occupational disease case. 	<ul style="list-style-type: none"> Provide employees health examinations exceeding the frequency and content prescribed by law, with a 100% attendance rate. No occupational disease case. 	<ul style="list-style-type: none"> Provide employees health examinations exceeding the frequency and content prescribed by law, with a 100% attendance rate. No occupational disease case.
	2022	2023	2024
* Implement employee education and training to enhance professional competency	<ul style="list-style-type: none"> Total training man-hours 6,137 Man-hour 	<ul style="list-style-type: none"> Total training man-hours 8,685.5 Man-hour 	<ul style="list-style-type: none"> Total training man-hours 10,743.5 Man-hour
	2022	2023	2024
	<ul style="list-style-type: none"> Amount invested approximately NT\$3,200 (thousand) 	<ul style="list-style-type: none"> Amount invested approximately NT\$3,360 (thousand) 	<ul style="list-style-type: none"> Amount invested approximately NT\$4,430 (thousand)

1.1.3 Annual Performance List



Economy

The estimated net profit after tax in 2024 was NT\$2,722,769 (thousand), and the actual net profit after tax was NT\$2,903,598 (thousand), with an achievement rate of **106.64%**.

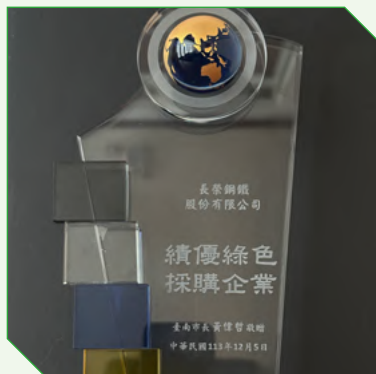
The Hsinchu Factory and Xinying Factory achieved an average annual electricity saving rate from 2015 to 2024 was over 1%, complying with and **exceeding regulatory requirements**.

In 2024, the Employee Welfare Committee distributed festival gift vouchers, purchasing electronic tickets at a total of NT\$12,142 (thousand) and **reducing 1,336.83kg CO₂e**.



Environment

In 2024, the Company received the **Outstanding Green Procurement Enterprise Award** by the Tainan City Government.

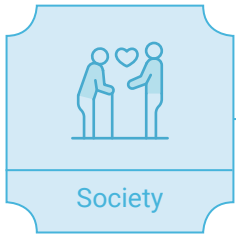


In 2024, the Company received the **Net-Zero Industry Competitiveness Superior Award** by the 21st Century Foundation.



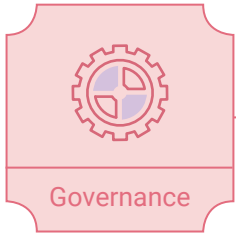
The Company participated in the BOT investment promotion project of Taoyuan Biomass Energy Center organized by the Taoyuan City Government, and was rated as the best applicant. It was built and is operated by the private organization Ever Ecover Corporation. The plant site is located in the land for environmental protection facilities in Taoyuan Technology Industrial Park, covering an area of 4.38 hectares. The construction was completed, and the factory obtained a heat treatment unit operating permit in December 2023. The construction completion report was approved by the Taoyuan City Government on December 25 and the Company obtained the operation permit for its anaerobic digestion system on February 3, 2025. In the future, wastes will be turned into resources for renewable energy, and the projected power generation is around 200 million kWh. The Company aims to contribute to a better future with its green, low-carbon, sustainable, intelligent, and eco-friendly services.

The welded H beam for structure has obtained the CNS Mark of the Bureau of Standards, Metrology and Inspection, MOEA, and the product is **100%** free of radiation pollution.



Society

- No discrimination nor sexual harassment in 2024.
- No child labor or forced labor in 2024.
- No occupational disease case in 2024.
- Provide employees health examinations exceeding the frequency and content prescribed by law in 2024.












Governance

- In 2024, the Board of Directors was composed of 7 directors, 3 of whom are independent directors, accounting for 42.86%.
- The target for the proportion of female directors of the Company is above 20%. In 2024, the proportion of female directors accounted for 28.57%.
- In 2024, the attendance rate of the Board of Directors meeting, Audit Committee meeting, Remuneration Committee meeting and Sustainability Committee meeting were 100%.
- In 2024, the Company didn't violate the Ethical Corporate Management Best Practice Principles, Codes of Ethical Conduct, Corporate Governance Best Practice Principles and Sustainable Development Best Practice Principles.
- In 2024, there were no related complaints or sanctions imposed by the Taiwan Stock Exchange.
- In 2024, there was no breach of customer privacy and data leakage.
- In 2024, the advocacy of the Ethical Corporate Management Best Practice Principles and the Codes of Ethical Conduct in pre-service education and training with a total of 152 participants and 152 training hours, reached 100% implementation. In addition, the Company organized a "Ethical Corporate Management and Trade Secret Protection" training session, totaling at 475 participants and 712.5 hours, and "Insider Trading Prevention" training session, totaling 483 participants and 483 hours.





1.1.4 SDGs Target Connection

Evergreen Steel attaches importance to corporate sustainable development and pays attention to trends and issues related to global sustainability. Therefore, the Company reviews its internal operations and actively responds to the 17 sustainable development goals (SDGs) of the United Nations, adopting the following 13 goals in 2024, with a view to integrating with the goals of global joint efforts and promoting the success of SDGs.

Aspect	Corresponding SDGs	Practice of SDGs	Implementation Outcome
Environment	  	<p>In 2024, the Company adopted the ISO 14001 Environmental Management System and ISO 50001 Energy Management System, and obtained certification from TÜV NORD Taiwan. These efforts aim to manage environmental risks, improve energy performance, and reduce environmental impact, supporting sustainable operations.</p> <p>The Company has established responsible units and personnel to carry out effective management of sewage treatment, air pollution prevention equipment replacement and maintenance, operating permit application and approval, air and land pollution fee payment, and waste removal and reuse.</p>	<ul style="list-style-type: none"> Obtained ISO 50001 Energy Management System certification Obtained ISO 14001 Environmental Management System certification No generation of hazardous industrial waste No incidents of waste-related leaks or violations Approximately 90% of waste into useful resources Emissions from stationary pollution sources met all regulatory standards No emissions of ozone-depleting substances (ODS)
		<p>The Company follows the Task Force on Climate-related Financial Disclosures (TCFD) framework and IFRS S2 to identify material risks and opportunities that may have impacts on its operations and propose response strategies, while also formulating relevant sustainable targets, to mitigate the threats and impacts of climate change. We conduct annual greenhouse gas (GHG) inventories verified externally, compile related TCFD and GHG reports, and disclose these reports publicly on our website for stakeholder reference.</p>	<ul style="list-style-type: none"> Achieved external verification of GHG emissions in April 2025. Released the 2025 TCFD Report and 2024 GHG Inventory Report on the corporate website in June 2025.
		<p>The Company organizes annual environmental conservation initiatives, such as beach and river cleanups, actively encouraging employees and their families to volunteer together. Through these hands-on efforts, we aim to protect the environment, preserve biodiversity, and advance ecological sustainability.</p>	<ul style="list-style-type: none"> In 2024, the Company held two environmental conservation events—a river cleanup at Laojie River and a beach cleanup at Yong'an Fishing Harbor in Taoyuan. A total of 126 employees and family members participated, removing 338 kilograms of waste to help protect the environment.
Society	   	<p>The Company actively participates in various community initiatives supporting local communities, disadvantaged groups, and rural education and healthcare to fulfill our corporate social responsibility and promote social equity.</p>	<ul style="list-style-type: none"> In 2024, the Company invested approximately NT\$3.7 million in 20 public welfare initiatives, including educational trips for rural students, tutoring and meal support programs, medical outreach in remote areas, and community meal services—turning care into meaningful action.

EGST's website
Report Downloads



Aspect	Corresponding SDGs	Practice of SDGs	Implementation Outcome
Society		The Company continues to implement and maintain the ISO 45001 Occupational Health and Safety Management System, promoting various safety and health measures to foster a safe and healthy workplace environment.	<ul style="list-style-type: none"> ◦ The Company's Hsinchu Factory and Xinying Factory achieved annual occupational safety and health targets ◦ Employee health examinations were conducted more frequently than required by regulations, with a 100% participation rate. ◦ Six health promotion seminars were held, achieving a 150% execution rate with 187 total participants. ◦ Health consultation 54 times in total ◦ No cases of occupational disease
		The Company promotes gender equality by regularly updating sexual harassment prevention policies and raising employee awareness to foster a respectful, harassment-free workplace.	<ul style="list-style-type: none"> ◦ No violations of gender equality or sexual harassment prevention laws. ◦ No sexual harassment complaints were reported. ◦ The Company updated its "Workplace Sexual Harassment Prevention Policy" effective March 8, 2024, in line with legal amendments and to maintain a respectful workplace. ◦ A total of 467 employees participated in sexual harassment prevention training, totaling 1,401 person-hours.
		The Company uphold fundamental human rights by aligning with the UN Universal Declaration of Human Rights and implementing a Human Rights Policy focused on inclusivity, fair labor practices, workplace safety, and information security. An independent reporting channel (comment@evergreenet.com) is available for internal and external use.	<ul style="list-style-type: none"> ◦ No violation of labor laws ◦ No violation of the Act of Gender Equality in Employment ◦ No discrimination nor sexual harassment ◦ No child labor or forced labor ◦ No violation of indigenous peoples' rights
Governance		To uphold ethical business practices, the Company has established guidelines including the "Ethical Corporate Management Principles," "Procedures for Ethical Conduct," and "Code of Ethical Conduct," with annual reports submitted to the Board. Integrity is promoted through internal communications, meetings, and dedicated training for all employees, including new hires, to strengthen awareness and compliance.	<ul style="list-style-type: none"> ◦ No violations of ethical conduct ◦ No incidents of corruption ◦ No involvement in anti-competitive behavior. ◦ No violations of antitrust or monopoly regulations ◦ 100% completion rate for pre-employment training on the Code of Ethical Conduct and Ethical Corporate Management Principles ◦ Conducted a training course on "Corporate Integrity and Trade Secret Protection," with 475 participants and a total of 712.5 training hours

1.2 Stakeholder Interaction

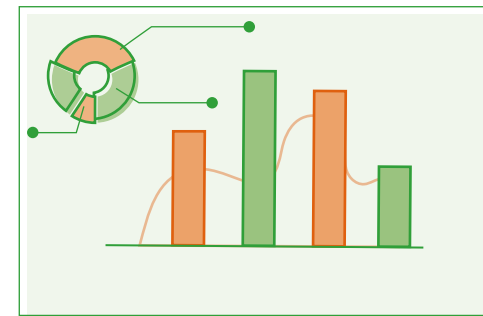
1.2.1 Identification of Stakeholders

Since stakeholder identification and communication are the basis of corporate sustainability, Evergreen Steel referenced the GRI Standards and industry practices. External experts evaluated the company's actual and potential negative impacts, as well as actual and potential positive impacts on stakeholders. The Company also adopted the five dimensions of the AA1000 Stakeholder Engagement Standards (AA1000 SES)—dependence, responsibility, influence, diverse perspectives, and tension—to assess the degree of mutual influence between stakeholders and the Company. Senior executive, members of the Sustainability Committee task force, and external experts jointly reviewed and discussed the results. The Company gives priority to six types of stakeholders: employees and other workers, shareholders, customers/dealers, suppliers/contractors, government agencies, and steel industry peers.

1.2.2 Stakeholder Engagement

The Company has established dedicated hotlines and mailboxes to engage with stakeholders and understand the issues they care about. These concerns are continuously monitored and serve as important references for the Company's sustainable development. Communications and engagements in 2024 are listed below, which will be provided to the Sustainability Committee and the Board of Directors on December 26, 2024.

To understand and address stakeholder concerns, the Company has designated contact points and established various communication channels, enabling stakeholders to provide feedback at any time. This helps us identify and respond to key sustainability issues of interest. A summary of stakeholder engagement activities for 2024 is provided in the table below and was reported to the Sustainability Committee and the Board of Directors on December 26, 2024.





Employees and other workers

HR Dept. / Miss Xu
TEL: 02-25135858 ext. 5672
Email: comment@evergreennet.com

* Importance to Evergreen Steel

Employees are the Company's most important partners, as well as one of the main drivers of corporate growth. Through building an environment that encourages bilateral communication, Evergreen Steel provides quality compensation and complete education and training, in the aim of attracting talent and responding to employees' needs, safeguarding their rights and strengthening cohesion.

* Focus topic

- Economic performance
- Occupational safety and health
- Employment
- Compliance with laws and regulations
- Training and education
- Forced and compulsory labor
- Labor relations
- Non discrimination

* Engagement Method

Business meeting	Monthly
Department/Factory/Section meeting	Monthly/Instant
Labor management meeting of the Company/Each factory	Quarterly/Instant
Employee Welfare Committee	Quarterly/Instant
Labor Pension Supervisory Committee	Quarterly/Instant
Occupational Safety and Health Committee	Quarterly
Medical health consultation	Instant
Performance appraisal and interview	Twice a year/Instant
Education and training program	Annually/Quarterly/Instant
Relevant announcements within the Company	On demand
Employee grievance mechanism	Instant
Telephone and face-to-face communication	Instant
Internal communication email	Instant
Corporate Sustainability Area of the Company's Website	Instant

* 2024 Engagement

- Monthly business meetings
- Monthly department meetings
- Weekly factory affairs meeting (Hsinchu Factory and Xinying Factory)
- Quarterly and temporary company/factory labor-management meetings (5 times)
- Quarterly Employee Welfare Committee meeting
- Quarterly and unscheduled Labor Pension Supervisory Committee meetings (9 times)
- Quarterly Occupational Safety and Health Committee meeting
- Health consultation once a week 54 times in total (including 4 times per quarter at Hsinchu Factory)
- Employee performance appraisals in March and September of each year
- The Company's website provides real-time/ irregularly announcements of relevant information



Shareholders

Finance Dept. / Miss He
TEL: 02-25135858 ext. 5701
Email: finacs@evergreennet.com

* Importance to Evergreen Steel

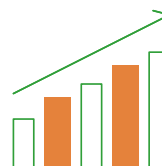
Shareholders provide the funds needed for long-term development of an enterprise. Evergreen Steel strives to strengthen internal governance, achieve performance targets, and enhance efficiency, in order to maintain steady development and create profit, giving back to shareholders.

* Focus topic

- Economic performance
- Occupational safety and health
- Compliance with laws and regulations
- Energy
- Greenhouse gas emissions
- Tax

* Engagement Method

Shareholders' meeting	Annually
Road show	Annually
Annual report of shareholders' meeting	Annually
Important financial and business information announced on the MOPS	According to the regulations of the competent authority
The Company's Website	Instant



* 2024 Engagement

- Held the 2024 shareholders' meeting, Information about the meeting is disclosed on the Market Observation Post System and the Company website. Videos of the meeting will be uploaded to the Company website, too.
- Invited to participate in KGI Securities' road show 2 times
- The annual report of the shareholders' meeting has been sent to the shareholders' meeting and disclosed on the MOPS and the Company's website
- Release publicly announcements and major information on the MOPS public information platform
- Important financial and business information has been disclosed on the MOPS and the Company's website





Customers

Business Dept. / Mr. Wang
TEL: 02-25135858 ext. 5860
Email: business@evergreenet.com

* Importance to Evergreen Steel

Customers are the main service subjects and Evergreen Steel continues to strengthen business development capability, enhance technology, and improve processes to offer customers outstanding product quality and establish long-term stable cooperation.

* Focus topic

- Economic performance
- Occupational safety and health
- Customer health and safety
- Compliance with laws and regulations
- Waste management
- Material management
- Energy
- Greenhouse gas emissions
- Water and drainage
- Anti-competitive practices
- Customer privacy

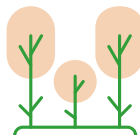
* Engagement Method

External communication mailbox	On demand
Telephone, fax, email	Instant
Business visit	Instant
Corporate Sustainability Area of the Company's Website	Instant



* 2024 Engagement

- Immediate improvement for customer response
- 26,974 visits to the Company's website (As of November 20, 2024)
- The Company's website provides real-time/irregularly announcements of relevant information



Suppliers/Contractors

Public Works Dept. / Mr. Lin
TEL: 06-6520066 ext. 5300
Email: wu.kuo@evergreenet.com

* Importance to Evergreen Steel

Good partners can create greater social value. Evergreen Steel maintains positive interaction with suppliers/contractors with the aim of providing high-quality products and services. Through mutual trust and cooperation, Evergreen Steel and suppliers/contractors forge mutually beneficial relationships, enhancing sustainable competitiveness and achieving growth together.

* Focus topic

- Economic performance
- Occupational safety and health
- Compliance with laws and regulations
- Supplier environmental assessment
- Supplier social assessment
- Material management
- Procurement practices
- Forced and compulsory labor
- Child labor

* Engagement Method

Safety and Health 6S agreement organization meeting	Monthly
Education and training	Quarterly/On demand
Supplier/Contractor evaluation	Once every half a year
Supplier meeting	On demand
Face to face communication	On demand
Supplier commitment	On demand
Toolbox Meeting	On demand
Purchase contract	Contract period
Construction contract	Contract period
Telephone, fax, email	Instant
Corporate Sustainability Area of the Company's Website	Instant

* 2024 Engagement

- Convened contractors to participate in safety and health and 6S meetings 12 times
- Held occupational safety and health talks 7 times (including employees and contractors)
- Convened contractors to participate in safety and health (including fire safety) education and training in the factory 4 times
- Held foreign migrant workers education and training 8 times
- Held supplier evaluation twice
- Held contractor meetings 17 times
- 274 signed corporate social responsibility commitments (As of October 2024)
- Held Toolbox Meetings 311 times
- The Company's website provides real-time/irregularly announcements of relevant information





Government Agencies

Supervisory Dept. / Miss Cai
TEL: 02-25135858 ext. 5651
Email: sytsai@evergreenet.com

* Importance to Evergreen Steel

Evergreen Steel complies with laws and regulations of government agencies and offers its own professional experience to conduct bilateral communication and interaction with government agencies, jointly promoting corporate sustainable development.



* Engagement Method

Online platform data filling	Annually
Seminar/Symposium/Public hearing	On demand
Correspondence of official documents	On demand
Business visit	On demand
Visit of competent authority	On demand
Safety and health family education training/symposium	On demand
Telephone, fax, email	Instant
Corporate Sustainability Area of the Company's Website	Instant

* Focus topic

- Economic performance
- Occupational safety and health
- Customer health and safety
- Compliance with laws and regulations
- Waste management
- Energy
- Greenhouse gas emissions
- Air quality
- Water and drainage
- Forced and compulsory labor
- Tax
- Marketing and signage
- Child labor

* 2024 Engagement

- Filling data in online platform 4 times
- Participated in government seminars and presentations 21 times
- Participated in government agencies' education and training (including occupational health nurse)
 - Taippower Jia-Nan Power Branch Education and Training 3 times
 - Xinying Industrial Park Water and Power Coordination Group Meeting once
 - Kaohsiung Linhai Industrial Park Occupational Accident Promotion Conference once
- Participated in environmental protection agency policy announcements and seminars 7 times
- Participated in Occupational Safety and Health Administration's education and training 6 times
- Participated in Occupational Safety and Health Administration's promotion seminar/symposium once
- The Company's website provides real-time/irregularly announcements of relevant information



Steel Industry

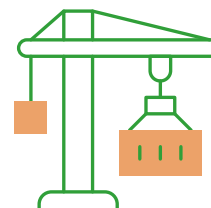
Occupational Safety & Health Dept. / Mr. Xu
TEL: 06-6520066 ext. 1300
Email: cmcs1128@evergreenet.com

* Importance to Evergreen Steel

Evergreen Steel proactively participates in industry associations to learn the latest industry information through exchange and cooperation, effectively grasping domestic and international dynamics of the industry, which are referenced for management strategy and business expansion to enhance competitiveness.

* Engagement Method

Business visit	On demand
Telephone, fax, email	Instant
Corporate Sustainability Area of the Company's Website	Instant



* Focus topic

- Economic performance
- Occupational safety and health
- Training and education
- Material management
- Procurement practices
- Tax
- Anti-competitive practices

* 2024 Engagement

- Steel structure group meetings of steel and Iron Industries Association was held 4 times (once per quarter)
- Participated in the member meeting of Taiwan Steel Structure Hoisting Engineering Professional Construction Industry Association once
- Participated in the member meeting of Taiwan Steel Structure Erection Engineering Professional Construction Industry Association once
- Participated in meeting of Taiwan Institute of Steel Construction 2 times
- The Company's website provides real-time/irregularly announcements of relevant information



1.3 Management of Material Topics

1.3.1 Identification Process of Material Topics

For the information disclosed in sustainability report to better meet the needs of stakeholders, material topics are determined through four major steps: Understanding Organizational Context, Identification of Actual and Potential Impacts, Evaluation of Impact Significance, and Reporting Priority according to most Significant Impact.

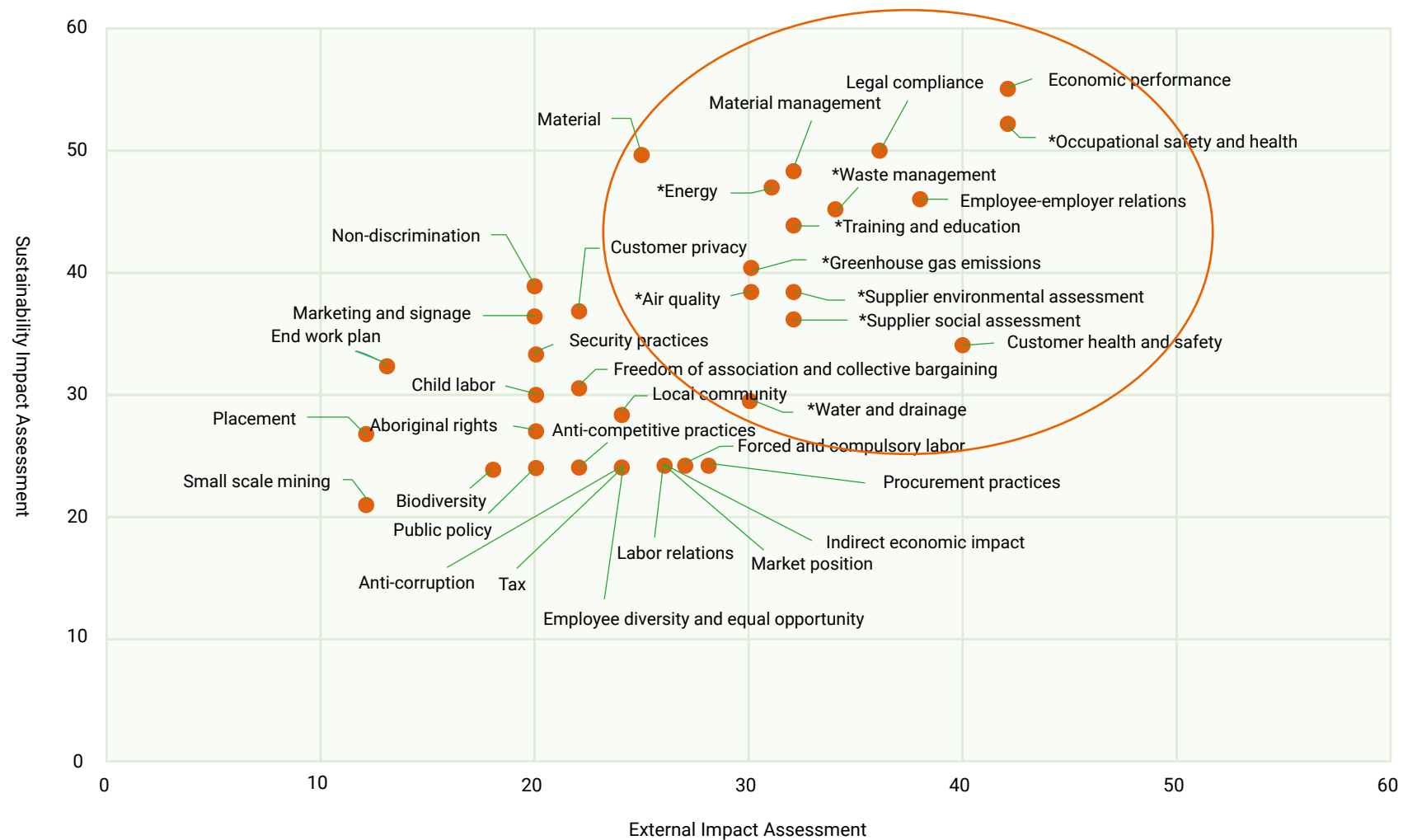
Understanding Organizational Context	Referring to GRI Topic-Specific Standards, Sector Standards, SASB Standards, and Sustainability Disclosure Indicators of the Financial Supervisory Commission (FSC) to compile 37 sustainability topics.
Identification of Actual and Potential Impacts	External experts assess each sustainability topic based on the company's actual and potential negative and positive impacts on economy, environment, and people (including human rights). The scores for actual negative impact, potential negative impact, actual positive impact, and potential positive impact across these three dimensions are then summed to determine the ranking of external impact assessment for each topic.
Evaluation of Impact Significance	The results of the external impact ranking are then further evaluated by the company's management and employees, who assess the impact of each topic on the company's sustainable operations. A comprehensive evaluation is conducted to identify the topics that have significant impact on the company, which are then designated as the company's material topics.
Reporting Priority According to Most Significant Impact	The sustainability topics were ranked according to their impact scores, and comprehensive assessment was conducted based on the natures of the topics, identifying those with a score greater than 30 as topics with significant impacts. During the meeting, the Chairman approved the merger of the 15 major topics into 13 sustainability topics as this year's material topics, and management approaches relating to these topics are disclosed in this report as required by GRI 3 Material Topics 2021.

1.3.2 Identification of Material Topics

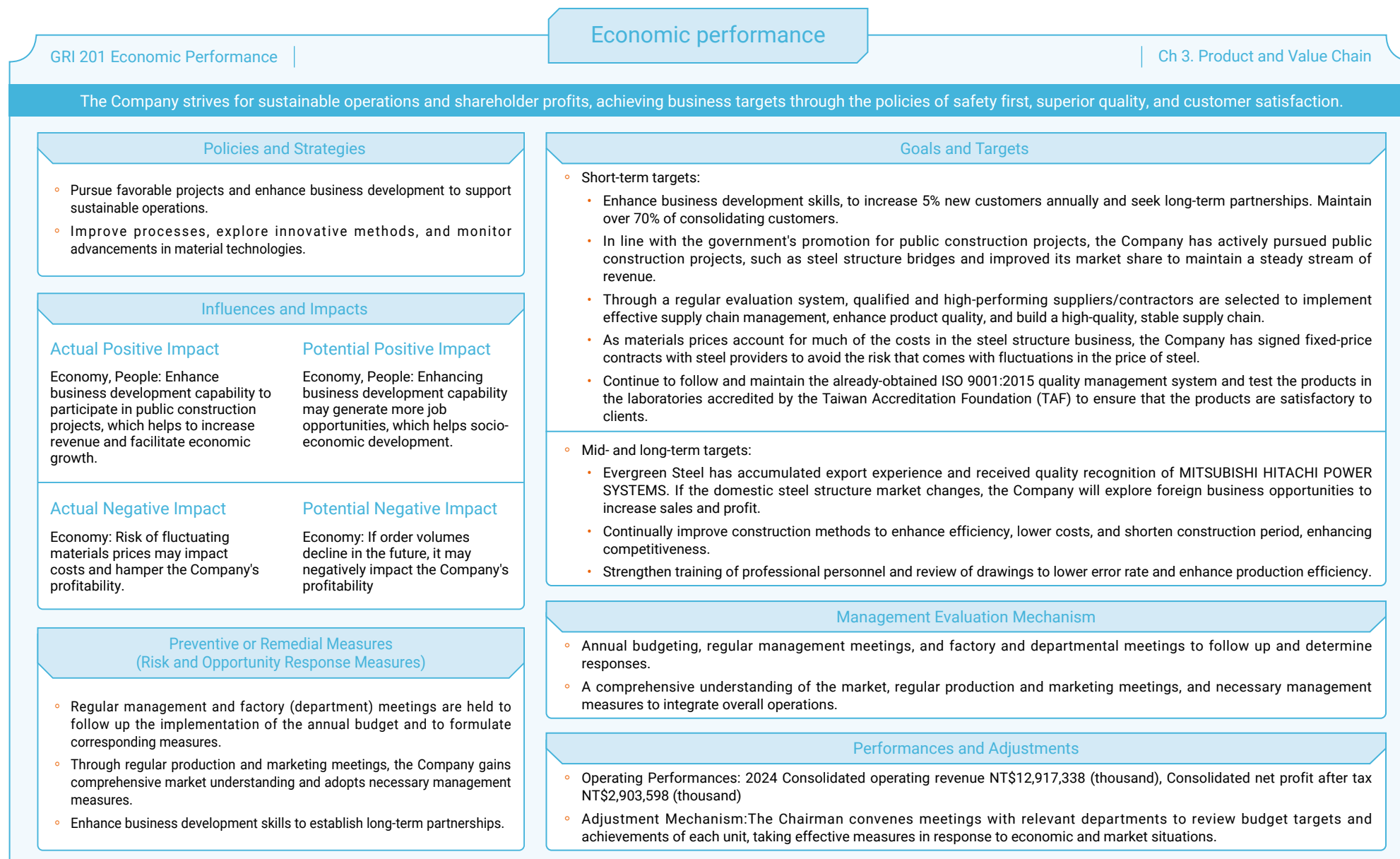
In 2024, Evergreen Steel identified a total of 15 material topics through its materiality assessment. Compared to 2023, all topics showed slight changes in scoring and ranking, except for "Water and Effluent," which remained unchanged. A new topic, "Materials," was added this year. During the discussion, it was agreed to merge "Supplier Environmental Assessment" and "Supplier Social Assessment" into a single topic: "Sustainable Supply Chain Management." Additionally, "Materials" and "Material Management" were consolidated into "Material and Inventory Management." As a result, and with final approval from the Chairman, the number of material topics for the year was confirmed at 13, comprising 12 material topics and 1 custom topic, as detailed in the table below:

Material topics	Type	Corresponding guidelines	Scores		Change
			2024	2023	
Economic Performance	Material Topics	GRI 201 Economic Performance	48	42	▲
Occupational Safety and Health	Material Topics	GRI 403 Occupational Health and Safety SASB Workforce Health & Safety	47	42	▲
Legal Compliance	Custom topics	GRI 2-27 Compliance with laws and regulations	43	36	▲
Employment	Material Topics	GRI 401 Employment	42	38	▲
Waste Management	Material Topics	GRI 306 Waste SASB Waste Management	40	34	▲
Materials and Raw Materials Management	Material Topics	GRI G4 Materials management	40	32	▲
		GRI 301 Materials	37	25	▲ New
Energy	Material Topics	GRI 302 Energy SASB Energy Management	39	31	▲
Training and Education	Material Topics	GRI 404 Training and Education	38	32	▲
Customer Health and Safety	Material Topics	GRI 416 Customer Health and Safety	37	40	▼
Greenhouse Gas Emission	Material Topics	GRI 305 Emissions SASB Greenhouse Gas Emissions	35	30	▲
Sustainable Supply Chain Management	Material Topics	GRI 308 Supplier Environmental Assessment GRI 414 Supplier Social Assessment	35	32	▲
Air Quality	Material Topics	GRI 305 Emissions SASB Air Emissions	34	30	▲
Water and Drainage	Material Topics	GRI 303 Water and Effluents SASB Water Management	30	30	Unchanged

Evergreen Steel's Comprehensive Assessment of Material Topics



1.3.3 Material Topics Management Approach



Occupational Safety and Health

GRI 403 Occupational Health
and SafetySASB Workforce Health
& Safety

Ch. 5 Friendly Workplace

To effectively manage the Company's occupational safety health and related regulations, meet regulatory requirements, and avoid legal penalties, due diligence for occupational safety and health management can effectively lower the Company's financial risks and likelihood of occupational hazards, enhancing the level of safety of our employees in the manufacturing process.

Policies and Strategies

- The Company's Occupational Safety and Health Policy is "safety first, eliminate hazards, education and training, health and safety."

Influences and Impacts

Actual Positive Impact

Environment, People: Continue to promote occupational safety and the health system to ensure a safe working environment and protect employee health.

Potential Positive Impact

Environment, People: Realizing occupational safety and health policy helps to reduce occupational accidents, workplace pollution, and environmental damage, enhancing overall quality of the labor environment.

Actual Negative Impact

People: Occupational accidents will cause physical and psychological harm to employees.

Economy: Achieving occupational safety and health targets requires investment of extensive resources for training and equipment replacement, increasing the Company's cost burden.

Potential Negative Impact

Economy: If the Company fails to achieve occupational safety and health targets, it may face government fines or legal issues like litigation, resulting in financial difficulties.

Goals and Targets

- Short-term targets (Annual target):

Safety First

- Deaths due to occupational accidents (cases/year)
- Hospitalization due to injuries (cases/year)

- 0
- Hsinchu Factory 2, Xinying Factory 2, Kaohsiung Factory 0, Construction sites 2

Eliminate
Hazards

- Operating environment tests (dust, noise, organic solvents, central air conditioning) pass rate

- 100%

Education and
Training

- Safety and health supervisor (section-level manager) certification rate

- 100%

Health and
Safety

- Health talks (cases/year)
- Health promotion activity (e.g., blood donations, health examinations) (cases/year)
- Minor injuries/Property damage (cases/year)

- Hsinchu Factory 1, Xinying Factory 2, Kaohsiung Factory 1
- Hsinchu Factory 1, Xinying Factory 1, Kaohsiung Factory 1
- Hsinchu Factory 6, Xinying Factory 9, Kaohsiung Factory 2, Construction sites 6

- Mid- and long-term targets: Zero occupational accidents.

Preventive or Remedial Measures (Risk and Opportunity Response Measures)

- Annually review results and effectiveness of autonomous management and formulate strategy to minimize occupational hazards.

Occupational Safety and Health

GRI 403 Occupational Health and Safety

SASB Workforce Health & Safety

Ch. 5 Friendly Workplace

To effectively manage the Company's occupational safety health and related regulations, meet regulatory requirements, and avoid legal penalties, due diligence for occupational safety and health management can effectively lower the Company's financial risks and likelihood of occupational hazards, enhancing the level of safety of our employees in the manufacturing process.

Management Evaluation Mechanism

- In accordance with internal safety and health management standards, each unit implements autonomous management, with the effectiveness evaluated based on the performance of their self-management efforts.
- The Company implements internal audits, external audits, and management reviews of the occupational safety and health management system each year in accordance with ISO/CNS 45001:2018 standards to evaluate the effectiveness of the PDCA cycle.
- According to Article 12-2 of the Occupational Safety and Health Act, a Type-1 business entity employing over 200 laborers shall establish an occupational safety and health management system suitable to the entity. The Kaohsiung Factory has less than 100 employees (including contractors) and therefore has not implemented ISO 45001.

Performances and Adjustments

- The implementation of Occupational Safety and Health Goals in 2024 is as follows:

	Targets	Implementation Outcome
Safety First	<ul style="list-style-type: none">◦ Deaths due to occupational accidents (0 cases/year)◦ Hospitalization due to injuries (cases/year) (Fewer than Hsinchu Factory 2, Xinying Factory 2, Kaohsiung Factory 0, Construction sites 2 cases/ year)	<ul style="list-style-type: none">◦ Hsinchu Factory 0, Xinying Factory 0, Kaohsiung Factory 0, Construction sites 1◦ Hsinchu Factory 1, Xinying Factory 2, Kaohsiung Factory 0, Construction sites 0
Eliminate Hazards	<ul style="list-style-type: none">◦ Operating environment tests (dust, noise, organic solvents, central air conditioning) pass rate. (100%) *The Kaohsiung Factory implements man-vehicle separation; all personnel are prohibited from entering the perimeter during forklift operations.	<ul style="list-style-type: none">◦ 100%
Education and Training	<ul style="list-style-type: none">◦ Safety and health supervisor (section-level manager) certification rate (100%)	<ul style="list-style-type: none">◦ 100%
Health and Safety	<ul style="list-style-type: none">◦ Health talks (cases/year)(Hsinchu Factory 1, Xinying Factory 2, Kaohsiung Factory 1 or more/year)◦ Health promotion activity(e.g., blood donations, health examinations) (1cases/year)◦ Minor injuries/Property damage (Fewer than Hsinchu Factory 6, Xinying Factory 9, Kaohsiung Factory 2, Construction sites 6 cases/year)	<ul style="list-style-type: none">◦ Hsinchu Factory 2, Xinying Factory 3, Kaohsiung Factory 1◦ Hsinchu Factory 1, Xinying Factory 3, Kaohsiung Factory 1◦ Hsinchu Factory 2, Xinying Factory 7, Kaohsiung Factory 3, Construction sites 5

- The Occupational Safety and Health Committee reviews the year's implementation of occupational safety and health targets in the Q4 meeting, and formulates new targets for the following year.

Legal Compliance

GRI 2-27 Compliance with Laws and Regulations

Ch. 2 Corporate Governance

Compliance with laws and regulations is an essential part of an enterprise's business operations. The Company conducts its business in accordance with relevant domestic and international laws and regulations, while closely monitoring policy developments and regulatory changes worldwide. This ensures the Company remains responsive to market dynamics and is committed to achieving sustainable operations through full compliance.

Policies and Strategies

- Ensure regulatory compliance with no occurrence of major legal violations.
- Focus on pollution prevention and continued improvement and refinement, and strive to increase energy consumption efficiency, to improve environmental quality and preserve the natural environment.
- The Company requires employees and partners to comply with laws and regulations and abide by social ethics and has formulated the Ethical Corporate Management Best Practice Principles, established relevant operating procedures and guidelines for conduct, and incorporated them into employee performance evaluations and human resources policies. It has also established a clear and effective reward, punishment, and grievance system. An independent and dedicated internal audit unit performs business and financial audits regularly or from time to time to evaluate the effectiveness, efficiency, and legality of operations.

Goals and Targets

- Sustainability targets:
 - To ensure that the Company's operations are in compliance with environmental protection laws and regulations, preventing major penalties where a single event results in cumulative fine of over NT\$ 1 million.
 - Effectively manage and abide by the principles of business conduct, ethical management, and the operating standards set by the Company, regularly review effectiveness and implementation, and avoid any corruption and relevant illegal activities. Introduce the Ethical Corporate Management Best Practice Principles and the Codes of Ethical Conduct in the pre-employment education and training to keep all employees informed.
 - Comply with environmental laws and regulations and strengthen management of air pollutants, wastewater, and other waste, while also maintaining surrounding environment.

Influences and Impacts

Actual Positive Impact

Economy, People: Compliance with national laws and regulations can avoid direct costs from fines or litigation, while also safeguarding the Company's reputation and driving business development and customer trust, enhancing brand value and market competitiveness

Actual/Potential Negative Impact

Economy, People: In case of violation of the law, the Company will be penalized by competent authorities, which will lead to decline of competitiveness, affecting financial growth and brand value.

Management Evaluation Mechanism

- Comply with related government laws and regulations and abide by SOPs formulated by the Company.
- The Company has established an effective accounting system and internal control system to ensure our ethical corporate management. Internal auditors have reviewed the compliance status of the two systems on a regular basis and prepared the audit report and presented it to the Board of Directors.
- To improve ethical management, the human resources department is responsible for formulating an ethical management policy and supervising its implementation, and regularly reports the implementation status to the Board of Directors.

Preventive or Remedial Measures (Risk and Opportunity Response Measures)

- The Company continuously monitors the development of domestic and international policies and regulations related to its operations, and promptly adjusts its business strategies and operational procedures to comply with the latest legal requirements, thereby enhancing the effectiveness of regulatory compliance.
- Share announcements or laws and regulations made by competent authorities on an irregular basis and post on the Company's website to strengthen legal compliance.

Performances and Adjustments

- In 2024, the Xinying factory had 2 violations of environmental laws and Fire Services Act, was fined a total of NT\$ 305000. Additionally, the construction site had 1 violations of occupational safety and health regulations, was fined a total of NT\$ 100000. The Company has already made improvements and will continue to strengthen management in the future.
- In 2024, the company had no violations of laws related to corporate governance or labor rights.
- In 2024, the advocacy of the Ethical Corporate Management Best Practice Principles and the Codes of Ethical Conduct in pre-service education and training reached 100% implementation.

Employment

GRI 401 Employment

Ch. 5 Friendly Workplace

All systems of Evergreen Steel must be implemented on the basis of reasonableness. The attendance, leave, and retirement of employees are processed in accordance with related regulations of the Labor Standards Act, in line with sustainable operations of the Company.

Policies and Strategies

- The Company's principle is to hire full-time employees for the manpower demand of normal operations.

Influences and Impacts

Actual/Potential Positive Impact

Economy, People: Sound employee-employer relations helps to safeguard basic human rights of employees and enhance production efficiency and quality, thus boosting the Company's economic benefit and corporate image, creating more job opportunities, and facilitating socio-economic development.

Actual/Potential Negative Impact

Economy, People: Unstable employee-employer relations may lead to employee-employer conflicts and strikes, which will affect the Company's production and management, causing production stoppage or interruption that brings negative impacts on the Company's profitability.

Goals and Targets

- Short-term targets:
 - At least four Employee Welfare Committee meetings and four Labor-Management meetings are held each year. Additionally, monthly departmental meetings and other channels are used to continuously provide employees with benefits and communication channels, protecting employees from unlawful infringements and establishing a sexual harassment-free friendly working environment.
- Mid- and long-term targets:
 - Employees have equal opportunities for training regardless of their gender, which helps employees participate in internal or external professional training courses related to their work.
 - Continue to implement employee ethical management and establish law-abiding concepts through promotion and related educational training.



Preventive or Remedial Measures (Risk and Opportunity Response Measures)

- The Company aims to create an environment with two-way communication, high-quality compensation, and comprehensive education and training to attract talent, fulfill the needs of employees, and enhance cohesion.
- To avoid employee-employer conflicts or strikes, the Company will continue to communicate bilaterally with employees through labor-management meeting, and plan various employee benefits through the Employee Welfare Committee, enhancing employee benefits.

Management Evaluation Mechanism

- All systems of the Company are reasonable and institutionalized. We follow related regulations in the Labor Standards Act and maintain good labor relations between the Company and employees. We also established several employee communication channels and distribute year-end bonuses based on the Company's annual business performance and employees' personal performance to reward and motivate employees.

Performances and Adjustments

- The Company respects and cares for its employees and does not permit any form of forced labor. We also provide a stable salary and benefit system for all full-time employees, and assist employees in career planning by providing language, professional, and internal training. We also provide a promotion assessment system for each job grade to cultivate professional talents at all levels based on future organizational development needs to ensure the sustainable development of the Company.
- In 2024, the Company held 4 Employee Welfare Committee meetings, 5 labor-management meetings, and monthly departmental meetings, facilitating bilateral communication through the meetings.

Waste Management

GRI 306 Waste | SASB Waste Management

Ch. 4 Environmental Sustainability

With the growing global awareness of environmental protection and increasingly stringent regulations, waste management has become a critical component of corporate sustainability. Improper handling of generated waste can lead to irreversible environmental impacts, exposing the company to legal penalties, reputational damage, and operational risks.

Policies and Strategies

- Implement measures to comply with environmental relevant regulations.
- Pay attention to pollution prevention and control and make continual improvements. Maintain the natural environment and achieve sustainable operation.

Influences and Impacts

Actual Positive Impact

Environment: Proper handling of waste can reduce environmental pollutions, protect the environment, facilitate ecological equilibrium, and ensure sustainable development of the environment.

People: Proper handling of waste can reduce diseases and health problems resulting from waste pollution, enhancing people's quality of life.

Potential Positive Impact

Economy: Through effective waste management, enhance reuse rate and value of resources.

Actual Negative Impact

Economy: Invest in facilities of waste treatment complying with environmental protection standards, increasing the Company's costs.

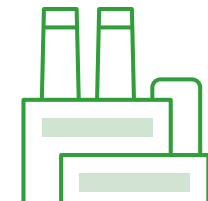
Potential Negative Impact

Economy: Improper waste management will lead to litigation and damage the Company's reputation.

Environment, People: Improper handling of waste will lead to environmental pollution and damage to land ecology and water resources, which will affect the stability of ecosystems, causing diseases and health risks among residents of surrounding communities.

Goals and Targets

- Short-term targets:
 - The Company promotes diversified waste disposal and recycling channels, aiming to convert over 90% of its waste into useful resources each year.
- Mid- and long-term targets:
 - Strive to achieve zero deficiency in audits by environmental authorities, and provide environmental education and training ≥ 3 hours/year.



Preventive or Remedial Measures (Risk and Opportunity Response Measures)

- The Company irregularly participates in environmental education and training to update related information on environmental protection, and implements policies in compliance with laws.
- Communicate environmental protection topics and policies through internal education and training, improving the Company's environmental management plans.
- Responses to Abnormal Generation of Waste:
 - Store in designated storage within the factory according to rules.
 - Immediately contact disposal teams to remove and transport to treatment plants as soon as possible.

Management Evaluation Mechanism

- The Company combines related environmental laws and ISO 14001 Environmental Management System for continued improvement of management guidelines to ensure implementation of environmental management policy.

Performances and Adjustments

- The waste recovery rate was about 90.37% in 2024.
- No leakage of any hazardous/non-hazardous substances in 2024.

Materials and Raw Materials Management

GRI G4 Materials management

GRI 301 Materials

Ch. 3 Product and Value Chain

Evergreen Steel strives for production and assembly of steel structures, where steel plates and H beams are the main raw materials. Consumption of raw materials is an important factor in the Company's costs. By effective reusing tower crane beam and supporting layer false components can reduce the amount of new materials to be procured. The Company ensures quality and complies with national standards, can lower the Company's risk of material consumption. We will provide customers with the highest quality services and enhance product competitiveness related to the theme of sustainable development.

Policies and Strategies

- Effectively enhance smooth supply of raw materials and notify manufacturing unit of shortage of materials for early response, further improving future tracking and control of materials.
- Quality policy: the Company's employees and partners should all abide by "Ethical Corporate Management Best Practice Principles" and social ethics.
- Environmental policy: chemical composition, mechanical properties, and non-radioactive contamination all meet national standards and necessary regulations.
- Register tower crane beam and supporting layer false components when returned to the factory for management and use by future designs.

Influences and Impacts

Actual/Potential Positive Impact

Economy: Effective control of materials management can reduce materials consumption, lower procurement of new materials and increase the reuse rate, lowering production costs and increasing profit margins.

Environment: Reduce waste of resources, energy consumption, and generation of waste.

Actual/Potential Negative Impact

Economy, Environment: Lack of effective materials management will lead to waste of materials and resources, resulting in a waste of energy and generation of large amounts of waste.

Goals and Targets

- Short-term targets:
 - Chemical composition, mechanical properties, and non-radioactive contamination all meet national standards and necessary regulations.
 - Tower crane beam reuse rate $\geq 70\%$; reinforcing components reuse rate $\geq 60\%$.
 - The loss rate of steel plate layout control is kept below 1.6%.
- Mid- and long-term targets:
 - Computerized material management.
 - Provide material procurement schedule information to manufacturing units to ensure timely response and achieve a 100% material supply rate.

Preventive or Remedial Measures (Risk and Opportunity Response Measures)

- Notify manufacturing unit of shortage of materials for early response, further improving future tracking and control of materials.
- When selecting tower crane beam or supporting layer false components, the design unit should be notified as early as possible for procurement of new materials if the components stored in the factory are not in good condition (rust, deformation), thus avoiding delayed preparation of materials due to unusable components.

Management Evaluation Mechanism

- The Company targets material procurement management for annual effectiveness evaluation according to ISO 9001:2015 Internal Management Review Procedure.
- Regular semiannual review of implementation difficulty of reusing supporting layer false components and improvement of implementation rules.

Performances and Adjustments

- Statistical analysis of supplier performance and objectives are in compliance with the Company's rules of supply qualification. In the future, the Company will continue to focus on the topics of material management. Achievement rates of material supply reached 100% from 2022 to 2024.
- Materials must pass quality control before acceptance. Quality meeting regularly held every year.
- When designing tower crane beams and supporting layer reinforcement components, all returned components are prioritized to increase the reuse rate of reinforcement components (up to 4 times under safety considerations), and lower the quantity of newly procured materials. In 2024, the reuse rates of reinforcement components and supporting layer false components both achieved the short-term targets.
- Regular review of return and reuse of false components semiannually; review level of difficulty of cooperation of each unit and improve management rules.

Energy

GRI 302 Energy

SASB Energy Management

Ch. 4 Environmental Sustainability

According to the analysis of questionnaires about stakeholder concerns and impacts, if the Company does not implement appropriate energy management, it may face related legal and regulatory requirements and fines in the future. Effective energy management can lower energy consumption and costs, enhancing product competitiveness.

Policies and Strategies

- Comply with energy laws, enhance energy efficiency, procure energy-saving equipment, and promote participation by all employees.

Influences and Impacts

Actual/Potential Positive Impact

Economy, Environment: Effective energy management evaluation can reduce the Company's energy costs, lower carbon emissions, and increase profit.

Actual/Potential Negative Impact

Economy: To reduce energy-caused carbon emissions, the Company will invest more money into modification of facilities and processes, increasing the Company's cost pressure.

Environment, People: Improper energy management will cause ecological destruction and affect people's health and safety, causing the Company to face legal liabilities when being fined or sued.

Preventive or Remedial Measures
(Risk and Opportunity Response Measures)

- In case of power stoppage by Taipower, the M&R Section will rent generators according to manufacturing units' electricity demands, avoiding impacts on production.
- To achieve the target of 1% electricity saving rate, the Company designates equipment to be replaced every year, and reviews implementation monthly.

Goals and Targets

- Short-term targets:
 - According to the "Regulations for Energy Saving Target Stipulation and Plan Execution by Energy Users" announced by the Ministry of Economic Affairs, legal and natural persons with contracted electricity capacity exceeding 800 kW should set energy-saving goals and implementation plans, and the average annual electricity saving rate from 2015 to 2024 should reach more than 1%. Therefore, Evergreen Steel sets an annual energy-saving target of 1% of electricity consumption.
 - In 2024, solar PV systems of approximately 547.65kW were installed on the roofs of buildings D and E at the Xinying Factory, with a projected annual generation capacity of 670,000kWh.
- Mid- and long-term targets:
 - Transition the Xinying Factory's solar PV system into self-generation and self-consumption.

Management Evaluation Mechanism

- The Company tracks energy consumption regularly and targets energy management for effectiveness evaluation of PDCA annually.
- Through the ISO 50001 Energy Management System, the company continuously improves its management approach based on data to effectively implement its energy management policy.

Performances and Adjustments

- In 2024, the Company predicted it would save 99,722 kWh of power, and actually saved 212,069 kWh. In the future, the Company will review if electricity saving measures are achieved on time every month, and seek alternative electricity saving plans if it fails to achieve the target.
- In 2024, solar PV systems of 547.65kW were installed on the roofs of buildings D and E at the Xinying Factory. Meters were installed and the systems began power generation in November 2024 with a projected annual generation of 670,000kWh.

Training and Education

GRI 404 Training and Education

Ch. 5 Friendly Workplace

The Company attaches great importance to the physical and mental health of employees, workplace safety, environmental protection, and employee compliance with moral codes and workplace ethics. We have created a comprehensive training system to provide employees with sufficient training.

Policies and Strategies

- We offer professional courses and language courses for different fields.

Influences and Impacts

Actual/Potential Positive Impact

Economy, People: Enhancing employee skills and professional knowledge can elevate production efficiency and quality, strengthen the Company's competitiveness, and drive economic development.



Goals and Targets

- Short-term targets:
 - Continue to arrange for pre-employment education and training, on-the-job training for employees of each department, and risk management/occupational safety and health seminars, and offer language training subsidies.
- Mid- and long-term targets:
 - Through comprehensive education and training, the Company cultivates outstanding employees and helps them acquire the necessary knowledge/skills for work, obtain relevant certificates, and attend refresher training, enhancing the operations of the Company.
 - Continue to support local education and nurture local talents enter industry-academia cooperation with universities and colleges to offer employment and internship opportunities.

Preventive or Remedial Measures (Risk and Opportunity Response Measures)

- To support the Company's long-term development, business requirements of each unit, and the regulatory requirements for employees of different professional practices, each department formulates the employee training plan and budget for the following year at the end of each year, and implements them after obtaining approval. The courses include general courses and professional and management competency training. Each unit implements regular quarterly progress reviews in accordance with the annual training plan, and adjusts its response measures where necessary to implement the plan and improve the overall training effectiveness.

Management Evaluation Mechanism

- Each unit implements quarterly progress reviews in accordance with the annual training plan, and adjusts its response measures where necessary to implement the plan and improve the overall training effectiveness.

Performances and Adjustments

- Each unit implements quarterly progress reviews in accordance with the annual training plan, and adjusts its response measures where necessary to implement the plan and improve the overall training effectiveness. In early 2024, the Company planned to organize various education and training initiatives, totaling at 5,526 hours and 1,788 participants; the Company executed a total of 10,743.5 hours of employee education and training for 3,998 participants.
- Depending on each business unit's onsite operations and responding to the needs of occupational safety and health, and fire prevention regulations, the Company subsidized employees to obtain related certificates and licenses in the full amount. In 2024, employees obtained a total of 123 certificates and licenses in the areas of professional skills, safety and health, and machinery operation.

Customer Health and Safety

GRI 416 Customer Health and Safety

Ch. 3 Product and Value Chain

Product quality is key to the business and its brand reputation and image. Stakeholders expect Evergreen Steel to strictly implement its regulations to provide safe and reliable construction materials.

Policies and Strategies

The main products are steel structures for buildings, factories, and bridges. Our processes include steel plate cutting, assembly, electric welding, coating, and installation with strict quality control to meet the quality requirements of projects. The Company's top priority is to constantly enhance quality of products. With the quality policy of "Safety is prioritized, quality is paramount, customer satisfaction, and sustainable business development," the Company continues to improve basic requirements of quality management and is committed to:

- Safety is prioritized with continuous enhancement of the work environment.
- Quality is paramount to lowering failure rate.
- Lowering complaints and increasing customer satisfaction.
- Sustainable business development and balanced production capacity.

The Company has conveyed the policy to all employees to thoroughly implement and establish a strict management and audit system for supervision of quality management performance

Influences and Impacts

Actual/Potential Positive Impact

Economy: Provide safe and reliable steel structure products to enhance customer trust, facilitating good long-term relationships and increasing the Company's income and market share.

Environment: Rigorous control of all production processes helps to reduce possible environmental pollution and waste of resources in the production processes.

People: Providing safe steel structure products helps to safeguard customer health and safety, ensuring that they will not be injured or harmed when using products.

Actual/Potential Negative Impact

Economy: Safety issues or bad quality of products will lead to litigation and liabilities, and damage the Company's reputation and image, affecting sales and profit.

People: Safety concerns or quality issues of products may threaten customer health and safety, which triggers public attention and criticism, affecting the Company's reputation and brand image.

Preventive or Remedial Measures (Risk and Opportunity Response Measures)

- Process improvements are made through orderly changes in production procedures, equipment, and processing conditions to reduce environmental pollution and meet the expectations of customers and society.
- During changes to equipment and processing conditions, continuous testing is conducted to ensure customer satisfaction, minimize perception gaps, and communicate effectively to reach consensus with customers.
- To avoid customer concerns during the improvement process—such as changes in shielding gas—relevant processing data will be recorded, and third-party testing results will be provided for customer review.
- The Company has established preventive and remedial measures. In case of a major deficiency, the Company will quickly review the situation and decide on the method of correction.
- Each section reviews risks and opportunities annually, and then implements management of corrections and preventive measures, customer complaints, client satisfaction; remedial measures are conducted after management review meeting.

Goals and Targets

Short-term targets:

- Establish and implement a complete, effective quality management system.
- Setting the Company's quality targets short-term (annual) targets:

Occupational
accidents

0 deaths, under 4 injuries

Customer
complaints

under 4 per year

Customer
satisfaction

average of survey items over 3.5 with each item over 3

Defect rate of
finished products

buildings, factories under 1.8%, bridges under 1.6%

UT Detection
Defect Rate

SAW under 1.8%, SES under 0.7%, bridges under 2.6%

RT Detection
Defect Rate

buildings and factories under 3.2%, bridges under 2.6%

Performance of
External Providers

Manufactures, Design Companies, Production Planning Division suppliers, Machinery and Materials supplier must score at least 80 in evaluation.

Mid- and long-term targets:

- Make products in compliance with related laws and regulations and customer requirements, promptly delivering quality products meeting customers' needs.
- Continue to reduce occupational accidents, customer complaints, product defect rate, assembly self-check defect rate, and BOX self-check defect rate, according to the targets formulated by the management review meeting, while continually enhancing customer satisfaction and external supplier performance.

Customer Health and Safety

GRI 416 Customer Health and Safety

Ch. 3 Product and Value Chain

Product quality is key to the business and its brand reputation and image. Stakeholders expect Evergreen Steel to strictly implement its regulations to provide safe and reliable construction materials.

Management Evaluation Mechanism

- The Company targets quality management for adjustment of quality policy and objectives annually according to ISO 9001:2015 Internal Management Review Procedure.
- The Company reviews risks and opportunities, correction and preventive measures, customer complaints, and client satisfaction, at annual management review meetings.



Performances and Adjustments

- Review target achievements at the ISO 9001 management review meeting every year, regularly review management performance and targets and make timely adjustments.
- The company's performance results for 2024 are as follows:

Achievement of Quality Goals:

Occupational accidents (on-site) 0 deaths, 3 injuries
(0 deaths, under 4 injuries)

Customer complaints 4 cases
(under 4 per year)

Defect rate of finished products satisfaction Buildings, Factories 0.299%, Bridges 0.028%
(buildings, factories under 1.8%, bridges under 1.6%)

UT Detection Defect Rate of finished products Buildings -SAW 0.182%, SES 0.168%, Bridges 0.34%
(SAW under 1.8%, SES under 0.7%, bridges under 2.6%)

RT Detection Defect Rate Buildings, Factories 0%, Bridges 0%
(buildings and factories under 3.2%, bridges under 2.6%)

Customer satisfaction

(average of survey items over 3.5 with each item over 3)

	Quality	Delivery
First half	4.5	4.5
Second half	4.6	4.6
	Service Attitude	Complaints
First half	4.6	4.2
Second half	4.9	4.6

Performance of External Providers

(at least 80)

	Manufactures	Design Companies
First half	94	90.78
Second half	93	89.4
	Production Planning Division suppliers	Machinery and Materials supplier
First half	96.39	87.4
Second half	95.87	87.4

Other Quality Performance:

BH Self-Check Defect Rate (Under 2%) 0.378%

BOX Self-Check Defect Rate (Under 1%) 0.683%

Bridge Box Girder Weld Visual Inspection Defect Rate (Under 2%) 0.478%

Process Performance (including comprehensive evaluation from product manufacturing to service. An average score lower than 15 will be submitted to a quality meeting for review) (Score)
First half 18.4, Second half 18.4

Greenhouse Gas Emissions

GRI 305 Emissions | SASB Greenhouse Gas Emissions

Ch. 4 Environmental Sustainability

According to the analysis of questionnaires about stakeholder concerns and impacts, if the Company does not conduct GHGs inventory, it may face related legal and regulatory requirements and penalties in the future.

Policies and Strategies

- The Company pledges to manage and control energy consumption within its factories and carry out GHG emissions inventories to address the environmental and climate impacts of GHG emissions.

Influences and Impacts

Actual/Potential Positive Impact

Economy: Effective control of GHG emissions helps to lower energy costs, thus reducing energy expenses and enhancing the Company's economic benefit.

Environment, People: Reducing GHG emissions helps to slow down climate change and global warming, while also improving air quality, lowering the impact of air pollution on people's health.

Actual/Potential Negative Impact

Economy: More money will be invested into modification of energy-saving technologies to reduce GHG emissions, increasing the Company's cost pressure.

Environment: Excessive GHG emissions may lead to escalated climate change, affecting the ecological environment.

Goals and Targets

- 2024 Annual Target: Install 547.65kW of solar PV systems on the roofs of buildings D and E at the Xinying Factory, with a projected annual generation capacity of 670,000kWh.
- Short-term targets: Reduce emissions by 4% from 2023 to 2025.
- Mid-term targets: Reduce emissions by 28% from 2026 to 2030.
- Long-term targets: Achieve carbon neutrality from 2031 to 2050.

Preventive or Remedial Measures
(Risk and Opportunity Response Measures)

- In 2024, solar PV systems of 547.65kW were installed on the roofs of buildings D and E at the Xinying Factory. Meters were installed and the systems began power generation in November 2024 with a projected annual generation of 0.67 million kWh.
- All plants propose the following year's carbon reduction targets and reduction measures. Implementation is reviewed monthly, and implementation outcomes will be reported to the Board of Directors quarterly.

Management Evaluation Mechanism

- Carry out annual GHGs inventories regularly; review and make improvements to lower carbon emissions.

Performances and Adjustments

- Carbon reduction target achievement rates will be reviewed on a yearly basis. The annual carbon reduction target for 2024 was 67.2337 metric tons of CO₂e; actual reduction reached 117.4953 metric tons of CO₂e.
- In response to the Sustainable Development Roadmap, the Company must complete consolidated GHG inventory of its subsidiaries in 2025. All subsidiaries have executed according to plan and submitted quarterly progress reports.

Sustainable Supply Chain Management

GRI 308 Supplier Environmental Assessment
GRI 414 Supplier Social Assessment

Ch. 3 Product and Value Chain

To prevent and avoid environmental and social impacts of the Company's own and its suppliers' operations, and with supply chain social and environmental assessments becoming a topic growingly affected by laws and regulations and concerned stakeholders, the Company aims to strengthen social responsibility of suppliers and requires them to sign corporate social responsibility commitments, demands all supplied materials are in compliance with domestic labor laws and human rights regulations, emphasizes business ethics and fair competition principles, and enhances responses to climate change risks, to strengthen the Company's sustainable competitiveness.

Policies and Strategies

- Enhance supply chain sustainable development and ensure that suppliers comply with environmental protection and labor rights regulations through the process of provision of products and services to fulfill corporate social responsibility; continue to improve and upgrade in that aim of growing together with suppliers and establish supply chains with long-term stability.

Influences and Impacts

Actual/Potential Positive Impact

Environment: Enhance environmental protection awareness through supplier environmental assessment, encouraging suppliers to use eco-friendly supplies and materials to reduce environmental pollution and prevent waste of resources.

People: Protect supplier employees' basic labor rights through supplier social assessment, avoiding exploitation and unfair treatment of workers and enhancing workforce stability and productivity.

Actual/Potential Negative Impact

Environment: Failure to properly conduct supplier environmental assessments and noncompliance with environmental protection regulations may lead to environmental pollution and destruction of environmental ecology.

People: Failure to properly conduct supplier social assessments and noncompliance with human rights protection regulations may lead to illegal employment and exploitation, infringing the basic rights of workers.

Goals and Targets

- Short-term targets:
 - Conduct supplier assessments every six months to ensure materials quality, delivery quality, and service quality of suppliers, achieving a pass rate of 100%. Suppliers' social responsibility must meet the requirements of the supplier management policy. In 2025, the company continues to require main suppliers to sign the Corporate Sustainability Commitments and complete Evergreen Steel Supplier/Contractor Self-Evaluation Questionnaires.
- Mid- and long-term targets:
 - Encourage suppliers to adopt sustainable business practices, such as reducing exhaustion of resources, lowering carbon emissions, improving labor conditions, and recognizing environmental and social responsibilities.
 - Establish long-term partnerships with suppliers to realize collective benefits and social responsibility.

Preventive or Remedial Measures (Risk and Opportunity Response Measures)

- The Company has established preventive and remedial measures. In case of a major deficiency, the Company will quickly review the situation and decide on the method of correction.
- Conduct supply chain risk assessment and formulate supplier sustainability scoring scheme as a part of supply chain risk assessment along with delivery, quality, financial status, and operations, as important criteria of procurement.
- When a supplier is found to have environmental or social issues, remedial measures shall be immediately implemented, such as asking the supplier to carry out improvements, etc.

Management Evaluation Mechanism

- Conduct material supplier evaluation according to "supplier evaluation chart" annually.
- Require signing of Corporate Sustainability Commitments to strengthen response to environmental change risks, enhancing the Company's sustainability competitiveness.
- Track suppliers' degree of corporate social responsibility fulfillment through questionnaire survey.

Performances and Adjustments

- Performances:
 - Evaluated 81 material suppliers in 2024, achieving a pass rate of 100%.
 - From 2022 to 2024, a total of 84 material suppliers signed the "Corporate Sustainability Commitment."
 - A total of 81 main suppliers completed Evergreen Steel Supplier/Contractor Self-Evaluation Questionnaires in 2024.
 - No losses were caused by poor supplier management in 2024.
- Adjustments:
 - Suppliers that fail to pass the evaluation shall carry out improvements and must be reevaluated and pass the evaluation before new transactions.

Air Quality

GRI 305 Emissions

SASB Air Emissions

Ch. 4 Environmental Sustainability

In recent years, environmental protection has become a core global concern, with air quality management in particular having a direct impact on public health and environmental sustainability. For businesses, controlling emissions and minimizing environmental impact not only ensures regulatory compliance but also enhances corporate image and stakeholder trust. The company is committed to continuously improving its pollution control measures to meet increasingly stringent environmental standards, demonstrating its dedication to sustainable operations.

Policies and Strategies

- Implement measures to comply with environmental relevant regulations.
- Pay attention to pollution prevention and control and make continual improvements. Maintain the natural environment and achieve sustainable operation.

Influences and Impacts

Actual/Potential Positive Impact

Environment, People: Improving air quality helps to reduce environmental pollution, slow down climate change, enhance people's quality of life, protect health of residents, and decrease respiratory tract diseases and other related health problems.

Actual Negative Impact

Economy: To meet environmental protection standards and control emissions, the Company has to invest more money for technological upgrades, increasing its cost pressure.

Potential Negative Impact

Economy, Environment, People: If the Company does not comply with laws and regulations and continues to discharge pollutants, which will escalate air pollution and worsen climate change, affecting the air quality in surrounding areas and threatening residents' health, especially senior citizens, children, and people suffering respiratory disease. This will lead to economic losses like fines and litigation, affect the Company's reputation and image, and lower trust of investors and consumers, impacting the Company's market status and profitability.

Preventive or Remedial Measures (Risk and Opportunity Response Measures)

- Formulate relevant management and maintenance procedures for air pollution control equipment, and through strict controls, reduce air pollution and protect the environment.
- Emissions monitored regularly according to permit content and meet all standards.
- PM2.5 is more severe in fall and winter. The Company sprays water regularly in dust-prone areas at factories to prevent dust and maintain air quality.
- Responses to Abnormal Emissions of Air Pollutants:
 - If there is a fire at air pollution facilities, an Air Pollution Source Equipment Malfunction Report must be completed and submitted for approval within an hour, and faxed to the Environmental Protection Bureau for future reference.
 - When air pollution prevention equipment malfunctions, work must stop. Work can only be resumed when the equipment is repaired.

Goals and Targets

- Short-term targets:
 - Metal blasting treatment process prevention equipment passed air pollutant emissions testing at the end of 2023, and obtained the Company's stationary pollution source operating permit in 2024.
 - Regularly replace the filter bag of dust bag collectors and maintain and repair prevention equipment to ensure compliance with emissions standards.
- Mid- and long-term targets:
 - Strive to achieve zero deficiency in audits by environmental authorities.
 - Regularly inspect air pollution prevention equipment to avoid air pollution in surrounding areas.

Management Evaluation Mechanism

- The Company combines related environmental laws and ISO14001 Environmental management systems for continued improvement of management guidelines to ensure implementation of environmental management policy.

Performances and Adjustments

- Replace old forklifts and procure new models to reduce carbon emissions and improve air quality.

Water and Drainage

GRI 303 Water and Effluents

SASB Water Management

Ch. 4 Environmental Sustainability

Effective management of water resources can reduce operational risks, and enhance competitiveness. Keeping wastewater within discharge standards can lower pollution of local water resources, and is a relatively important topic to the Company.

Policies and Strategies

- Reduce exhaustion of water resources, strengthen reduction of pollutant discharge.
- The Company pledges to control use of water resources within the factories, and compile water consumption statistics and implement water quality testing annually.
- The Kaohsiung Factory has built sewage treatment facilities and applied for Water Pollution Control Measure Plans and Permit; operational sewage is discharged through special pipelines and eventually to the sewage treatment plant in the Linhai Industrial Zone.
- Wastewater generated from container washing at the Seventh Container Center is further treated using Evergreen Marine's own wastewater treatment facilities. After treatment, the water quality meets marine discharge standards before being released.

Goals and Targets

- Short-term targets:
 - The Hsinchu Factory, Xinying Factory, and Kaohsiung Factory implement monthly water quality testing and self-inspection on sewage treatment facilities, ensuring compliance with discharge standards.
 - Continue to maintain zero leakage of wastewater pollution.
- Mid- and long-term targets:
 - Encourage all departments to implement water-saving measures and install water-saving facilities, promote pollution reduction policy, and continue to refine pollution prevention measures, reducing water consumption and water pollution.

Influences and Impacts

Actual/Potential Positive Impact

Economy, Environment, People: Comply with environmental regulations to lower the Company's legal risks, maintain business sustainability, lower adverse impacts on water bodies and ecosystems, ensure people's basic water drinking right, and lower the health risk to residents in surrounding communities.

Actual Negative Impact

Economy: Compliance with discharge standards requires governance and technological upgrades, adding to operating costs.

Potential Negative Impact

Economy, Environment, People: Improper discharge may lead to pollution of water bodies, affecting water ecology and quality of drinking water and health risks of community citizens. The Company may suffer financial losses resulted from fines and litigation, damaging the corporate reputation and image.

Water and Drainage

GRI 303 Water and Effluents

SASB Water Management

Ch. 4 Environmental Sustainability

Effective management of water resources can reduce operational risks, and enhance competitiveness. Keeping wastewater within discharge standards can lower pollution of local water resources, and is a relatively important topic to the Company.

Preventive or Remedial Measures (Risk and Opportunity Response Measures)

- Formulate related management and maintenance procedures for sewage treatment facilities to ensure that sewage discharged to treatment plant meets water quality standards, protecting the environment.
- Regularly test water quality, with all data meeting discharge standards. The Company participates in non-scheduled environmental protection education and training to update related information; all implemented policies are in compliance with laws and regulations.
- Through regular environmental protection topics and policies, the Company improves its environmental management plans.
- Discharge of wastewater is stopped when sewage facilities malfunction or need repair. The wastewater will be retained within the facilities before being discharged when repairs are completed.
- Responses to Abnormal Sewage Discharge:
 - Close discharge point or install blocking or intercepting facilities.
 - Lower or pause production or service loads.
 - Prepare sufficient temporary storage facilities for sewage (wastewater); if there is no storage facility, stop operations that discharge or produce sewage (wastewater).

Management Evaluation Mechanism

- Water Quality Analysis:**
Conduct effluent water quality analysis to ensure that water quality meets local and national water quality standards, which can be realized through regular monitoring and water quality testing, ensuring effluent quality and no adverse impacts of water pollutants on surrounding water bodies and ecosystems.
- Legal Compliance:**
Ensure that the Company's discharges comply with environmental laws and regulations and establish monitoring and reporting mechanisms. Compliance should include ensuring compliance with discharge standards and timely legal compliance.
- Monitoring and Reporting Systems:**
Establish an effective monitoring system and comprehensive reporting system to regularly provide competent authorities and stakeholders discharge related information.
- Evaluating the impact of sewage** requires comprehensive consideration of factors in a wide range of aspects, including environment, legal compliance, society, and corporate governance. This kind of evaluation helps to ensure that the Company's sewage management is sustainable and compliant, and at the same time, maintains community and environmental benefits.

Performances and Adjustments

- In 2024, total water consumption reached 62.202 million liters, representing an increase of 11.728 million liters (approximately 23%) compared to 2023. This increase was primarily due to higher production output and a corresponding rise in operational workforce. However, the water intensity remained unchanged.
- Implement water quality testing annually. Test results over the years have all met discharge standards, and thus there is no environmental pollution issue.
- The Company maintained an annual performance of "zero" water pollutant leakage in 2024, meeting the Company's short-term target.



CHAPTER 2

— Corporate Governance —

2.1	Company Overview	037
2.2	Corporate Governance Structure	040
2.3	Ethical Management	044
2.4	Risk Management	048

2.1 Company Overview

2.1.1 Company Profile

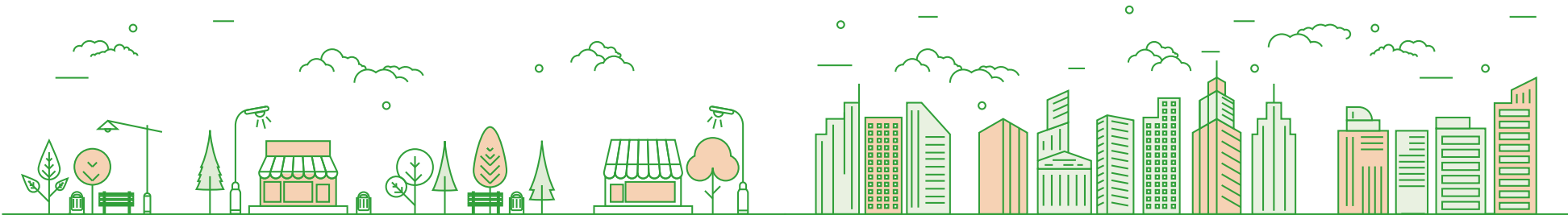
Evergreen Steel was registered in January 1973 in accordance with the R.O.C. Company Act, and became a listed company on April 12, 2021 (Stock Code: 2211). The Company's main scope of business includes steel structure construction and reinvested environmental protection enterprises. The steel structure construction business mainly includes factory steel structures, high-rise building steel structures, and bridge steel structures. The reinvested environmental protection enterprises include general and industrial waste treatment and steam and power cogeneration, with primary service areas in northern Taiwan and Taoyuan City.

In terms of steel structure production, the Company has established steel structure factories in Xinying in Tainan, and Hukou in Hsinchu. The factories are capable of professional steel structure design and manufacturing. The factories have automated equipment for steel cutting, welding, and sandblasting, tower cranes with capacity of 400-900 meters-tons, and a professional assembly team to help clients meet their construction projects' schedules and requirements. Moreover, the company's first-rate quality management system has received ISO 9001 certification and has actively participated in multiple construction and infrastructure projects. This year, on the foundation of existing business, the Company has also completed delivery and hoisting of public construction projects, residential housing, and office buildings, including: Baoshan steel bridge, the upper structure of Taipei Twin Towers, Fubon's commercial building in northern Kaohsiung, Tonglit Logistics' storage warehouse at Taipei Port, Chroma ATE's phase 2 Plant Office, PharmaEssentia's biotech plant, Taoyuan International Airport Company Headquarters, and Yuanli D3 Hotel.

In terms of container maintenance and repair, in order to meet the container demand of Evergreen Marine Corp. in Kaohsiung area, Therefore, a factory is set up in the Linhai Industrial Park. Additionally, a new depot will be launched in July 2024 at Kaohsiung Port Terminal 7, offering container repair, cleaning, and release services.

The company will continue to embrace the quality management policy, put safety and quality first, satisfy our customers, and promote sustainability to provide high-quality products and services to achieve quality goals, and adhere the Evergreen spirit of "challenge, innovation, and teamwork," and continue to improve in order to achieve steady business operations and uphold the company's philosophy of premium services and sustainable operations.

Evergreen Steel Corp.	
Date of Incorporation	January 29, 1973
Chairman	Lin, Keng-Li
President	Liu, Pang-En
Paid-in Capital	NT\$4,170,914,630
Number of Employees	666 people
Headquarters	11F., No. 100, Sec. 2, Chang' an E. Rd., Zhongshan Dist., Taipei City 104094, Taiwan (R.O.C)
Type of Industry	Steel Industry
Business Scope	Manufacturing of steel structures and repair of containers. All business activities that are not prohibited or restricted by law, except those that are subject to special approval.



Operating Sites of Evergreen Steel	
Taipei Head Office	11F., No. 100, Sec. 2, Chang'an E. Rd., Zhongshan Dist., Taipei City 104094 , Taiwan (R.O.C.) TEL: 02-25135858 FAX: 02-25135699
Hsinchu Factory, Steel Structure Division	No. 99, Guangfu N. Rd., Hukou Township, Hsinchu County 303036 , Taiwan (R.O.C.) TEL: 03-5983616 FAX: 03-5982303
Xingying Factory, Steel Structure Division	No. 66, Bade Rd., Yanshui Dist., Tainan City 737402 , Taiwan (R.O.C.) TEL: 06-6520066 FAX: 06-6524188
Kaohsiung Factory, Container Department	No. 16, Taiji Rd., Xiaogang Dist., Kaohsiung City 812006 , Taiwan (R.O.C.) TEL: 07-8019815 FAX: 07-8068853
Container Terminal No. 7, Container Department	No. 29, Zhougui Rd., Xiaogang Dist., Kaohsiung City 812051, Taiwan (R.O.C.) TEL: 07-8019817 FAX: 07-8711396

Shareholdings of Evergreen Steel and Subsidiaries in the Consolidated Financial Statements	
As of December 31, 2024	
Hsin Yung Enterprise Corp.	72.36%
Ever Ecove Corp.	50.06%
Super Max Engineering Corp.	48.13%
Mingyu Investment Corp.	100.00%



2.1.2 Participation in Social Organizations

Evergreen Steel actively participates in domestic industry associations, trade associations, alliances and other organizations to promote exchanges and other forms of cooperation.

Name of organization	Significance to the sustainable operations of Evergreen Steel	Role
Taiwan Institute of Steel Construction	Develop steel structure engineering technical expertise, promote the sound development of steel structure industry, exchanges with relevant industries, government officials, universities and research institutes, and improve the safety of public works.	Executive director and supervisor
Taiwan Steel Structure Hoisting Engineering Professional Construction Industry Association	Develop steel structure hoisting technical expertise, establish a safe hoisting operation environment, and improve the safe labor environment.	Directors and supervisors
Taiwan Steel Structure Erection Engineering Professional Construction Industry Association	Develop steel structure erection technical expertise, improve the accuracy of steel structure erection and maintain stable quality.	Directors and supervisors
Taiwan Steel & Iron Industries Association	To seek the unity and development of the iron and steel industry, assist the government in economic construction, strive for foreign exchange, coordinate industry relations, and promote common interests.	Convener of steel structure professional group
Industrial Carbon Neutral Alliance	The short-term targets are to conduct carbon inventory and reduction, establish adaptive and responsive capabilities, and promote low-carbon/negative-carbon technology, and energy and resources renewable circular technology; the long-term goals are to respond to climate change and help the industry to achieve sustainable development.	Member

Taiwan Institute of Steel Construction membership certificate



Taiwan Steel Structure Hoisting Engineering Professional Construction Industry Association membership certificate



Taiwan Steel Structure Erection Engineering Professional Construction Industry Association membership certificate

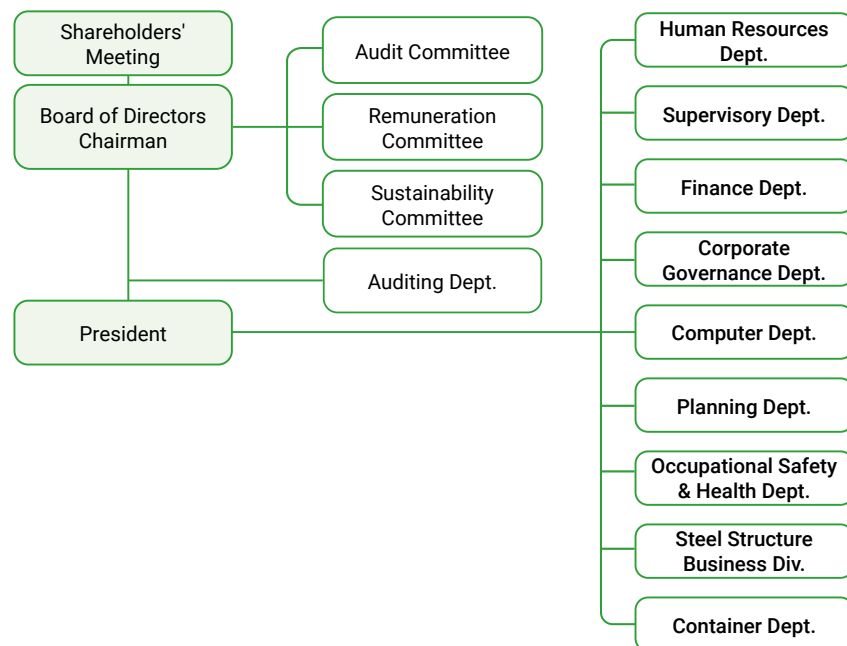


Taiwan Steel & Iron Industries Association membership certificate



2.2 Corporate Governance Structure

Corporate Governance Structure



2.2.1 Board of Directors

According to the Company's Articles of Incorporation, the Board of Directors consists of seven to nine directors, including three independent directors, with a term of three years. Directors are elected through a candidate nomination system. The Board of Directors or shareholders in possession of over 1% of the total number of shares issued by the Company will submit a list of candidates, and at the shareholders' meeting, shareholders will vote on the list of candidates and elect new directors.

The Company's Board of Directors is responsible for the resolution of important matters related to the implementation of the Company's business, and we have formulated the Rules Governing the Scope of Powers of Independent Directors as a reference for independent directors to perform their duties.

* Structure of the Board of Directors

The Chairman does not concurrently serve as the President and is mainly responsible for supervising the main business managed by the management team to ensure that business is conducted in alignment with the Company's business philosophy.

All members of the Board of Directors possess the knowledge, skills, and qualities needed to perform their duties and have professional knowledge in different fields, such as management, steel structure construction, law and risk management, finance and accounting, environmental protection and green energy, materials R&D, and gender, age, nationality, race, cultural, and other diverse background elements are considered for the composition of the board.

This term's Board of Directors consists of 7 directors, among which, 3 are independent directors. Independent directors accounted for 42.86% of all directors, female directors accounted for 28.57% of all directors, reaching the target of "having over 20% female directors" set by the Company.

Diversity of the Board are listed in the chart below. For detailed information, please refer to p.13-16 of the 2024 Annual Report or [the Company's website](#).

Title	Name	Basic Component			Professional Ability					
		Gender	Age	Tenure	Business Management	Steel Structure Engineering	Law & Risk Management	Financial Accounting	Environmental Protection & Green Energy	Material Research and Development
Chairman	Lin, Keng-Li	Male	71~80	7~9 years	✓	✓			✓	
Director	Ko, Lee-Ching	Female	71~80	More than 10 years	✓			✓		
Director	Tai, Jiin-Chyuan	Male	61~70	0~3 years	✓		✓		✓	
Director	Lee, Mon-Ling	Female	51~60	More than 10 years	✓			✓	✓	
Independent Director	Liu, Nai-Ming	Male	61~70	0~3 years	✓			✓		
Independent Director	Lien, Yuan-Lung	Male	61~70	4~6 years	✓		✓			
Independent Director	Young, Chune-Ching	Male	71~80	0~3 years	✓				✓	✓

★ Major Event Communication

Evergreen Steel's major sustainability issues reported to the Board of Directors in the following:

Mar. 13, 2024
24th Term, 6th Meeting

- Report on 2023 Q4 GHG inventory plan and execution of the Company and its subsidiaries.

May 13, 2024
24th Term, 7th Meeting

- Report on 2024 Q1 GHG inventory plan and execution of the Company and its subsidiaries.
- Report on 2024 Q1 Implementation status of sustainable development.

Aug. 12, 2024
24th Term, 8th Meeting

- Report on 2024 Q2 GHG inventory plan and execution of the Company and its subsidiaries.
- Report on 2024 Q2 Implementation status of sustainable development.
- Resolution to amend "Sustainability Committee Charter".
- Resolution to approved the "2023 Sustainability Report".

Dec. 26, 2024
24th Term, 10th Meeting

- Report on 2024 Q3 GHG inventory plan and execution of the Company and its subsidiaries.
- Report on 2024 sustainable development execution.
- Report on 2024 stakeholder communication.
- Report on 2024 risk management operation.
- Report on 2025 sustainability workplan.
- Resolution to amend sustainable development targets.

★ Recusal of Directors

The Company's major business decisions should be conducted through resolutions by the Board of Directors, except for matters that should be resolved by shareholders' meetings as otherwise provided by applicable laws and regulations or the Articles of Incorporation. To avoid conflicts of interest, directors with an interest involved in the proposals at a board meeting for themselves or the legal persons they represent should explain the important content of their interest. If it may undermine the Company's interests, they should be recused from the discussion and voting and should not exercise their voting rights on behalf of other directors. Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director, has interests in the matters under discussion in the meeting, such director shall be deemed to have a personal interest in the matter. Refer to p.70-73 of the 2024 Annual Report for details of avoidance of conflict of interests.

★ Operation of the Board of Directors

The board meeting is convened at least quarterly but may be convened at any time in case of an emergency. This term's Board of Directors convened six meetings in total in 2024 and the directors achieved an overall attendance of 100%. For detailed information, please refer to p.24-25 of the 2024 Annual Report or [the Company's website](#).

★ Directors' Continuing Education

Based on nature of the industry and directors' needs, the Company offers advanced training courses for directors at least twice a year on topics like law, finance, economics, risk management, corporate governance, corporate sustainability, and information security, and also provides directors with information on training courses and forums held by the competent authorities and various training institutions. The Company's directors actively participated in internal and external training courses and in 2024, each director completed training in accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies, averaging around 9.4 hours of training. For detailed information, please refer to [the Company's website](#).



2.2.2 Functional Committees

Operation of the Audit Committee

To foster corporate governance and strengthen the functions of the Board of Directors, the Company has established the Audit Committee composed entirely of independent directors in accordance with Article 14-4 of the Securities and Exchange Act and the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies. Its main responsibilities are as follows:

- Fair presentation of the Company's financial reports.
- Reference AQIs for assessment of accountant independence and competency, and appointment and relieving of CPA.
- Effective implementation of the Company's internal control system.
- Major asset transactions, fund lending, and endorsements/guarantees.
- Compliance with relevant laws and regulations.
- Management and control of existing or potential risks.

In 2024, the Company held a total of 4 CPAs communication meetings and a total of 5 Audit Committee meetings, with all committee members achieving an 100% attendance.

Operation of the Sustainability Committee

To deepen the Company's sustainability governance and risk management, achieving the goal of sustainable operations, the Company has established the Sustainability Committee on August 7, 2023. The Sustainability Committee consists of 3 to 5 members appointed by the Board of Directors, with over half of them being independent directors. Its main tasks are listed below:

- Review sustainability (including risk management) related policies, strategies, targets, and management guidelines.
- Approve annual sustainability workplan.
- Supervise and follow up the executive team's implementation progress, outcomes, and related matters.
- Review the Sustainability report.

In 2024, the Company's Sustainability Committee held a total of 3 meeting, with all committee members achieving an 100% attendance.

Operation of the Remuneration Committee

To fulfill corporate governance and ensure a well system for compensation of the directors and managerial officers, the Company has established a Remuneration Committee in accordance with Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange. The Remuneration Committee members are appointed by the Board of Directors, with no fewer than three people and over half of them being independent directors. Its main responsibilities are as follows:

- Establish and periodically review the performance evaluation and remuneration policy, system, standards, and structure for directors and managers.
- Periodically evaluate and determine the remuneration of directors and managers.

In 2024, the Company's Remuneration Committee held a total of 2 meetings, with all committee members achieving an 100% attendance.

Corporate Governance Officer

The Company's Board of Directors approved the appointment of the highest executive of Corporate Governance Department as the Corporate Governance Officer, who will lead a team of an appropriate number of professional corporate governance personnel to safeguard stockholders' rights and interests and strengthen the Board of Directors' functions. The Company's Corporate Governance Officer is qualified in accordance with regulatory requirements, having served in a managerial position for at least 3 years in a public company in a unit handling stock affairs and corporate governance affairs. For more details, please refer to [the Company's website](#).

* Refer to the 2024 Annual Report and [the Company's website](#) for members and detailed operations of each functional committee.

2.2.3 Board Performance Evaluation

To enhance the functions of the Board of Directors, the Board of Directors should conduct an internal performance evaluation at least once a year in accordance with the Rules of the Performance Evaluation of the Board of Directors formulated by the Board of Directors and could appoint an external entity to perform such evaluation once every three years. The board evaluation includes performance evaluation of the board as a whole, individual board members (self-evaluation), and functional committees.

The Board of Directors performance evaluation items and results in 2024 are as follows, For detailed information, please refer to [the Company's website](#).

The Board of Directors performance evaluation items and results in 2024			
	Board as a Whole	Individual Board Members (Self-evaluation)	Functional Committees
Items	<ul style="list-style-type: none">Participation in the Company's operation.Improvement to the Board's decision-making quality.Composition and structure of the Board.Election and continuing education of directors.Implementation and promotion of ESG.Internal control.	<ul style="list-style-type: none">Understanding of the Company's goals and missions.Knowledge of directors' responsibilities.Participation in the Company's operations.Internal relations management and communication.Directors' professionalism and continuing education.Internal control.	<ul style="list-style-type: none">Participation in the Company's operation.Knowledge of the Functional Committee's responsibilities.Improvement to the Functional Committee's decision-making quality.Composition of the Functional Committee and members appointment.Internal control.
Overall Average Score/ Evaluation Result ^{Note}	<ul style="list-style-type: none">4.97/ Excellent	<ul style="list-style-type: none">4.97/ Excellent	Audit Committee: 4.95/ Excellent Remuneration Committee: 4.96/ Excellent Sustainability Committee: 4.97/Excellent

Note: The maximum overall average score is 5; the score is above 4.5 means excellent; the score is above 3.5 but below 4.5 means good; the score is above 2.5 but below 3.5 means adequate; the average score below 2.5 means need to improve.

✳ Linkage Between Performance and Remuneration

According to the Company's Remuneration Committee Charter and Payment Regulations for Directors Compensation, the Remuneration Committee and the Board of Directors determine the directors' remuneration by taking into consideration personal performances, the Company's operation performance, and reasonableness of correlation with future risks, while also referencing the remuneration standard of peer companies in the same industry. The Company will conduct timely reviews of the remuneration system as per the actual operating conditions and relevant laws and regulations.

2.2.4 Executive Compensation and ESG-Related Performance Evaluation

Compensation to the managerial officers is determined according to the Company's guidelines on payment for remuneration of managerial officers. Remuneration of managerial officers includes fixed remuneration and variable remuneration. Fixed remuneration includes salaries and allowances, which are calculated according to the Company's salaries and allowances structure for all positions levels. The structure is created based on the Company's organizational structure, categories of business activities, nature of duties, scope of work/ responsibilities and by reference to the remuneration of peer companies in the same industry. Variable remuneration includes year-end bonuses and employees' compensation. Adjustment of annual salaries and allowances and year-end bonuses are determined by overall operation performance of the Company and assessment of individual performance.

To incentivize senior management to actively participate in and advance ESG objectives, thereby enhancing the Company's sustainable competitiveness, performance evaluations for senior executives are conducted semiannually. In addition to assessing operational performance (with a weighting of 70% to 80%), the evaluations also incorporate performance in driving and implementing sustainability initiatives (weighted at 20% to 30%). Annual performance ratings are finalized at year-end and serve as a basis for determining remuneration. Adjustments to salaries and bonuses are subject to review by the Compensation Committee and approval by the Board of Directors.

2.3 Ethical Management

2.3.1 Ethical Corporate Management Best Practice Principles

✧ Ethical Management and Anti-corruption

We have formulated the Ethical Corporate Management Best Practice Principles, the Procedures for Ethical Management and Guidelines for Conduct, and the Codes of Ethical Conduct since 2020 in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies while with reference to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and regularly report on the implementation to the Board of Directors.

Punishment and grievances system for violations of integrity follow the Company's management rules and grievance handling procedures, and immediately disclose the violator's job title, name, violation date, details of violation, and handling status on the Company's internal website. In 2024, the Company did not have any violations of the above ethics- and corruption-related regulations. The Company was also not involved in any lawsuits related to anti-competitive behavior or antitrust or monopoly or closed legal actions or lawsuits.

All operating units in each region should comply with the relevant ethical management and anti-corruption regulations, which are specified as follows:

Title of Regulations	Ethical Corporate Management Best Practice Principles	Procedures for Ethical Management and Guidelines for Conduct	Codes of Ethical Conduct
Purpose	It aims to strengthen the Company's corporate culture of ethical management and strengthen the Company's development.	We engage in business activities based on the principles of fairness, integrity, trustworthiness, and transparency, to duly implement the ethical management policy and actively prevent unethical conduct.	It aims to guide employees to comply with ethical standards and allow the Company's stakeholders better understand our ethical standards.
Summary	<div><div>1. Scope of application and party governed</div><div>2. Prohibition of unethical conduct</div><div>3. Types of interests</div><div>4. Laws to be complied with</div><div>5. Company policy and business philosophy</div><div>6. Prevention plans and scope</div><div>7. Ethical management and business activities</div><div>8. Prevention of products or services from harming stakeholders</div></div> <div><div>9. Organization and responsibilities</div><div>10. Recusal due to conflicts of interest</div><div>11. Accounting and internal controls</div><div>12. Operating procedures and guidelines for conduct</div><div>13. Whistleblowing system/ punishment and grievances system</div><div>14. Information disclosure</div></div>		

✧ Anti-corruption Policy Training

The Company publishes ethical management and anti-corruption articles on the internal website to enhance employees' knowledge. Senior managers raise department heads' awareness of this aspect at business meetings from time to time and require them to remind employees in departmental meetings not to violate applicable regulations at work.

We also organize pre-employment education and training on ethical management and ethical conduct for new employees. In 2024, a total of 152 people received such training for 152 person-hours. In 2024, the Company organized a "Ethical Corporate Management and Trade Secret Protection" training session, totaling at 475 participants and 712.5 hours, and "Insider Trading Prevention" training session, totaling 483 participants and 483 hours.

★ Legal Compliance

To implement legal compliance, Evergreen Steel continues to pay attention to laws and policies at home and abroad with a potential impact on the Company's operations, and formulates or amends relevant management regulations and methods for compliance in a timely manner to ensure that all operating activities are in compliance with relevant laws and regulations.

In the socioeconomic aspect, the Company also engages in business activities in alignment with the principles of ethical management and in a fair, honest, trustworthy, and transparent manner. We have also formulated the Ethical Corporate Management Best Practice Principles, established relevant operating procedures and guidelines for conduct, while regularly requiring senior managers to raise directors', employees', and appointees' awareness of the importance of ethical management and incorporating such indicators into employee performance evaluations and human resources policies. Meanwhile, we have established a clear and effective rewards, punishment and grievances system to specifically regulate matters that personnel should pay attention to at work. We understand that employees are the most important assets of the Company, as well as the force that drives the Company's growth. The Company complies with the Universal Declaration of Human Rights, and the government's labor law and occupational safety and health related regulations, to protect human rights, value employee rights and opinions, and prevent work-related injury and ill health, striving to build a healthy and safe friendly working environment.

In the environmental aspect, the company deeply understands that protecting the earth's environment is an important issue shared by mankind. In order to achieve the purpose of environmental protection, we will continue to abide by environmental regulations. Concerning environmental management, the Company has established responsible units and personnel to carry out effective management of sewage treatment, air pollution prevention equipment replacement and maintenance, operating permit application and approval, air and land pollution fee payment, and waste removal and reuse, to meet environmental laws and regulations and reduce impact on the environment.

In the past three years, the Company has not experienced any major violations in the areas of environmental, social, or corporate governance. A "major violation" is defined in accordance with the Taiwan Stock Exchange's Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities, referring to any single violation with cumulative fines exceeding NT\$1 million. In 2024, there were three non-major violations involving penalties under the Air Pollution Control Act, Fire Services Act, and Occupational Safety and Health Act, with total fines amounting to NT\$405,000. All necessary corrective actions have been completed. For each penalized incident, the responsible department is required to complete a "Corrective and Preventive Action Request Form" to review the circumstances and root causes of the violation. The form includes explanations, cause analysis, and proposed corrective and preventive measures to prevent recurrence.

The penalized events and corrective actions in 2024

Type(Site)	Act	Penalty	Violated Regulation	Corrective Action
Monetary Penalty (Xinying Factory)	Air Pollution Control Act, Article 32, Paragraph 1, Subparagraph 1	NT\$225,000, Environmental training 2-hour	On November 10, 2023, the Environmental Protection Bureau conducted an inspection using a micro-sensor at the intersection of Bade Road and Xinzhong Road. Findings included: <ul style="list-style-type: none"> Dispersing particulate pollutants resulting from welding on unsealed (front and back) metal sheets Airborne particulate pollutants resulting from use of in-factory transportation machinery. 	<ul style="list-style-type: none"> A water mist system was installed on the fence between Bade Road and Xinzhong Road to prevent particulate pollutants from dispersing. Arranged for sprinkler trucks to moisten the ground regularly to prevent particulate pollutants on the ground from becoming airborne.
Monetary Penalty (Xinying Factory)	Fire Services Act, Article 15; penalty under Article 42	NT\$80,000	The facility stored controlled quantities of hazardous materials. Its layout, structure, equipment, safety management, and signage did not meet regulatory standards for such substances.	All deficiencies were corrected and re-inspected by the Fire Department on February 25, 2025.
Monetary Penalty (Construction sites)	Occupational Safety and Health Act	NT\$100,000	At a site with stair openings over 2 meters in height, no guardrails or protective barriers were installed, posing a fall hazard to workers.	Protective guardrails were immediately installed at the exposed stair openings.

2024 Regulatory Compliance Summary

<div>E</div> <div>Environment</div>	<ul style="list-style-type: none"> ◦ No violations of the Water Pollution Control Act ◦ No violations of the Waste Disposal Act ◦ No incidents of wastewater or waste leakage
<div>S</div> <div>Society</div>	<ul style="list-style-type: none"> ◦ No violations of the Labor Standards Act ◦ No violations of the Act of Gender Equality in Employment ◦ No incidents of workplace discrimination ◦ No violations of freedom of association and collective bargaining rights ◦ No child labor ◦ No forced or compulsory labor ◦ No violation of indigenous peoples' rights ◦ No incidents of non-compliance concerning the health and safety impacts of products and services ◦ No invasion of client privacy nor loss of client data
<div>G</div> <div>Governance</div>	<ul style="list-style-type: none"> ◦ No violation of the Company Act ◦ No violation of commercial laws ◦ No violation of securities and financial regulations ◦ No incidents of corruption or bribery ◦ No political contribution made ◦ No anti-competitive behavior ◦ No violations of antitrust or monopoly laws ◦ No information security incidents reported

* Response to Reported Cases of Violations of Integrity and Illegal Acts

Stakeholders, who want to report unethical or illegal conducts or violations of ethical management, may refer to related contact information that is already disclosed on the Company website. The stakeholders can report cases of violation of ethics or illegality, or violation of ethical management by email, mailbox on the Company's website (comment@evergreennet.com), phone, or regular mail. If it is an internal report by an employee, besides the above reporting methods, they can report directly to the head of their unit.

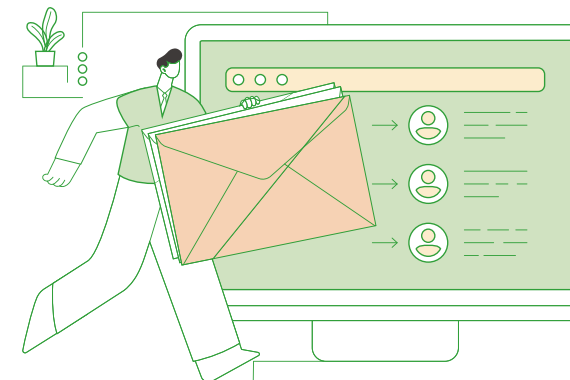
The whistleblower should provide at least the information below:

1. The whistleblower's name, national ID number, mailing address, phone number, and e-mail. Any anonymous report will not be responded to in principle, but such a report will be handled separately if the responsible unit determines that it is necessary to investigate, and it will be adopted as a reference for internal review.
2. The accused person's name or other information that is sufficient to identify the accused person's identity.
3. Specific facts available for investigation.

* Whistleblower Protection Policy

Personnel of this Corporation handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. This Corporation also undertakes to protect the whistleblowers from improper treatment due to their whistleblowing.

In 2024, the Company did not receive any internal or external reports of violations of the Codes of Ethical Conduct from the grievance mailbox. (Whistleblowing and grievances email: comment@evergreennet.com for personnel inside and outside the Company.)



2.3.2 Internal Audit

✧ Internal Control Mechanism

To strengthen corporate governance, the Company has established a complete internal control system for all units to follow and has disclosed the Company's all rules and regulations on our internal platform, for employees to check and refer to at any time. Meanwhile, we will continue to strengthen the internal audits and self-assessments, facilitate each unit's independent management, and duly implement a self-supervision mechanism.

The Company is clearly aware that the establishment, implementation, and maintenance of an internal control system is the responsibility of the Board of Directors and managers and has established this system with the aim of achieving the goals of operational effectiveness and efficiency (including profit, performance, and asset security protection), reporting reliability, timeliness, transparency, and compliance with applicable laws and regulations.

✧ Internal Audit

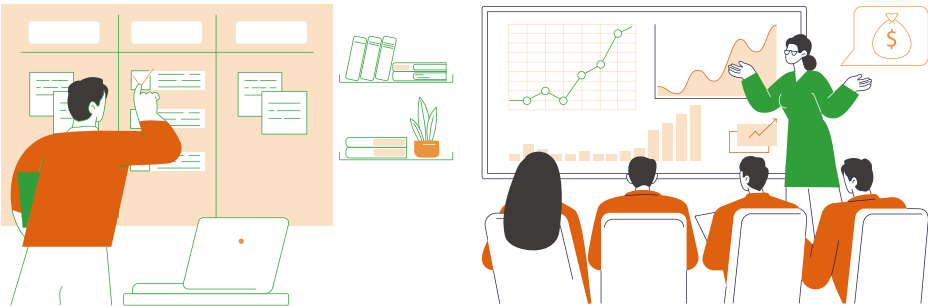
The Company has formulated important relevant policies and regulations in response to the laws of Taiwan and other countries, including personal data protection, confidentiality, anti-bribery, anti-discrimination, environmental protection, intellectual property protection, anti-insider trading, anti-unfair competition, and labor protection, and striven to achieve corporate sustainable development. To ensure the implementation of internal compliance policies, the Human Resources Department is the unit dedicated to the implementation of ethical management and the supervision of each unit's implementation. It is also responsible for assisting the Board of Directors and the management in checking and evaluating whether the preventive measures established for the implementation of ethical management are effective; assessing compliance during relevant business processes and preparing reports; and reporting to the Board of Directors once a year.

We ensure that our business processes meet relevant requirements through internal controls and audit measures. All employees of Evergreen Steel are governed by compliance policies and various departments work together to ensure implementation is complete. We require employees to maintain integrity and conduct themselves ethically in a safe and healthy work environment that is conducive to labor safety.

The Company's Audit Department conducted audits according to the audit plan in 2024, issuing 62 audit reports and finding 12 deficiencies. Follow-up audits have all been completed, and the Company will strengthen employee education and training and improve processes to reduce errors.

Internal Control System Business Unit Cycle and Quality Audit	26 items
Management Control Activities Audit	7 items
Subsidiary Supervision and Management Audit	13 items
Capital Loans and Endorsements/ Guarantees Audit (Quarterly)	4 items
Derivatives Trading Audit (Monthly)	12 items

To enhance the professional knowledge and auditing skills of our auditing personnel, particularly in areas like corporate governance, risk management, and internal control, the Company will ensure ongoing education and training , and exceed the training hours required by laws and regulations.

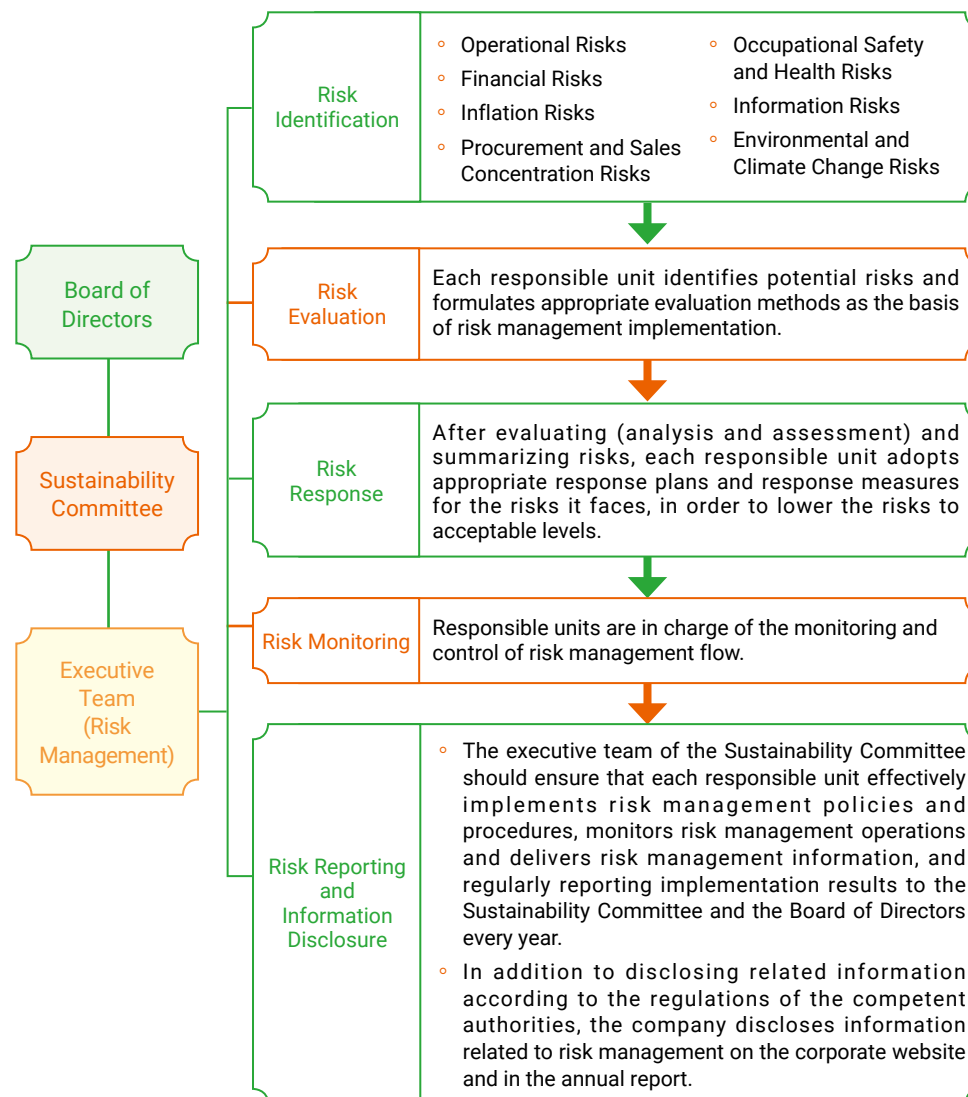


2.4 Risk Management

To achieve the target of sustainable development and effectively reduce corporate operational risks, the company formulated the "Risk Management Policies and Procedures", and established a risk management organization and management mechanism flow, which were approved by the Board of Directors' Meeting in May 2022. In order to deepen the Company's sustainable governance and risk management, the Board of Directors established the "Sustainability Committee" in August 2023, appointed 5 members of the first Sustainability Committee, including 3 independent directors, the Chairman as the convener and the President as the vice convener, and reached resolution to amend the "Risk Management Policy and Procedure" in December of the same year.

The Board of Directors is the Company's highest supervising body of risk management, which approves risk management policies and procedures and supervises effective operation of the risk management mechanism according to the Company's operational strategy and business environment, ensuring effectiveness of risk management and holding the ultimate responsibility of risk management. The Sustainability Committee is a functional committee directly under the board of directors, coordinating and supervising the company's various responsible units to promote the company's risk management matters. The Sustainability Committee executive teams are responsible for implementing risk management-related businesses, and the head of Supervisory Department serves as the chair, who is in charge of convening group meetings, assisting in the promotion of various sustainability tasks, coordinating all responsible units' risk management policies and procedures, risk control implementation and response improvement to ensure the effective operation of the risk management mechanism, and regularly reporting implementation results to the Sustainability Committee and the Board of Directors every year.

Risk Management Organization and Flow



* Risk Management Topics and Responses

To implement risk management, the Company has identified 7 major risks of "Operational Risk," "Financial Risk," "Inflation Risk," "Procurement and Sales Concentration Risk," "Occupational Safety and Health Risk," "Information Risk," "Environmental and Climate Change Risk," and each responsible unit have formulated corresponding plans and response measures to lower the risks and ensure that all risks are controlled and monitored. The implementation of 2024 risk management has reported to the Sustainability Committee and Board of Directors on December 26, 2024.

The implementation of 2024 risk management

Risk Items	Definition	Response Measure
Operational Risk	* Industry Risk The steel structure industry is a labor/capital-intensive industry; however, manufacturing technologies are not too different, and the entry barrier is low, resulting in many smaller factories and the risk of fierce market competition.	<ul style="list-style-type: none"> Proactively differentiate products, enhance manufacturing capability of uniquely-shaped steel structures, and improve processes and quality management to lower costs and enhance competitiveness.
	* Human Resource Risk The nature of the steel industry and low birth rate in Taiwan have led to the risk of recruitment difficulty, affecting industrial development.	<ul style="list-style-type: none"> Currently a listed company, which helps to attract and retain outstanding talents. Enhance employee benefits and perfect a talent encouragement system to reduce the turnover rate. Incubate professional talents through internal on-the-job training and external professional education. Actively participate academic-industrial cooperation and expand recruiting channels.
Financial Risk	* Interest Rate Risk Main risk comes from long-term loans with floating interest rates.	Some risks are offset by cash or cash equivalents with variable rates. Also, establish and maintain a sound relationship with financial institutions so that when the company needs capital, it can get more favorable interest rates; through sound financial planning and use of appropriate capital-raising tools, the company aims to lower the risk of a floating interest rate.
	* Exchange Rate Risk Business activities using foreign currencies result in loss from fluctuating exchange rates.	The company relies on domestic demand, and business transactions are mainly in TWD. Foreign currency management and a hedging strategy adhere to steady and conservative principles, and financial personnel maintain close communication with banks and regularly collect exchange rate information to avoid possible influences of fluctuating exchange rates.
Inflation Risk	Materials prices account for a significant portion of costs, and inflation will lead to a rise in raw materials prices, increasing costs and thus affecting P&L.	In response to fluctuations in steel price, the steel structure industry must discuss and negotiate quotations with customers. For long-term orders, a floating steel price will be adopted. Advance procurement will be adopted in response to short-term orders, lowering the risk of price fluctuation. Thus, the company has not seen a significant impact from inflation.

The implementation of 2024 risk management

Risk Items	Definition	Response Measure
Procurement and Sales Concentration Risk	<p>★ Procurement Concentration Risk</p> <p>Relying on specific raw material suppliers may lead to risks of raw materials supplies and prices monopoly.</p>	Steel engineering requires raw materials like steel plates, section steel, welding materials, shear studs, bolts and paint; among which steel plates are mainly procured from CSC and Dragon Steel, which are also primary producers of steel plates and bars in Taiwan. Also, the company enjoys the advantage of procurement amount; as for section steel, the main domestic producers are Toho and Dragon Steel, and the company has long-term relationships with these two suppliers, ensuring steady supplies. In sum, raw materials suppliers have all been long-time partners of the company with good quality and prompt delivery; moreover, each raw material is supplied by a number of suppliers, and therefore the company has no concentration risk.
	<p>★ Sales Concentration Risk</p> <p>Steel structure engineering is order-based production, requiring large investments and selling to a specific group of customers, resulting in the risk of sales concentration.</p>	Steel structure production is order-based, and requires large capital outlays. The preparation period is relatively long and income is recognized as time goes by, resulting in concentrated sales to certain customers. This is the unique characteristic of the industry. Also, primary customers change with the beginning and completion of construction projects; however, the company has not had any single customer accounting for over 20% of annual net sales over the past three years. Thus, the company is not exposed to the risk of concentrated sales.
Occupational Safety and Health Risk	Non-compliance with occupational safety and health related laws and failure to provide necessary safety and health facilities and management measures, leading to personnel safety and health hazards.	<p>The company has established safety and health risk assessment guidelines according to the ISO 45001:2018 Management System. Hazard identification and risk assessment at each plant is carried out by responsible personnel in each unit. All safety and health hazards inside and outside the plants that are expected to cause an impact, including regular and irregular activities, workers and visitors entering the plants, personnel behavior, capabilities, and other human factors, are targeted for risk and hazard identification. Based on the results of identification and assessment, the unacceptable mid- and high-level risks are included in the management plan for improvement, in an aim to lower the risk level.</p> <p>Implement risk control and ensure effectiveness of the management system. All personnel conducting hazard identification and risk assessment have received external education and training as qualified personnel with supervisor certifications, ensuring quality of identification.</p> <p>Propose improvement or control measures every year. In cases of procedural changes of equipment and operations in plants, occupational accidents, or implementation of corrective measures in response to non-compliance, hazard identification and risk assessment will be conducted again.</p>
Information Risk	Risks resulting from control, operations, and lost backups of information systems, such as risks of OS malfunctions, deliberate sabotage, infiltration, and interference with the equipment and network.	<ul style="list-style-type: none"> ◦ Client-server OS system, file safety control and access management. ◦ Network safety control and access management. ◦ User-end computer equipment safety controls. ◦ Database server safety control. ◦ Establish anti-virus system, junk mail blocking system; regularly update OS to ensure system stability and reduce the chance of hacker attacks. ◦ Establish complete backup for quick recovery during system error or data corruption. ◦ Establish a dedicated information security manager and special personnel to protect information systems, data and assets from unauthorized access, disclosure, destruction, modification or destruction.

The implementation of 2024 risk management

Risk Items	Definition	Response Measure
Environmental and Climate Change Risk	Risks of management measures to deal with global/regional natural disasters or major infectious diseases, climate change, and environmental protection. Legal compliance review is required and non-compliance amended to meet legal and regulatory requirements.	<ul style="list-style-type: none"> Establish dedicated units and special personnel to effectively manage sewage treatment, air pollution control equipment update and maintenance, operation permit application and approval, air pollution and soil pollution fee payment, waste clearance and reuse, assessment of diverse decontamination channels, and starting from 2024, the ISO 14001 environmental management system has introduced and completed external verification, in order to comply with environmental protection laws and regulations, and continue to invest in improvements to avoid the risk of environmental impact. Plants produce general industrial waste daily, and qualified vendors approved by the EPA have been contracted for clearance and processing; the generated domestic sewage is discharged to the regional industrial sewage processing system. Also, targeting sand blasting and painting processes, the company commissions qualified vendors to inspect emissions regularly of stationary pollution sources. Air pollutant emissions and waste clearance and processing are all been reported to regional authorities regularly as prescribed by law. Discuss the diversification of waste disposal and reuse to reduce the waste disposal cost and maintain the waste reuse rate above 90%. Building plants with portable shades to prevent torrential rain from affecting production capacity. Office area, plant, machines and equipment, and essential facilities have all been insured to reduce the loss caused by natural disasters. Starting in 2024, the ISO 50001 energy management system has introduced and obtained external verification. GHG inventories will be conducted and verified according to the plan every year. Implemented related energy-saving and carbon reduction measures, including: <ul style="list-style-type: none"> Replace gasoline cars with hybrid cars. Evaluate and replace diesel forklifts with electric forklifts. Gradually replacing lighting with LED units to save energy. Installing timer switches for all lighting equipment in plants to lower power consumption. Promote water-saving measures, and set up water storage area and tanks. Switch to new automatic sensing taps to save water and respond to water shortages. Procure energy-saving production facilities and phase out high-energy-consuming process equipment to improve energy efficiency and achieve the annual electricity saving target of 1%. Signed contract with Taipower to set contracted capacity for power consumption by plants to achieve the goal of energy-saving and carbon reduction. Develop renewable energy, install solar PV facilities. Improve the process and evaluate switching from 100% CO2 shielding gas to a mixture of 20% CO2 and 80% Ar in Xinying factory in 2025. In order to enhance the ability to respond to climate change and avoid impacts on operations, each unit will allocate budget for post-natural disaster (typhoons, floods, earthquakes, etc.) repair, formulate preventive measures and conduct post-disaster reviews. The TCFD team conducts inter-departmental meetings to identify and assess possible impacts of climate change on the Company's operations, and respond to strategies on transition risks, physical risks and opportunities. For more details, refer to the TCFD Report.

In 2025, Evergreen Steel published its third "Task Force on Climate-related Financial Disclosures (TCFD) Report."

EGST's website
Report Downloads





CHAPTER

3

— Product and Value Chain —

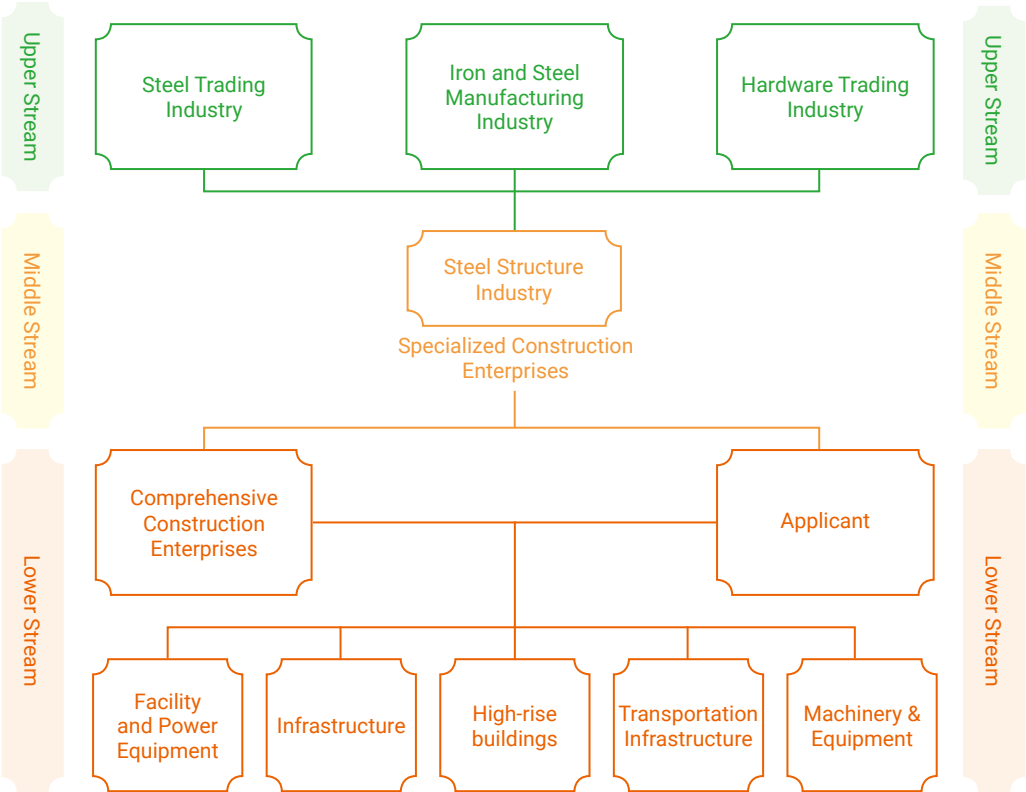
3.1	Products and Sales	053
3.2	Quality Control	056
3.3	Customer Service	059
3.4	Sustainable Supply Chain Management	063
Column	Outstanding Supplier Achievements	068

3.1 Products and Sales

3.1.1 Product Description

The Company is a steel structure manufacturer, with businesses across Taiwan and some overseas areas. The main products are widely used in constructions of power plants, electronics plants, incinerators, aircraft maintenance hangars, super high-rise buildings, office buildings, residential buildings, long-span bridges, arched bridges, and cable-stayed bridges.

Interrelationships among the upper, middle and lower stream of the steel structure industry



Source: ITIS Project by Metal Industries Research & Development Center

Evergreen Steel — is one of the major steel manufacturers in Taiwan

Product or Service Item	Steel structure manufacturing and assembly, Container maintenance
Region of Sales	Taiwan
Type of Customers	Comprehensive construction, builder, public construction projects (public housing, steel bridges), buildings, electronics plants, logistics plants
Sales Volume (ton)	123,773

Domestic sales represented 100% of total sales in 2024.

Sales of steel structure components over the last three years						
Annual Sales Regions	2022		2023		2024	
	Sales (NT\$ thousands)	Percentage (%)	Sales (NT\$ thousands)	Percentage (%)	Sales (NT\$ thousands)	Percentage (%)
Domestic Sales	8,857,305	100	8,011,402	100	9,828,840	100
Export Sales	0	0	0	0	0	0
Total	8,857,305	100	8,011,402	100	9,828,840	100

3.1.2 Financial Performance

The Company's 2024 performance was impacted by the government's real estate market policy, inflation, and other factors. Conversely, thanks to urban regeneration projects, residential buildings, technology factories and reconstruction of dangerous and old buildings, the Company maintain steady production for the steel structure market. Fulfillment of some steel structure orders was delayed due to clients' design changes and delays in construction projects. However, thanks to the consistently strong performance of the steel structure industry and our various business units properly managing costs, the Company's steel structure business net profit still increased compared to 2023.

Item	Year	Unit: NT\$ thousands			
		2022	2023	2024	Difference between 2024 and 2023
					Amount Percentage (%)
Operating Revenue		11,439,152	11,090,533	12,917,338	1,826,805 16.47
Operating Cost		8,486,393	7,194,816	9,444,265	2,249,449 31.26
Gross Profit		2,952,759	3,895,717	3,473,073	(422,644) (10.85)
Operating Expenses		562,879	560,563	609,140	48,577 8.67
Operating Profit		2,389,880	3,335,154	2,863,933	(471,221) (14.13)
Non-operating Income and Expenses		1,058,920	1,522,808	650,429	(872,379) (57.29)
Profit before Income Tax		3,448,800	4,857,962	3,514,362	(1,343,600) (27.66)
Income Tax Expense		359,639	544,157	610,764	66,607 12.24
Profit for the Year		3,089,161	4,313,805	2,903,598	(1,410,207) (32.69)
Other Comprehensive Income		(3,106,607)	1,100,558	4,367,629	3,267,071 296.86
Total Comprehensive Income for the Year		(17,446)	5,414,363	7,271,227	1,856,864 34.30
Employee Salaries and Benefits		680,240	734,083	802,709	68,626 9.35
Financial Contribution to the Government		20,799	22,690	28,917	6,227 27.44
Donations		1,239	1,583	1,751	168 10.62

◦ Analysis of changes between 2024 and 2023:

- Decrease in gross profit: Mainly due to decrease in waste processed and electricity sales with maintenance and upgrades at Hsin Yung Enterprise Corporation and the increase in Ever Ecove Corporation's amortized service concession rights and other contractual payments.
- Decrease in non-operating income and expenses: Mainly due to a decrease in dividend income.
- Increase in other comprehensive income (net value after tax): Mainly due to an increase in unrealized gains from investments in equity instruments measured at fair value through other comprehensive income.
- The data source is the CPA-certified consolidated financial statement of the parent company and subsidiaries, consistent with the disclosed information in the Company's Financial Statements.
- For detailed information, please refer to [the Company's website \(Investor Services → Financial Information\)](#).

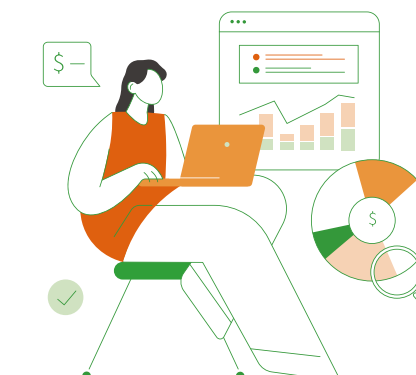
The Company complies strictly with all tax regulations. Each responsible unit handles taxes according to their respective categories. The financial unit follows tax laws such as the Income Tax Act, Regulation Governing Assessment of Profit-seeking Enterprise Income Tax, Value-added and Non-value-added Business Tax Act, Tax Collection Act, Stamp Tax Act, Securities Transaction Tax Act, and other relevant financial tax laws. Other applicable tax laws are handled by the respective units. Financial statement and annual report information are disclosed on the Company's website.



Financial Statements



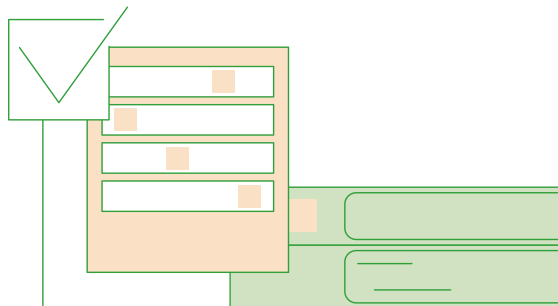
Annual Report



3.1.3 Research and Development

The Company focuses on innovative tech R&D and improves equipment to increase production capacity and efficiency. There were four improvements to the steel structure business:

1. The Company worked with external suppliers to explore options to reuse its waste and jointly proposed the idea to use submerged arc welding slag (industrial waste from the manufacture of steel structures) as an additive and applied for a permit for a single project for CLSM (Controlled Low Strength Materials). The trial result report was submitted for review in December 2024 and the Company is expecting to obtain the permit for this single project in the second half of 2025.
2. Improved efficiency by replacing old cranes. Due to the sheer number of old cranes that need to be replaced, they will be replaced in batches over several years. The Company replaced 7 cranes and 3 crane winches in 2024 and will continue to update equipment annually after 2025.
3. The Company's collaboration from 2022 to 2025 with the National Center for Research on Earthquake Engineering allows both parties to work together to develop AI-assisted automated diaphragm welding. By incorporating AI, robotic arms, laser scanning/monitoring and welding machines, the two institutions are developing efficient AI-driven automated welding technology. Both parties will continue to keep track of the feasibility of this technology in real-world applications to enhance work efficiency. R&D results passed review by the National Science and Technology Council in 2024. Starting in 2025, National Taiwan University has taken charge of the collaboration project, which is scheduled to conclude the industry-academia collaboration in Q4 2025.
4. The Company enhanced the quality of painting, optimized the painting process, and reduced the impact of volatile organic compounds on the environment. The Company has planned improvements for the coating area environment and pollution prevention measures at the Xinying Factory, with construction and installation set to begin in the second half of 2025.



3.2 Quality Control

The Company is a professional steel structure manufacturer. The main products are steel structures for constructions, factories, and bridges. Our processes include steel plate cutting, assembly, electric welding, coating, and installation with strict quality control to meet projects' quality requirements. Regular training on advanced production and inspection technology and license qualification helps reach quality goals and increase customer satisfaction.

Quality Policy

The Company has established a quality policy to implement and establish a strict management review system to supervise the performance of quality management.

- ✳ Safety is prioritized with continuous enhancement of the work environment.
- ✳ Quality is paramount to lowering failure rate.
- ✳ Lowering complaints and increasing customer satisfaction.
- ✳ Sustainable business development and balanced production capacity.

Relevant units hold weekly and monthly meetings to review production and quality management. Safety, public health, customer complaints, production capacity, processes, and quality target are reviewed and improved annually at ISO 9001:2015 management reviews to continuously improve the quality system. Objectives are discussed annually at ISO 9001:2015 management reviews, and all quality objectives are met in 2024.

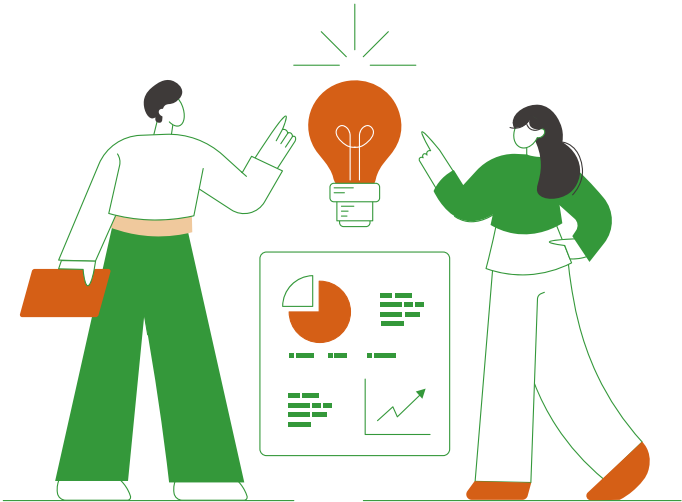
2024 Performance Overview

Item	Annual Target	Performance				
Occupational accidents (on-site)	0 deaths, under 4 injuries	0 deaths, 3 injuries				
Customer complaints	Under 4 cases	4 cases				
Client satisfaction	Average of survey items over 3.5 with each item over 3.	Quality	Delivery	Service Attitude	Complaints	
		First half	4.5	4.5	4.6	4.2
		Second half	4.6	4.6	4.9	4.6
Defect rate of finished products	Buildings, factories under 1.8%, bridges under 1.6%	Buildings, Factories 0.299%; Bridges 0.028%				
UT Detection Defect Rate	SAW under 1.8%, SES under 0.7%, bridges under 2.6%.	Buildings - SAW 0.182%, SES 0.168%; Bridges 0.34%				
RT Detection Defect Rate	Buildings and factories under 3.2%, bridges under 2.6%	Buildings, Factories 0%; Bridges 0%				
Performance of External Providers	Evaluation score of at least 80	Manufactures	Design Companies	Production Planning Division Suppliers	Machinery & Materials Supplier	
		First half	94	90.78	96.39	87.4
		Second half	93	89.4	95.87	87.4
BH Self-Check Defect Rate	Under 2%.	0.378%				
BOX Self-Check Defect Rate	Under 1%.	0.683%				
Bridge Box Girder Weld Visual Inspection Defect Rate	Under 2%.	0.478%				
Process Performance	Average score at least 15	First half 18.4, Second half 18.4				

★ Performance and Management System and Verification

The Company is a professional steel structure manufacturer, specializing in the production of building steel structures, factory steel structures, and bridge steel structures. Its products have obtained international certifications such as ISO 9001 and ISO 45001. As of 2024, the Company has not violated any health and safety regulations related to its products and services.

Statistics of Products Obtaining International Certification Systems and Safety Certifications		
Product Item	Safety Certifications	Percentage of Assessed Products or Services Provided to Clients
Building steel structures, factory steel structures, and bridge steel structures...etc.	<ul style="list-style-type: none">ISO 9001:2015 Quality Management System verification.ISO 45001:2018 Occupational Health and Safety Management System verification.Radiation Inspection Operation Approval for the Steel Industry, incoming steel is required to be provided with a Radiation Free Certificate by suppliers and tested to ensure it is 100% radiation free.Non-destructive inspections certified by the Taiwan Accreditation Foundation (TAF), certification number: 3161.Welded H-beams for structures obtained the CNS Mark from the Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs (CNS 12681/ ISO 9001:2015).	100%
	Note: Percentage of Assessed Products or Services Provided to Clients=(Assessed products or services provided to clients/Total amount of products or services provided to clients)*100.	



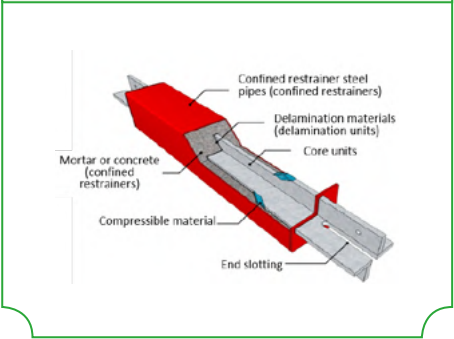
★ Product Compliance Information Disclosure

The Company provides safe building structures. Steel structure products have ISO 9001:2015-compliant standardized documentation to ensure quality of all procedures (including products and services) and customer satisfaction. From steel feedstock, cutting, assembly, electric welding, to finished products, procedures are carried out with the following requirements:


Procedure	Standard	Inspection station	Contract Supervisor and Special Supervisor
Steel Feedstock Inspection	CNS, JIS, ASTM and JASS	The contract requires suppliers to conduct testing and provide reports, which are reviewed along with the materials.	Periodic sampling that is sent to the TAF metal lab for testing.
Assembly Dimensions	AWSD1.1, JASS 6 steel structure specification, quality control standards	Online inspections	Periodic inspections
Electric Welding Inspections	AWSD1.1, JASS 6 steel structure specification, quality control standards	Inspections certified by The Society for Nondestructive Testing & Certification of Taiwan and conducted by welding inspectors.	Inspection by TAF non-destructive testing companies or supervisors
Finished Product Inspection	AWSD1.1, JASS 6 steel structure specification, quality control standards	Online inspections	Periodic inspections
Field Installation	AWSD1.1, JASS 6 steel structure specification, quality control standards	Online inspections	Continuous inspections

The Company manufactures and provides seismic components (buckling-restrained braces) following contract specifications. When an earthquake occurs, the premium, resilient steel absorbs seismic energy, reducing building motion and shaking and improving comfort. The Company provides steel structure products with Structural Accreditation to ensure the safety of public buildings and respond to losses caused by earthquakes. We participated in various construction and public works projects, such as the Hehuan Landmark building project, Chonghong's technological office building project on the Ruanqiao section in Beitou, Public urban renewal on Minquan East Road for Kindom Construction Corp., and Fubon's development project next to the Aozihdi station of Kaohsiung Metro, providing steel structure products with seismic components.

Buckling-restrained brace structure schematic



Buckling-restrained brace testing



Frequency

Inspected Items

—	Document review on construction, hoisting, welding plans, and working drawings
Periodicity	Material sampling In-factory process inspections: cutting, assembly, electric welding processes, finished components
Continuity	Field inspection: finished components, component correction, bolt locking, electric welding processes. Welding inspectors inspect electric welding processes, and TAF non-destructive inspectors inspect welding runs.

3.3 Customer Service

3.3.1 Information Security Management

To strengthen information security management and ensure the security of data, systems, equipment, and networks, as well as the accuracy and availability of information processing, the reliability of software, hardware, and network systems used by operators, and to protect these resources from interference, damage, or intrusion that could harm information assets, this policy is established in accordance with the "Cybersecurity Management Act" and its Enforcement Rules as follows:

* Information Security Policy

Personnel Management	<ul style="list-style-type: none"> Conduct regular information security training and awareness programs to build employees' security awareness and enhance overall information security standards. Strengthen training for information security management personnel to improve their management capabilities.
Computer Security Management	<ul style="list-style-type: none"> Establish information security defense mechanisms such as firewalls, intrusion detection systems, and antivirus software.
Access Control	<ul style="list-style-type: none"> Grant corresponding permissions based on job responsibilities and conduct regular reviews. Implement an information early warning system to immediately notify relevant personnel of any unauthorized activities.
Asset Management	<ul style="list-style-type: none"> Implement a computerized asset management system.
Audit System	<ul style="list-style-type: none"> Conduct regular audits by internal and external units to ensure personnel comply with information security management requirements.

To ensure the effectiveness of information security practices, this policy is periodically reviewed by relevant departments and, based on the latest technological and business developments, amended as necessary while complying with applicable laws and regulations.

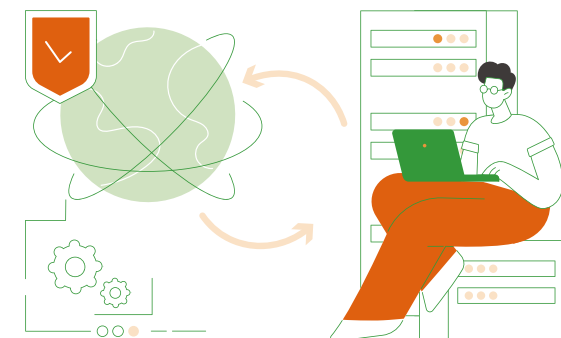


* Information Security Protection and Control Measures

The specific management measures are as follows:

Access Control and Encryption Mechanism Management	
Network Security Control	<ul style="list-style-type: none"> Users are prohibited from installing personal computers or network communication devices within the office without authorization. Users must comply with network security policies. Any violation of network security will result in restrictions or revocation of network access rights according to information security regulations.
Permission Management	<ul style="list-style-type: none"> Password setup principles should avoid easily guessable or personal information-based passwords. User accounts and permissions shall be granted based on business needs; personal accounts must not be shared. When a user is transferred or no longer requires access to information systems, their accounts and permissions should be immediately disabled or removed.
Encryption Management	<ul style="list-style-type: none"> Sensitive information must be encrypted during storage and transmission. Encryption protection measures should avoid retaining decryption keys; if encryption is suspected to be compromised, immediate changes must be made.
Operations and Communication Security Management	
Control Measures for Malware Prevention	<ul style="list-style-type: none"> Hosts and personal computers must have antivirus software installed and maintained regularly for both hardware and software. Files obtained from any type of storage media must be checked for malware or viruses. Users are prohibited from installing unauthorized, suspicious, illegal, or business-unrelated software without permission.
Email Security Management	<ul style="list-style-type: none"> Users must exercise caution when using email and avoid opening emails from unknown sources. Confidential or sensitive information should not be transmitted via email unless encrypted or protected according to relevant policies. Users must not use company-provided email services for activities that infringe on others' rights or violate laws. Regular social engineering drills related to email security should be conducted and reviewed.

Operations and Communication Security Management	
Ensuring Physical and Environmental Security Measures	<ul style="list-style-type: none"> Information and related ICT equipment must be properly stored and are not allowed to be removed from the office without management authorization.
Media Protection Measures	<ul style="list-style-type: none"> Confidential and sensitive data stored on portable devices such as USB drives or disks must be properly secured. When transferring information via physical storage media, proper packaging and authorized personnel should be used.
Security Management for Personal Computer Usage	<ul style="list-style-type: none"> Personal computers must be logged out immediately or set to auto-lock when not in use. Installation and use of unauthorized software are prohibited. Personal computers must regularly update operating systems, patches, and antivirus definitions. Any cybersecurity issues must be reported promptly through company reporting procedures. Important data must be backed up regularly.
Information and Communication Security Protection Equipment	
	<ul style="list-style-type: none"> Firewalls must be updated and maintained regularly for both firmware and hardware. Firewall configuration files should be backed up as necessary.



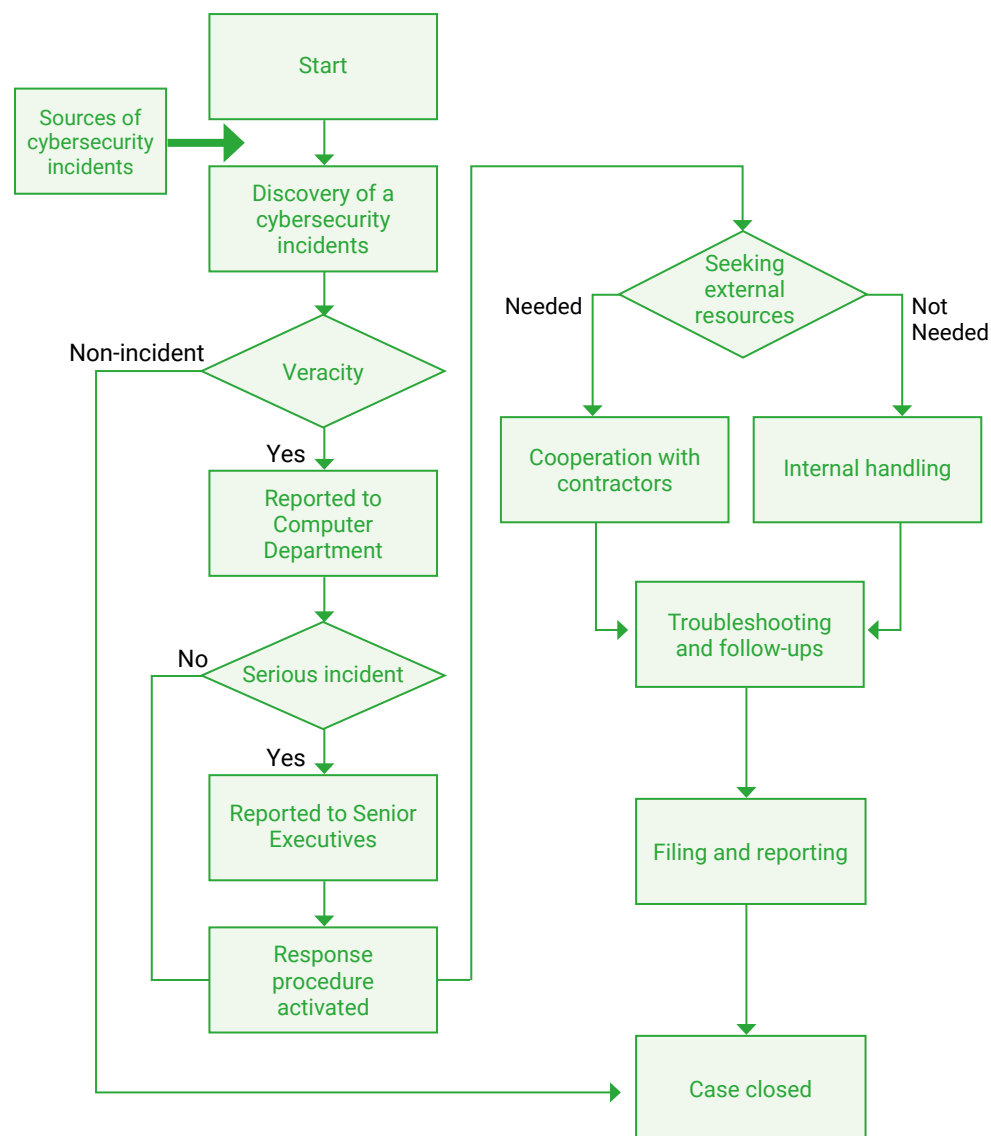
3.3.2 Customer Privacy

The Company places great importance on customer information confidentiality and privacy. We implemented the following policies to provide the best protection for the information provided by customers. Any measures required to address regulatory impacts on relevant departments were introduced and implemented by specialized project teams, and the Company also established management procedures and enhanced information security controls to ensure compliance with regulations and reinforce customer data security protection. The Company had no cybersecurity incidents in 2024, nor was there any infringement of privacy or leak of data resulting in customer complaints or affecting customer interests.

- All company computer systems require authorization for use. Department users must apply for user accounts and application access, which are approved by department supervisors and the Computer department, granting formal access to the computer systems. Unauthorized personnel cannot access customer-related information.
- At least one disaster recovery drill is conducted annually to ensure effective restoration of data in case of system damage, preventing data loss.
- Information security announcements are issued quarterly, and at least one employee training session is held annually to reinforce cybersecurity awareness and maintain continuous data protection.
- At least two social engineering drills are conducted annually to enhance employee cybersecurity awareness, fostering vigilance and habitual scrutiny.
- Customer privacy and data protection are prioritized by performing monthly vulnerability scans to verify system security strength. Any identified weaknesses are promptly addressed to mitigate risks of external data breaches.

Disaster Recovery Drill	Disaster recovery drill completed in November 2024.
Information Security Announcements	Two information security announcements were issued in February and June 2024.
Employee Training	Employee training was completed in November 2024.
Social Engineering Drills	Two social engineering drills were completed in November 2024.
Vulnerability Scanning	Twelve vulnerability scans were completed in 2024.

Cybersecurity incident reporting procedure



3.3.3 Customer Satisfaction

The Company has customer service handling procedures. When receiving a complaint, we follow the Customer Service Handling Procedure formulated by the Company to file a Complaint Handling Record and investigate causes before relevant units propose solutions. Solutions are presented to clients as soon as possible and implementation and results are tracked.

In 2024, the Company had 4 cases of customer complaints regarding factory painting and assembly and coordination of on-site operations. The Company ordered responsible units to make immediate improvements and report the handling of the complaints to clients. The Company also instructed the contractors to conduct additional inspections before shipping each batch of components and to enhance coordination among on-site personnel. These improvements have been satisfactory to the client.

The Company conducts a customer satisfaction survey every six months, formulating and rigorously following improvement measures. Implementation is documented through Customer Satisfaction Analysis Data, which is reviewed in the Annual Management Review Meeting, meeting customers' needs and laying the foundation of mutual trust.

Customer satisfaction over the past three years						
Year	2022		2023		2024	
Item	First Half	Second Half	First Half	Second Half	First Half	Second Half
Surveyed Events	13	12	11	11	13	13
Number of Events Below Standards for Individual Items (5 Points Overall with 3 as Standard)	1	0	0	0	0	0
Number of Events Below Standards for Overall Scores (20 Points Overall with 14 as Target)	2	0	0	0	0	0

3.3.4 On-time Delivery

To facilitate contractor management, the Company has established a Key Performance Indicator (KPI) target of 100% on-time delivery and issued shipment notices in advance, which clearly note shipment dates, numbers, locations, and content so that the materials, semi-finished products, and finished products can reach recipients on time. The quality of each shipment was excellent and caused no delays to construction, which is why we are trusted by customers.

Shipment trips over the past three years			
Year	2022	2023	2024
Hsinchu Factory	2,201	1,344	2,338
Xinying Factory	6,445	5,746	6,583

Note: The number of deliveries listed in the above table all represent 100% on-time delivery according to the project site's required dates.



3.4 Sustainable Supply Chain Management

3.4.1 Supplier/Contractor Evaluation and Management

* Supplier Evaluation and Management

Evergreen Steel's supply chain management is categorized into equipment and material procurement, transportation, security personnel, and providers, which are managed by different responsible units. The screening and selection mechanism of new suppliers are stipulated in the Procurement Management Procedure and Supplier Management Procedure, which also include corresponding review rules. The review procedure is as follows:

The procurement departments are responsible for finding new suppliers and conducting preliminary document reviews. Once a supplier passes the preliminary review, the procurement departments will complete the basic information on a Supplier Evaluation Form and gather QC personnel to form an evaluation team, where a procurement department division chief acts as the team leader. The evaluation focuses on the supplier's sales performance, samples, and business review, with weights of 40%, 40%, and 20%, respectively. The evaluation scores are divided into five ratings, with the evaluation criteria as follows:

A	80 or more	Can be registered on the "List of Qualified Suppliers," becoming an official supplier
B	70~79	Can be registered on the "List of Qualified Suppliers," becoming an official supplier
C	60~69	Can be registered on the "List of Qualified Suppliers," becoming an official supplier
D	Below 59	Can't be registered on the "List of Qualified Suppliers"
E	Special Registration	<p>Special Registration: Suppliers that fail the evaluation but meet the following conditions may be listed as Qualified Suppliers with Special Registration upon approval by the head of the procurement department:</p> <ul style="list-style-type: none"> Supplier designated by client or central factory Market monopoly Evaluation score is close enough, and the Company cannot find another qualified supplier immediate.

New suppliers passing the evaluation will be registered on the Company's List of Qualified Suppliers.

New supplier evaluation of Xinying Factory and Hsinchu Factory over the past three years			
Year	2022	2023	2024
Number of qualified new suppliers	4	5	6

To strengthen supply chain management, the Company requires all material procurement vendors to formulate anti-corruption clauses in the contract, as well as contract termination clauses in contracts and orders: when in case the selling party is found to have violated ethical principles (such as: offering and receiving bribes, offering illegal political contributions, or offering inappropriate charity donations or sponsorships...etc.); or violated social welfare principles (for example: discrimination, violation of gender equality, infringement of the right to work...etc.); or violated corporate social responsibility for developing a sustainable environment and caused impacts on the environment, party A may terminate or suspend the contract and demand compensation for damages. The Company also promotes the signing of the "Corporate Sustainability Commitment" to implement sustainable supply chain management.

The Company conducts supplier evaluation with the Procurement Department as the organizer, which is in responsible for the collection, statistical analysis, and compilation and reporting of all evaluation data, and Quality Control Section and Material Management Section as the co-organizers that are in charge of providing records on quality or delivery deficiencies. The Procurement Department analyzes the data and reports on the results. Evaluation is held at least once a year and as needed. Evaluation samples must cover at least three months, and results are rated in 4 levels as follows:

A	80 or more	Prioritized for ordinary procurements.
B	70~79	Substitute suppliers when problems occur during ordinary procurement.
C	60~69	Procurement is suspended. But when problems occur with A and B level suppliers and there is an urgent need, limited purchase is allowed.
D	Below 59	Procurement is not considered.

Suppliers that fail the evaluation must make improvements and pass re-evaluation before the next transaction. In 2024, 81 material suppliers were evaluated, and the pass rate was 100%.

The Company has established preventive and remedial measures. In case of a major deficiency, the Company will quickly review the situation and decide on the method of correction; conduct supply chain risk assessment and formulate supplier sustainability scoring scheme as a part of supply chain risk assessment along with delivery, quality, financial status, and operations, as important criteria of procurement. When a supplier is found to have environmental or social issues, remedial measures shall be immediately implemented, such as asking the supplier to carry out improvements, etc.

The Company cooperates with suppliers to fulfill corporate social responsibility. We regard our suppliers and contractors as important partners. The Company hopes to establish symbiotic and long-term cooperative relationships with our suppliers. Evergreen Steel values quality, delivery time, and price of the supplied products and established the Supplier Corporate Social Responsibility Management Guidelines for the steel industry, incorporating CSR into supplier and contractor contracts, who are required to sign a Supplier/Contractor's Corporate Sustainability Commitment or issue an ESG report on CSR fulfillment. Through completing Evergreen Steel Supplier/Contractor Self-Evaluation Questionnaires, the Company tracks suppliers' implementation of corporate social responsibility. We hope to jointly fulfill corporate social responsibility with our suppliers targeting the aspects of ethics, labor rights, environment, health and safety, and management system, while also ensuring risk management and business continuity. In 2024, a total of 84 main suppliers signed the "Corporate Sustainability Commitment", at a rate of 100%. And there were no losses resulting from unsound management of suppliers.

★ Contractor Evaluation and Management

The steel structure industry is labor-intensive. Steel structure production at the Xinying Factory and Hsinchu Factory were mostly contracted out to professional Taiwanese manufacturers. Contractor selection involves evaluation on quality, delivery time, staffing, and manufacturing experience. Qualified contractors are assigned a registration code in our system and will be flagged when eligible for our projects.

For contractors to quickly adapt to Evergreen Steel's occupational safety and health, as well as quality requirements, the Company has formulated Contract Management Procedures and Quality Management Procedures, detailing occupational safety and health and steel structure component quality management requirements and standards. These procedures are part of contractor terms and conditions, and contractors must comply with Evergreen Steel's working guidelines for occupational safety and health. The Company reserves the right to terminate or suspend the contract with the contractor when an event with major environmental and social impacts occur.

The Xinying Factory and Hsinchu Factory perform evaluations every six months per ISO 9001:2015 Contractor Management Procedure. The evaluation scores are divided into three ratings, with the evaluation criteria as follows:

A	85 or more	Priority contractor when workload increases.
B	70~84	Maintain existing assigned workload; listed as subject of guidance by outsourcing unit with a score of and below 74.
C	Below 69	Consider decrease of assigned workload.

Main contractor evaluation results over the past three years							
Item	Period	2022		2023		2024	
		First half	Second half	First half	Second half	First half	Second half
Manufacturing Contractors	Number of Evaluated Contractors	36	36	36	36	37	34
	Rating	A	A	A	A	A	A
Drawing Contractors	Number of Evaluated Contractors	9	6	9	9	10	8
	Rating	A	A*5 B*1	A	A	A*8 B*2	A*6 B*2

The Kaohsiung Factory has Contractor Evaluation Guidelines that stipulate annual contractor evaluation, and its results serve as a key factor in contract renewal to create fair competition.

All of the main contractors were passed the evaluation over the past three years			
Year	2022	2023	2024
Number of Evaluated Contractors	5	5	5
Evaluation Result	Pass	Pass	Pass

To eliminate the use of child labor by contractors, each factory has implemented measures to manage contractors. New employees hired by contractors must apply for a work permit from the Company within one week. They are required to submit a basic information inquiry form, relevant identification documents, and a labor insurance enrollment list. These documents are filed internally for inspection at any time, ensuring that no child labor is employed. In 2024, none of our contractors were found to have employed child labor or forced labor.



3.4.2 Material Procurement Management

✧ Procurement Strategy

Our suppliers provide materials, equipment, production, and services and can be categorized as labor, capital, and technology-intensive types. The main suppliers of materials are based in Taiwan. To ensure that suppliers meet Evergreen Steel's corporate sustainability policy requirements, the Company conducts annual evaluations of main suppliers, the following selection criteria are designated:

- The quality of raw materials must comply with CNS standards or its equivalents.
- Suppliers with good reputation and consistent quality.
- Suppliers who deliver promptly and are cooperative.

In 2024, a total of 81 main suppliers of materials for the Xinying Factory and Hsinchu Factory were all Taiwanese companies. Raw materials necessary for steel structure projects include steel plates, H beams, flat steel, and welding materials, among which steel plates and H beams were the main raw materials for steel structures. In Taiwan, the primary steel plate manufacturer is China Steel, and the largest beam makers are Tung Ho Steel and Dragon Steel. The Company carries out regular steel supplier evaluations as well as annual supplier evaluations of price, quality, delivery and service.

Raw materials are mainly procured from China Steel/Dragon Steel of CSC Group. CSC Group has pledged to use no metals from the Congo (gold) and its surrounding countries in all of its products and packaging, or conflict minerals from areas in these countries under the control of any armed forces; through strengthened supply chain management, effective identification and traceability of raw materials, the Company does not include any mines with concerns of conflict into investment evaluations and consideration of materials sources. CSC Group, when procuring equipment and materials, will also pay attention to the human rights situation in the source countries and makes adjustments accordingly; also, CSC Group has stipulated in tender instructions/contract articles regulations governing bribery, infringement of rights, and ESG rules upon entering CSC Group's factories. In 2024, CSC Group conducted environmental and social impact assessments on over two thousands suppliers in accordance with the Occupational Safety, Hygiene, Pollution Prevention of Procurement and Contracting Rules, and the results showed that all suppliers had risks below the moderate level. The issuance of sustainability reports by suppliers and their participation in various sustainability-related assessments can also serve as references for supplier management. Approximately 90% of our main materials suppliers have issued sustainability reports. CSC and Tung Ho Steel both achieved Leadership Level A- score in the 2024 CDP Climate Change Questionnaire. None of our suppliers in 2024 have caused significant negative impacts on the environment and society.

The main materials required by the Kaohsiung Factory include processed steel products such as corrugated sheets, angle irons, channel irons, stainless steel plates, container accessories, and composite floor panels. In 2024, there were a total of 39 main materials suppliers. Domestic suppliers are located across northern, central, and southern Taiwan, while international sourcing is primarily from China and Malaysia. The Company conducts irregular evaluations of suppliers based on factors such as price, quality, specifications, delivery time, and service.

Raw material procurement over the past three years

Contract Type	Procurement Region	2022		2023		2024	
		Number of Suppliers	Ratio of local procurement	Number of Suppliers	Ratio of local procurement	Number of Suppliers	Ratio of local procurement
Labor (undertakings and services)	Domestic	134	100%	141	100%	155	100%
	Foreign	0		0		0	
Property (raw materials)	Domestic	106	100%	110	100%	118	98%
	Foreign	0		0		2	
Total		240	100%	251	100%	275	99%

Note:

1. Domestic refers to the Taiwan region, while foreign refers to areas outside Taiwan (e.g., the United States, Vietnam, etc.).
2. All labor services of the Company are sourced from the Taiwan region. Property procurement is primarily conducted within Taiwan, while the Kaohsiung Factory procures some materials from China and Malaysia.

Ratio of major suppliers' purchases to net material purchases over the past three years

Factory	Year	2022	2023	2024
Xinying Factory and Hsinchu Factory	Steel Structure	79.34%	80.15%	79.39%
Kaohsiung Factory	Container Steel Products	42.74%	42.4%	36.33%
Kaohsiung Factory	Plywood Board	28.2%	19.78%	22.24%

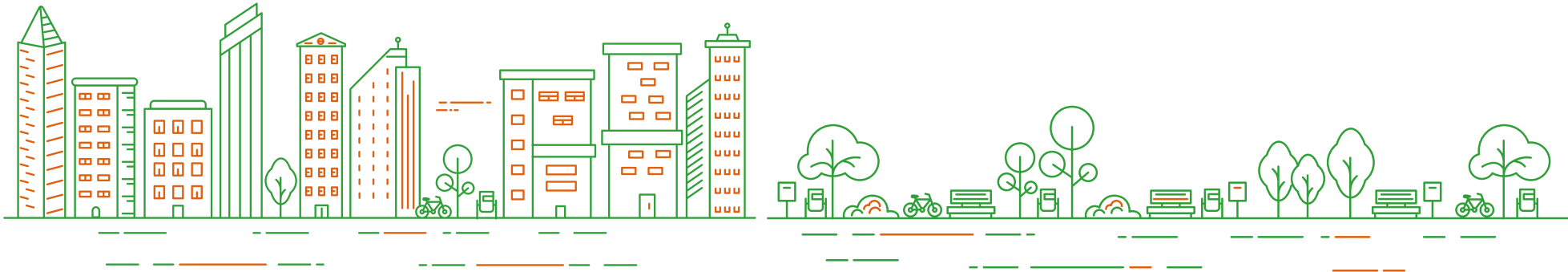
The primary raw material supply for steel structure projects is determined based on the specific contract requirements of each project, to contract out design drawings or procure main raw materials for steel structures from our partners. The main sources of materials are from long-term business partners such as China Steel, Dragon Steel and Tung Ho Steel. The Company has long-term stable partnerships with suppliers, which has ensured supply stability, and there have never been supply interruptions. Comprehensive market information and strict quality/delivery schedules ensure the timely supply of all raw materials and equipment.

The main raw material used in the production of steel structure components and products at the Xinying Factory and Hsinchu Factory is steel, which is a non-renewable resource. The scrap generated after production cannot be recycled and reused internally. Instead, it is recycled and sold to scrap metal recyclers, eventually becoming raw material for upstream steel production at steel mills. Reducing the amount of scrap produced through steel structure production can help to effectively lower costs. Over the past three years, the percentages of scrap recycled from steel structure products were 5.08%, 4.46%, and 4.64%, respectively.

Note: Calculation formula=Total scrap iron recycled by the Xinying Factory and Hsinchu Factory ÷ Total steel material procured.

The main raw material used for container repair at the Kaohsiung Factory include corrugated steel sheets, angle bars, channel bars, stainless steel plates, container fittings, and plywood flooring. Except for plywood flooring is a renewable resource, and other materials are non-renewable resources. To achieve energy-saving targets, the Kaohsiung Factory not only promotes control of materials usage to contractors and conducts thorough inspections and verifications at requisition, but also sets a quantitative indicator (3%) for the loss rate of commonly used materials; moreover, the Kaohsiung Factory counts the actual inventory of commonly used materials on-site every month, and calculates losses. In 2024, the loss rate of commonly used materials at Kaohsiung Factory consistently met the set target.

The Company does not use recycled materials, nor does it recycle sold products and their packaging materials.



Raw material usage over the past three years

Factory	Raw material	Unit	Renewable or Not	2022	2023	2024
Xinying Factory (including Hsinchu Factory)	Steel	10,000 Tons	Non-renewable	10.9	11.7	12.60
	Container Roof Panel	Tons	Non-renewable	2.3	2.102	0.934
	Container Side Panel	Tons	Non-renewable	10.716	2.966	2.733
Kaohsiung Factory	Container Cross Members	Tons	Non-renewable	21.7	17.078	10.064
	Square Tube	Tons	Non-renewable	1.03	0.924	0.851
	Plywood Flooring	Tons	Renewable	84	60.1	47.948

- Note:
1. Non-renewable resources refer to those that cannot be replaced within a short period of time, such as: coal, natural gas, metals, minerals, and oil; renewable raw materials refer to those that can be quickly replenished through ecological cycles or agricultural processes. Thus, there will be no shortage of services generated from these sources or other related resources, and can be continually used by future generations.
 2. All raw materials for steel structure production are procured by the Xinying Factory and then transported to the Hsinchu Factory for processing and production; thus, the Xinying Factory's data includes the Hsinchu Factory.

Column

Outstanding Supplier Achievements

In the past three years, the Company has been recognized for its outstanding performance by various organizations. From 2021 to 2023, it was awarded the "Outstanding Green Procurement Enterprise" by the Tainan City Government for three consecutive years. Other honors include the "2023 Senior Excellence Enterprise of Tainan City," "2023 Best Collaboration Partner Award from Te Chang Construction," and the "2024 Outstanding Supplier Award from Ding Tai Construction Group."

In alignment with government initiatives promoting a "Net-Zero Green Lifestyle" and environmental protection, the Company prioritizes procurement of products bearing environmental or green certifications. This commitment earned the Company the "Outstanding Green Procurement Enterprise" award for three consecutive years and invitations to the Tainan City annual Environmental Excellence Awards Ceremony.

Te Chang Construction and Evergreen Steel maintain a long-term strategic partnership, collaborating on significant domestic infrastructure projects including the partial reconstruction of Houfeng Bridge on Provincial Highway No. 13, the Taichung City New Government Center Council Building, the CL121 Chaozhou Train Depot project, and the Taipower Houli Substation.

In response to Taichung City's active development of four transportation hubs—Shuinan, Fengyuan, Taichung Railway Station, and Wuri—to integrate intercity buses, urban buses, and MRT systems, the Shuinan Transfer Center project was undertaken by Der Chang Construction. This multifunctional facility, consisting of four above-ground and three underground levels, provides public transit transfers, parking, and commercial functions. Evergreen Steel was responsible for the steel structure works, which were completed on schedule and with high quality. The topping-out ceremony was held in September 2023, where Evergreen Steel received the "Best Partner" award from Der Chang Construction.

Note: As the awards are evaluated based on the performance of the preceding year, the 2023 awards were presented in 2024.



2023 Te Chang Construction Best Collaboration Partner – Award Ceremony Photo



2024 Tainan City Outstanding Green Procurement Enterprise Award - Award Ceremony Photo



CHAPTER

4

– Environmental Sustainability –

Column	ISO 50001 & ISO 14001 Certification	070
4.1	Climate Action	072
4.2	Energy Resource Management	085
Column	Promoting High-Efficiency CO ₂ Inverter Welding Machine Replacement	088
4.3	Pollution Prevention	089

ISO 50001 & ISO 14001 Certification

To achieve sustainable development goals and enhance both energy efficiency and environmental management performance, the Company has implemented the ISO 50001 Energy Management System and ISO 14001 Environmental Management System. Through the establishment of a systematic management framework, we aim to strengthen energy utilization and environmental protection effectively.

With the guidance of a professional consulting firm, Evergreen Steel officially launched the program in March 2024 with a kickoff meeting, followed by a six-month training and implementation period. Thanks to the active participation and cooperation of all departments, the Company successfully completed external audits in October and November 2024 and obtained both ISO 50001 and ISO 14001 certifications. This accomplishment demonstrates the Company's commitment to energy efficiency and environmental sustainability.

- * ISO 50001: Energy Management System

The ISO 50001 standard focuses on establishing and maintaining a systematic energy management system, helping organizations effectively manage energy use, reduce waste, and improve energy performance. Key reasons for implementing this standard include:

1. **Reducing Energy Costs:** Through optimized energy use and the elimination of unnecessary waste, companies can significantly lower their energy expenditures.
2. **Improving Energy Performance:** ISO 50001 assists organizations in identifying critical areas of energy consumption and implementing improvements to enhance overall energy efficiency.
3. **Compliance with Regulatory Requirements:** As energy regulations become increasingly stringent in many countries and regions, ISO 50001 helps organizations comply with legal requirements and avoid potential penalties.
4. **Enhancing Competitiveness:** Companies with energy management certification can demonstrate their commitment to sustainability and environmental responsibility, which helps attract environmentally conscious consumers and business partners.
5. **Reducing Environmental Impact:** By reducing energy consumption, organizations can lower carbon emissions and mitigate environmental impacts, thereby supporting global carbon reduction goals.

Professional Consulting and Training Program



SPECIAL COLUMN

ISO 50001:2018 Certificate



Environmental Sustainability

ISO 50001 & ISO 14001 Certification

* ISO 14001: Environmental Management System

The ISO 14001 standard focuses on the design and implementation of an Environmental Management System (EMS) to help organizations identify and reduce negative environmental impacts. The primary reasons for adopting this standard include:

1. Improving Environmental Performance: ISO 14001 enables organizations to identify environmental risks and implement effective management measures, thereby minimizing adverse impacts such as air pollution, water wastage, and resource depletion.
2. Compliance with Environmental Regulations: As environmental laws and regulations become increasingly stringent worldwide, ISO 14001 helps companies ensure their operations comply with applicable environmental requirements, reducing the risk of penalties or legal disputes.
3. Enhancing Brand Image: Modern consumers are placing growing importance on corporate environmental responsibility. Achieving ISO 14001 certification enhances a company's brand image and helps attract environmentally conscious customers.
4. Resource Efficiency: Effective environmental management supports more efficient use of resources such as water, energy, and raw materials, contributing to cost reduction.
5. Promoting Sustainable Development: ISO 14001 encourages companies to consider long-term environmental impacts, supporting the transition to more sustainable business models.

The implementation of the ISO 50001 Energy Management System and ISO 14001 Environmental Management System represents a key strategy for the Company in response to growing energy management needs and increasingly stringent environmental regulations. By adopting standardized management mechanisms, the Company enhances operational efficiency, reduces environmental impact, strengthens overall competitiveness, and reinforces a positive corporate image.



SPECIAL COLUMN

ISO 14001:2015 Certificate



4.1 Climate Action

4.1.1 Task Force on Climate-Related Financial Disclosures (TCFD)

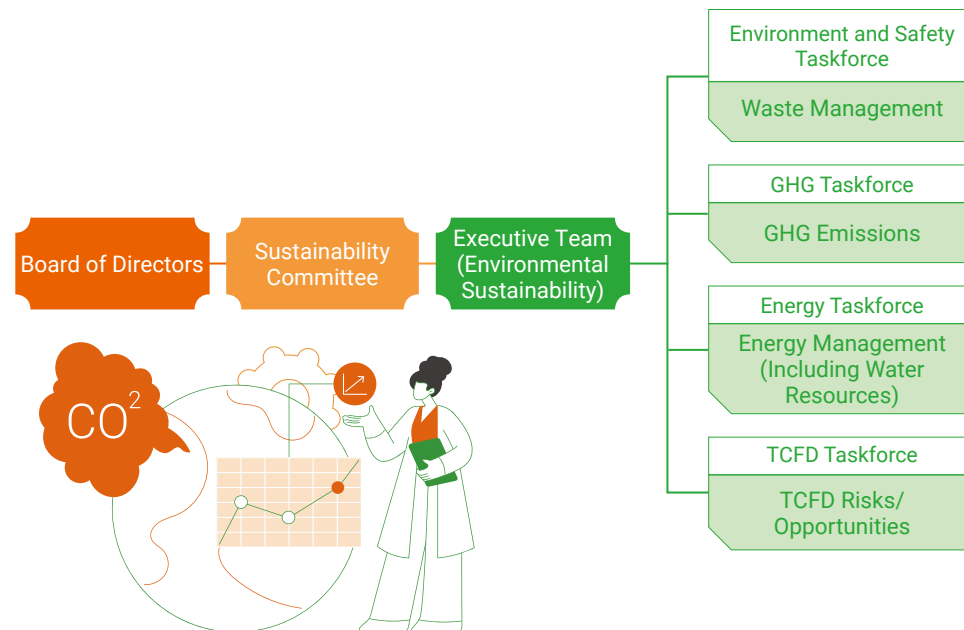
In the face of global climate change, the Company followed the Task Force on Climate-Related Financial Disclosures (TCFD) framework in 2023. We identified significant risks and opportunities that may impact our operations and developed corresponding response strategies. Additionally, we established climate-related indicators and goals for sustainable management, aiming to create greater benefits and value for the company.

In June 2023, the Company published its first TCFD report and plans to regularly publish an annual TCFD Report, keeping a close watch on trends of climate change and international responses, in order to achieve the goal of corporate sustainable management.



EGST's website
Report Downloads



Evergreen Steel Corp. Risk and Climate Change Management Organization

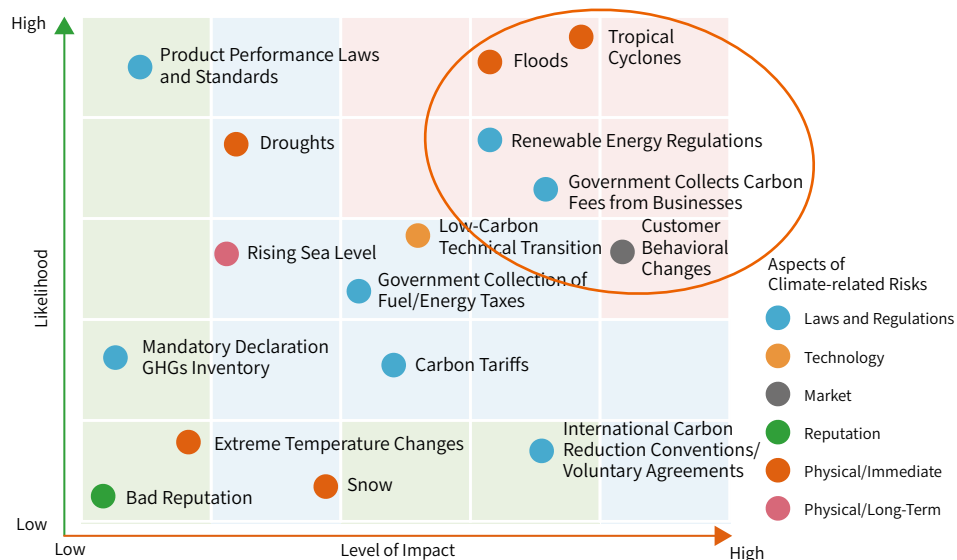


* Climate-related Scenario Analysis

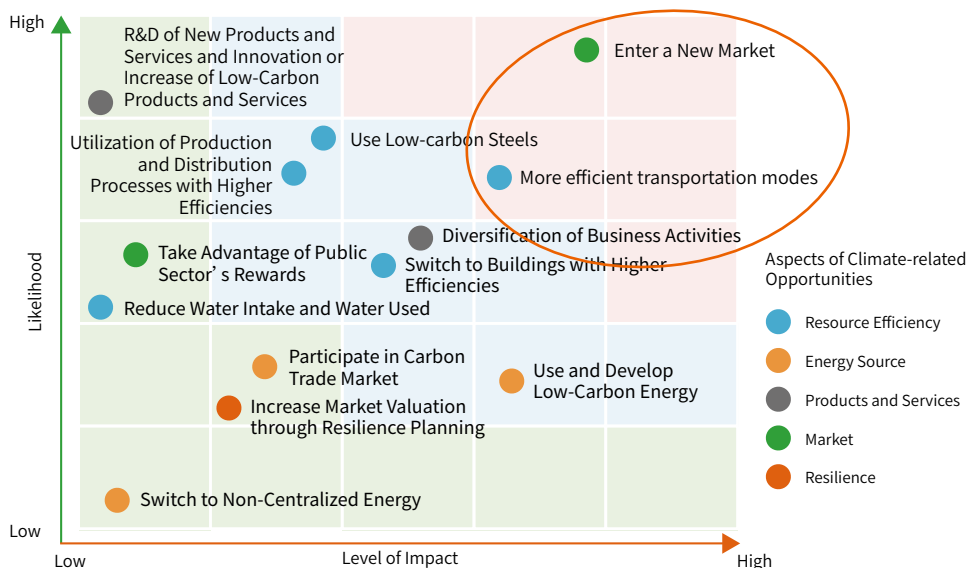
Climate-related Scenario Analysis		
Climate-related risk & opportunity types	The risk & opportunity scenario evaluated	Scenario
 <ul style="list-style-type: none"> Transition risk Opportunities 	<ul style="list-style-type: none"> 1.5° C scenario Taiwan's 2050 net zero pathway and strategy Taiwan's NDC for 2030 Taiwan's Climate Change Response Act 	<p>In alignment with the 2050 net-zero target worldwide, Taiwan published its "Taiwan's Pathway to Net-Zero Emissions in 2050" in March, 2022. The pathway is based on 4 transition strategies of Energy Transition, Industrial Transition, Lifestyle Transition, and Social Transition, as well as the 2 governance foundations of Technology R&D and Climate Legislation. The pathway aims to highly control the country's GHG emissions. The National Development Council published the targets of different stages and the key strategies towards the net-zero transition by 2050 in December 2022. The Ministry of Environment, at the end of 2024, announced that the total GHG emissions in 2030 should be within $28 \pm 2\%$ of the emission from the base year of 2005, 5% higher than the Nation Determined Contribution (NDC) of "$24 \pm 1\%$" objective announced by the National Development Council in 2022, which may impact the operation of this Company and its value chain.</p>
 <ul style="list-style-type: none"> Physical risk 	<ul style="list-style-type: none"> The SSP5-8.5 scenarios (worst global warming) from IPCC's 6th global climate report 	<p>Under the scenario of extremely-high GHG emissions (SSP5-8.5), climate change will worsen future's average temperature, maximum temperatures, annual rainfall, maximum 1-day rainfall intensity of the year, maximum consecutive numbers of days without rain and the percentage of severe typhoons, which may impact the operation of the Company and its value chain.</p>

The Company's TCFD Risk/Opportunity Taskforce convened a climate change risk and opportunity identification meeting, identifying 5 climate-related high-level risks and 2 climate-related material opportunities after conducting evaluation based on TCFD suggested framework.

EGST Climate-related Risk Matrix



EGST Climate-related Opportunity Matrix



Identified Major Climate-related Risks

Sequence	Climate-related risk	Boundary of the risk's impact on the business model and value chain			Time Period		
		Upper stream	The Company	Lower stream	Short-term	Mid-term	Long-term
Risk 1	(Transition Risk) – the government collects carbon fees from businesses	*	Xinying Factory	-	-	-	*
Risk 2	(Transition Risk) – Renewable energy regulations	-	Xinying Factory	-	*	*	*
Risk 3	(Transition Risk) – Customer behavioral changes	-	Xinying Factory Hsinchu Factory Kaohsiung Factory	*	*	*	*
Risk 4	(Physical Risk) – Extreme rainfall leading to floods	-	Xinying Factory Hsinchu Factory Kaohsiung Factory Super Max Engineering Hsin Yung Enterprise Ever Ecome Corporation	-	*	*	*
Risk 5	(Physical Risk) – Tropical cyclones	-	Xinying Factory Hsinchu Factory Kaohsiung Factory Super Max Engineering Hsin Yung Enterprise Ever Ecome Corporation	-	*	*	*

Identified Major Climate-related Opportunities

Sequence	Climate-related opportunity	Boundary of the opportunity's impact on the business model and value chain			Time Period		
		Upper stream	The Company	Lower stream	Short-term	Mid-term	Long-term
Opp 1	(Climate Opportunity) – Enter a new market	-	Xinying Factory	-	*	*	*
Opp 2	(Climate Opportunity) – More efficient transportation modes	*	Xinying Factory Hsinchu Factory	*	*	*	*

Risk 1: (Transition Risk) - the government collects carbon fees from businesses
Risk 2: (Transition Risk) - Renewable energy regulations
Opp 1: (Climate Opportunity) - Enter a new market

Risk
Scenario
and
Strategy
Details

In March 2022, Taiwan's National Development Council officially announced the "Taiwan 2050 Net-Zero Emissions Roadmap and Strategy Overview." In 2023, the "Climate Change Response Act" was enacted after its third reading, explicitly incorporating the goal of achieving net-zero greenhouse gas emissions by 2050 into Article 4 of the law. This made net-zero emissions no longer just a policy declaration but legally binding, demonstrating a commitment to its implementation. In August 2024, three carbon fee rules were announced, officially marking the beginning of the carbon pricing era. Starting from 2026, a carbon fee will be imposed on enterprises whose annual greenhouse gas emissions at a single site reach or exceed 25,000 metric tons of carbon dioxide equivalent. In 2024, it was also declared that enterprises whose annual greenhouse gas emissions at a single site reach or exceed 10,000 metric tons of carbon dioxide equivalent must start conducting inventories and reporting their emissions from 2026, with plans to begin collecting carbon fees from these enterprises starting in 2031. In October 2024, the "Carbon Fee Collection Rate" was announced, setting a general rate of NT\$300 per metric ton of carbon dioxide equivalent. The emissions subject to the fee are calculated as the annual emissions minus 25,000 metric tons of carbon dioxide equivalent. In the future, the rate will gradually increase, projected to reach NT\$1,800 per metric ton of carbon dioxide equivalent after 2031. Additionally, under the Renewable Energy Development Act, the threshold for major electricity consumers is set at a contracted capacity of 5,000 kW from 2024 to 2030, and is expected to decrease to 800 kW from 2031 to 2040. Beginning in 2031, the Xinying Factory, Hsinchu Factory and Super Max Engineering Enterprise Co., Ltd will be exposed to renewable energy credit obligations.

In 2024, the Company's combined Scope 1 and Scope 2 GHG emissions totaled 13,159,147 metric tons of CO₂e. As an enterprise included in the third batch required to report greenhouse gas emissions, and in response to increasingly stringent government-imposed corporate carbon fees and the trend concerning the regulations on major electricity users under the Climate Change Response Act, our company's Xinying Factory has adopted the strategy of utilizing low-carbon energy and improving energy efficiency. This involves progressively implementing measures such as upgrading to high-efficiency welding equipment and installing solar power panels to mitigate financial risks arising from carbon fees and renewable energy credit obligations. Furthermore, aligning with the global trend towards net-zero emissions by 2050, it is anticipated that more companies will need to purchase renewable energy certificates. Our company plans to enter the renewable energy market in 2030, which will benefit sales and increase gross profit.

Type of Financial Impact	Time Period	Financial Impact Details (current finances, financial performances and cash flow)
Financial Impact of Risk Exposures	Current (2024)	In accordance with the Carbon Fee Collection Regulations and the Major Electricity Consumer Clause in the Renewable Energy Development Act, the Company does not have any single site with an accumulated greenhouse gas emission reaching or exceeding 25,000 metric tons of CO ₂ equivalent per year, nor does it have any contracted electricity capacity of 5,000 kW or above. Therefore, in 2024, the Company's increased operating cash outflows due to carbon fees and renewable energy credit obligations amounted to NT\$0.
	Short-term (2025~2026)	In accordance with the Carbon Fee Collection Regulations and the Major Electricity Consumer Clause in the Renewable Energy Development Act, the Company does not have any single site with an accumulated greenhouse gas emission reaching or exceeding 25,000 metric tons of CO ₂ equivalent per year, nor does it have any contracted electricity capacity of 5,000 kW or above. Therefore, in 2025~2026, the Company's increased operating cash outflows due to carbon fees and renewable energy credit obligations amounted to NT\$0.
	Mid-term (2027~2030)	In accordance with the Carbon Fee Collection Regulations and the Major Electricity Consumer Clause in the Renewable Energy Development Act, the Company does not have any single site with an accumulated greenhouse gas emission reaching or exceeding 25,000 metric tons of CO ₂ equivalent per year, nor does it have any contracted electricity capacity of 5,000 kW or above. Therefore, in 2027~2030, the Company's increased operating cash outflows due to carbon fees and renewable energy credit obligations amounted to NT\$0.
	Long-term (2031~2040)	The Company's GHG emissions for the period 2030 to 2039 are estimated at 13,159,147 metric tons of CO ₂ e per year. With the carbon fee rate projected to rise to NT\$1,800 per ton of CO ₂ equivalent, the Company's operating cash outflows will increase due to carbon fee costs from 2031 to 2040. Starting from 2031, the contracted capacity at the Xinying Factory, Hsinchu Factory, and Super Max Engineering Enterprise Co., Ltd. will exceed 800 kW. Thus, operating cash outflows due to additional renewable energy credit obligations will also occur during the period from 2031 to 2040. Each year, these additional operating cash outflows will amount to approximately 0.22% of the Company's 2024 revenue. These expenses will be covered using the Company's own funds, without affecting operations or causing cash flow risks. It is expected that these costs will not significantly impact financing availability or capital costs.

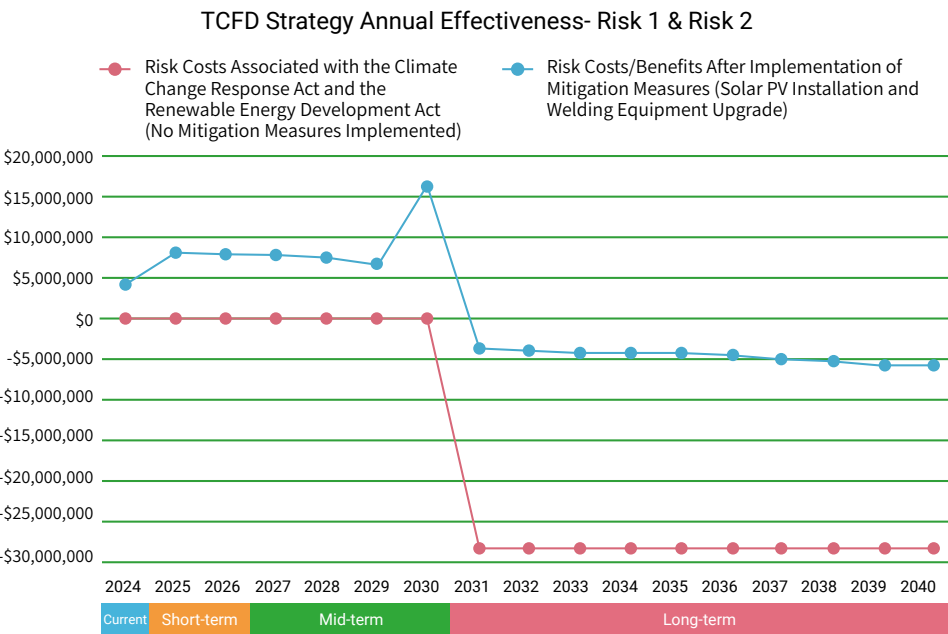
Financial Impact of the Strategic Response

Current (2024)	To manage future financial risks associated with carbon fees and renewable energy credit obligations, in 2024 the Company's Xinying Factory installed solar panels and upgraded to high-efficiency welding equipment. Capital expenditures for these investments represented approximately 0.17% of the Company's 2024 revenue, financed entirely with internal funds, without affecting operations or creating cash flow risks. In 2024, the Xinying Factory incurred the depreciation expenses, maintenance costs for solar panels, disposal costs for discarded solar panels, and insurance costs associated with the solar panels, as well as electricity sales income from solar power generation to Taiwan Power Company and electricity cost savings from upgraded welding equipment, resulting in an overall net cost reduction equivalent to approximately 0.04% of the company's 2024 revenue. It is expected that these initiatives will not significantly impact financing availability or capital costs.
Short-term (2025~2026)	In response to future financial cost risks associated with carbon fees and renewable energy credits, from 2025 to 2026, the company's Xinying Factory will continue to upgrade to high-efficiency welding equipment. The capital expenditures resulting in investment cash outflows will be approximately 0.01% of the Company's 2024 revenue. These costs will be covered using the Company's own funds, without affecting operations or causing cash flow risks. The depreciation costs of solar power generation facilities and upgraded high-efficiency welding equipment, maintenance costs for solar panels, disposal fees for discarded solar panels, and insurance expenses for solar panels at the Xinying Factory from 2025 to 2026 will be offset by income from solar panel electricity sales to Taiwan Power Company and electricity cost savings from upgraded welding equipment. Overall, in 2026, these measures will result in a net cost reduction amounting to approximately 0.06% of the Company's 2024 revenue. It is expected that these initiatives will not significantly impact financing availability or capital costs.

Financial Impact of the Strategic Response

Mid-term (2027~2030)	Between 2027 and 2030, the Company's Xinying Factory will have no capital expenditures or investment cash outflows related to solar power facilities or high-efficiency welding equipment. However, the Hsinyin Factory will incur the depreciation costs for previously installed solar facilities and welding equipment, maintenance costs for solar panels, disposal fees for discarded solar panels, and solar panel insurance costs from 2027 to 2030. On the other hand, there will be income from electricity sold to Taiwan Power Company and electricity savings from the upgraded welding equipment. In 2030, solar power generation will shift from electricity sales to Taiwan Power Company to selfconsumption, with the application for renewable energy certificates. This will result in reduced electricity expenses and increased income from selling renewable energy certificates. Overall, in 2030, these installations will lead to net cost reductions equal to approximately 0.08% of the Company's 2024 revenue. It is expected that these measures will not significantly impact financing availability or capital costs.
Long-term (2031~2040)	In the long term, the Company anticipates no capital expenditures or investment cash outflows. Operating cash outflows from increased carbon fees and renewable energy credit obligations are expected to account for approximately 0.22% of the Company's 2024 revenue. From 2031 to 2040, the Xinying Factory will continue incurring the depreciation costs for previously installed solar facilities and welding equipment, maintenance costs for solar panels, disposal fees for discarded solar panels, and solar panel insurance costs. Conversely, electricity cost savings from upgraded welding equipment, reductions in electricity expenses due to solar power generation, partial offsets of carbon fees and renewable energy credits, and increased income from selling renewable energy certificates will also be realized. Overall, by 2040, through strategic implementation of solar power facilities and welding equipment upgrades, the Company's additional costs associated with carbon fees and renewable energy credit obligations will decrease from approximately 0.22% to 0.04% of the Company's 2024 revenue. It is anticipated that these initiatives will not significantly impact financing availability or capital costs.

Illustrative Overview of Financial Performance Impact (Profitability) from Risk 1 & Risk 2



Note: In financial impact figures (NTD/year), "-" denotes a decrease in operating profit, while "+" denotes an increase.

In the short- and medium-term, the Company does not face significant cost risks from government-imposed carbon fees or renewable energy surcharges. Over the long term, however, annual operating costs are projected to increase by approximately 0.22% of 2024 revenue. To mitigate these risks, the Company has implemented a strategy that includes the installation of solar photovoltaic (PV) facilities and the replacement of welding equipment with high-efficiency models. These measures are expected to reduce operating costs and enhance profitability in the short- and medium-term. In the long term, while carbon fees and renewable energy surcharges are expected to materialize, the strategy is projected to lower the net financial impact from approximately 0.22% to an average of 0.04% of 2024 revenue per year, thereby effectively reducing the overall financial burden. All capital and operating expenditures are funded internally, posing no risk to operations or liquidity. No material impact is anticipated on the Company's access to financing or its cost of capital.

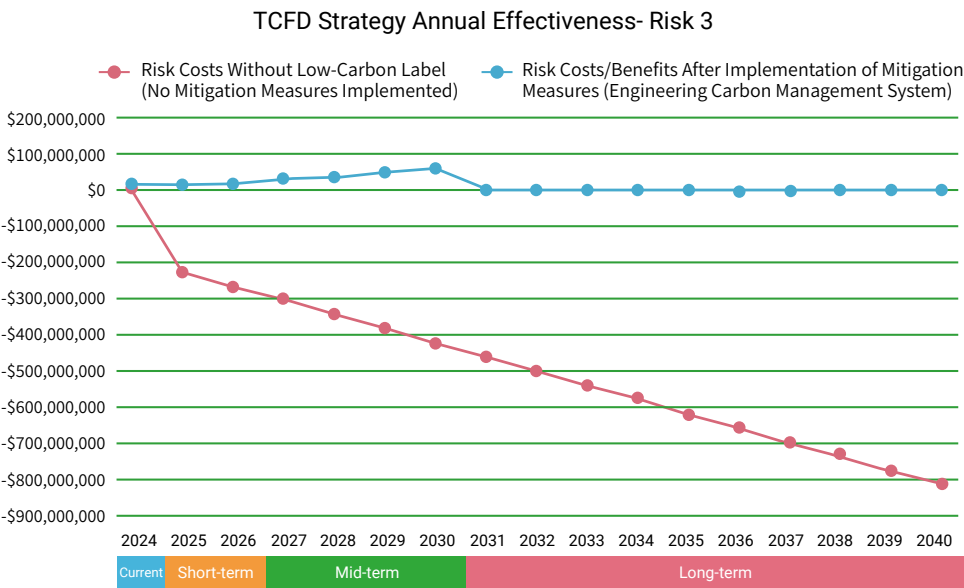
Risk 3: (Transition Risk) - Customer behavioral changes

Risk Scenario and Strategy Details	Taiwan's National Development Council officially announced the "Taiwan 2050 Net- Zero Emissions Roadmap and Strategy Overview" in March 2022. Based on the government's goal of net zero emissions by 2050, both public and private construction projects will require the Company to provide carbon management capabilities and licensed personnel in the future. Failure of compliance will lead to a loss of revenue for the Company. The Company is actively applying for carbon footprint certifications to minimize such financial risks.	
	Type of Financial Impact	Financial Impact Details (current finances, financial performances and cash flow)
Financial Impact of Risk Exposures	Current (2024)	In 2024, no customer has required the Company's steel structure projects to include carbon management capabilities or licensed personnel. Therefore, the loss in revenue and gross profit due to changing customer behavior is NT\$0.
	Short-term (2025~2026)	It is estimated that by 2026, 8% of customers will require the Company's steel structure projects to include carbon management capabilities or licensed personnel. If the Company does not respond to this shift in customer behavior, it will result in decreased revenue.
	Mid-term (2027~2030)	It is estimated that by 2030, 20% of customers will require the Company's steel structure projects to include carbon management capabilities or licensed personnel. If the company does not respond to this shift in customer behavior, it will result in decreased revenue.
	Long-term (2031~2040)	It is estimated that by 2040, 64% of customers will require the Company's steel structure projects to include carbon management capabilities or licensed personnel. If the company does not respond to this shift in customer behavior, it will result in decreased revenue.
Financial Impact of the Strategic Response	Current (2024)	As a strategic response, the Company has personnel obtaining lead auditor certification to keep track of its carbon footprint. This approach involves no capital expenditure cash outflows but does incur operating cash outflows related to certification costs. On the other hand, the Company's proactive carbon management initiatives not only mitigate revenue loss risks due to changing customer behaviors but also increase gross profits. Overall, in 2024, these initiatives resulted in a profit increase equivalent to approximately 0.01% of the Company's 2024 revenue. This is expected to have no significant impact on financing availability or capital costs.

Financial Impact of the Strategic Response

Short-term (2025~2026)	As a strategic response, the Company has personnel obtaining lead auditor certification to keep track of its carbon footprint. This approach involves no capital expenditure cash outflows but does incur operating cash outflows related to certification costs. On the other hand, the Company's proactive carbon management initiatives not only mitigate revenue loss risks due to changing customer behaviors but also increase gross profits. Overall, by 2026, these initiatives are expected to increase the Company's profit by approximately 0.10% of the Company's 2024 revenue. This is expected to have no significant impact on financing availability or capital costs.
Mid-term (2027~2030)	As a strategic response, the Company has personnel obtaining lead auditor certification to keep track of its carbon footprint. This approach involves no capital expenditure cash outflows but does incur operating cash outflows related to certification costs. On the other hand, the Company's proactive carbon management initiatives not only mitigate revenue loss risks due to changing customer behaviors but also increase gross profits. Overall, by 2030, these initiatives are expected to increase the Company's profit by approximately 0.34% of the Company's 2024 revenue. This is expected to have no significant impact on financing availability or capital costs.
Long-term (2031~2040)	As a strategic response, the Company has personnel obtaining lead auditor certification to keep track of its carbon footprint. This approach involves no capital expenditure cash outflows but does incur operating cash outflows related to certification costs. On the other hand, the Company's proactive carbon management initiatives not only mitigate revenue loss risks due to changing customer behaviors but also increase gross profits. Overall, by 2040, these initiatives are expected to impact the Company's finances by approximately 0.004% of the Company's 2024 revenue. This is expected to have no significant impact on financing availability or capital costs.

Illustrative Overview of Financial Performance Impact (Profitability) from Risk 3



Note: In financial impact figures (NTD/year), "-" denotes a decrease in operating profit, while "+" denotes an increase.

In the short-, medium-, and long-term, the Company faces potential revenue loss risks as customers increasingly require carbon management capabilities and certified personnel for steel structure projects. Failure to meet these expectations could lead to reduced contract opportunities and lower profitability. To mitigate this risk, the Company is actively pursuing carbon footprint certifications for both personnel and products. These initiatives are expected to eliminate revenue loss risks across all time horizons and, in the short- to medium-term, are anticipated to generate additional profit through enhanced customer confidence and improved project competitiveness. All associated operating cash outflows are expected to be funded internally, posing no operational or liquidity risk. The Company anticipates no material impact on access to financing or the cost of capital.

Risk 4: (Physical Risk) - Extreme rainfall leading to floods
Risk 5: (Physical Risk) - Tropical cyclones

Risk Scenario and Strategy Details

According to the presentation (p.48) of the National Science and Technology Council and Ministry of Environment's "National Climate Change Science Report 2024: Phenomena, Impacts, and Adaptation – Key Scientific Points from Chapters 1 to 3", the number of typhoons affecting Taiwan annually is expected to decrease in the future. Currently, the most common annual frequency is 4 to 5 typhoons, decreasing to 3 to 4 by mid-21st century and further declining to 1 to 2 by the end of the 21st century. Based on this projection, the annual probability of typhoons occurring is estimated to be greater than 60%, with 2 typhoons expected annually in the short and medium terms (2027~2030) and 3 typhoons annually in the long term (2031~2040).

According to the IPCC AR6 (Sixth Assessment Report by the Intergovernmental Panel on Climate Change), under the worst-case scenario for Taiwan's climate by the mid- 21st century, the number of typhoons affecting Taiwan is expected to decrease by approximately 15%, while the proportion of severe typhoons will increase by approximately 100% and the rainfall intensity associated with typhoons will increase by about 20%. Based on the predicted proportion of severe typhoons, the estimated disaster loss severity for the short and medium terms (2027~2030) remains at 100% (same as current conditions), while the long term (2031~2040) increases to 150%. Taiwan's maximum single-day rainfall intensity shows an increasing trend. Under the worst-case scenario (SSP5-8.5), by the mid and end of the 21st century, the average maximum single-day rainfall intensity is expected to increase by approximately 20% and 41.3%, respectively.

The Company expects to experience 1 typhoon and flood-related disaster event annually in the short term, 2 annually in the medium term, and 3 annually in the long term. To mitigate the risk of increased disaster-related costs due to extreme weather events such as typhoons and floods, the Company strategically plans to transfer risks through the purchase of typhoon and flood insurance.

Type of Financial Impact	Time Period	Financial Impact Details (current finances, financial performances and cash flow)
Financial Impact of Risk Exposures	Current (2024)	In 2024, the Company's operating cash outflow due to typhoon and heavy rainfall-related disasters accounted for approximately 0.01% of its 2024 revenue. This cost was covered entirely by the Company's internal funds, with no impact on operations or cash flow risk, and is not expected to significantly impact financing availability or capital costs.
	Short-term (2025~2026)	In 2026, the Company's operating cash outflow due to typhoon and heavy rainfall-related disasters will account for approximately 0.01% of its 2024 revenue. This cost will be covered entirely by the Company's internal funds, with no impact on operations or cash flow risk, and is not expected to significantly impact financing availability or capital costs.

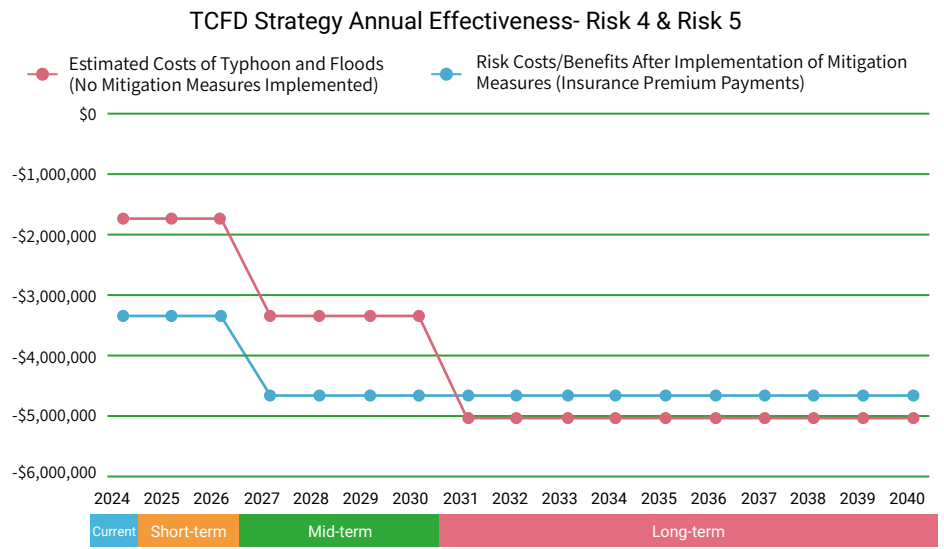
Financial Impact of Risk Exposures	Mid-term (2027~2030)	In 2030, the Company's operating cash outflow due to typhoon and heavy rainfall-related disasters will account for approximately 0.03% of its 2024 revenue. This cost will be covered entirely by the Company's internal funds, with no impact on operations or cash flow risk, and is not expected to significantly impact financing availability or capital costs.
	Long-term (2031~2040)	In 2040, the Company's operating cash outflow due to typhoon and heavy rainfall-related disasters will account for approximately 0.039% of its 2024 revenue. This cost will be covered entirely by the Company's internal funds, with no impact on operations or cash flow risk, and is not expected to significantly impact financing availability or capital costs.
Financial Impact of the Strategic Response	Current (2024)	In 2024, the Company adopted a risk transfer strategy by purchasing typhoon and flood insurance. There were no capital expenditures or investment-related cash outflows, and the operating cash outflows related to insurance premiums were approximately 0.01% of the Company's 2024 revenue, with no insurance claim income received. Overall, in 2024, the Company's profit reduction due to extreme weather events such as typhoons and heavy rainfall was approximately 0.03% of its 2024 revenue. It is anticipated that this will have no significant impact on financing availability or capital costs.
	Short-term (2025~2026)	In 2026, the Company will adopt a risk transfer strategy by purchasing typhoon and flood insurance. There will be no capital expenditures or investment-related cash outflows, and the operating cash outflows related to insurance premiums will be approximately 0.01% of the Company's 2024 revenue, with no insurance claim income received. Overall, in 2024, the Company's profit reduction due to extreme weather events such as typhoons and heavy rainfall was approximately 0.03% of its 2024 revenue. It is anticipated that this will have no significant impact on financing availability or capital costs.
Financial Impact of the Strategic Response	Mid-term (2027~2030)	In 2030, the Company will adopt a risk transfer strategy by purchasing typhoon and flood insurance. There will be no capital expenditures or investment-related cash outflows, and the operating cash outflows related to insurance premiums will be approximately 0.01% of the Company's 2024 revenue, with insurance claim income received at 0.003% of its annual revenue. Overall, in 2024, the Company's profit reduction due to extreme weather events such as typhoons and heavy rainfall was approximately 0.04% of its 2024 revenue. It is anticipated that this will have no significant impact on financing availability or capital costs.

Financial Impact of the Strategic Response

Long-term
(2031~2040)

In 2040, the Company will adopt a risk transfer strategy by purchasing typhoon and flood insurance. There will be no capital expenditures or investment-related cash outflows, and the operating cash outflows related to insurance premiums will be approximately 0.01% of the Company's 2024 revenue, with insurance claim income received at 0.016% of annual revenue. Overall, in 2024, the Company's profit reduction due to extreme weather events such as typhoons and heavy rainfall was approximately 0.036% of its 2024 revenue. It is anticipated that this will have no significant impact on financing availability or capital costs.

Illustrative Overview of Financial Performance Impact (Profitability) from Risk 4 & Risk 5



Note: In financial impact figures (NTD/year), "-" denotes a decrease in operating profit, while "+" denotes an increase.

Extreme weather events such as typhoons and floods may result in damage and increased operating costs for the Company. To mitigate this risk, the Company has purchased typhoon and flood insurance as a risk transfer strategy. Premium payments are incurred across all periods, with claims compensation serving as an offset. Overall, profitability in the short- and medium-term is expected to decrease by approximately 0.03% of 2024 revenue per year, while in the long term, the profitability risk is projected to be reduced from 0.039% to 0.036% of 2024 revenue. No material impact is anticipated on access to financing or the cost of capital.

Opp 2: (Climate Opportunity) - More efficient transportation modes

Opportunity Scenario and Strategy Details

In response to the national goal of achieving net-zero emissions by 2050, the Company optimizes shipping arrangements to reduce transportation trips to reduce carbon fees and transportation costs. On the other hand, the Company has begun evaluating the carbon reduction potential and financial benefits of using electric trucks to transport products. However, due to uncertainty in the electric truck market, this initiative has not yet been included as part of the strategic response.

Type of Financial Impact

Time Period

Financial Impact Details (current finances, financial performances and cash flow)

Financial Impact of the Strategic Response

Current
(2024)

In 2024, the Company strategically optimized shipping arrangements to reduce transportation trips. This strategy involved no capital expenditures or cash outflows from investment and operating activities and reduced shipping costs. Overall, the strategy reduced costs equivalent to approximately 0.01% of the Company's 2024 revenue. This is not expected to significantly impact financing availability or capital costs.

Short-term
(2025~2026)

In 2026, the Company will strategically optimize shipping arrangements to reduce transportation trips. This strategy will involve no capital expenditures or cash outflows from investment and operating activities and reduces shipping costs. Overall, the strategy will reduce costs equivalent to approximately 0.02% of the Company's annual revenue. This is not expected to significantly impact financing availability or capital costs.

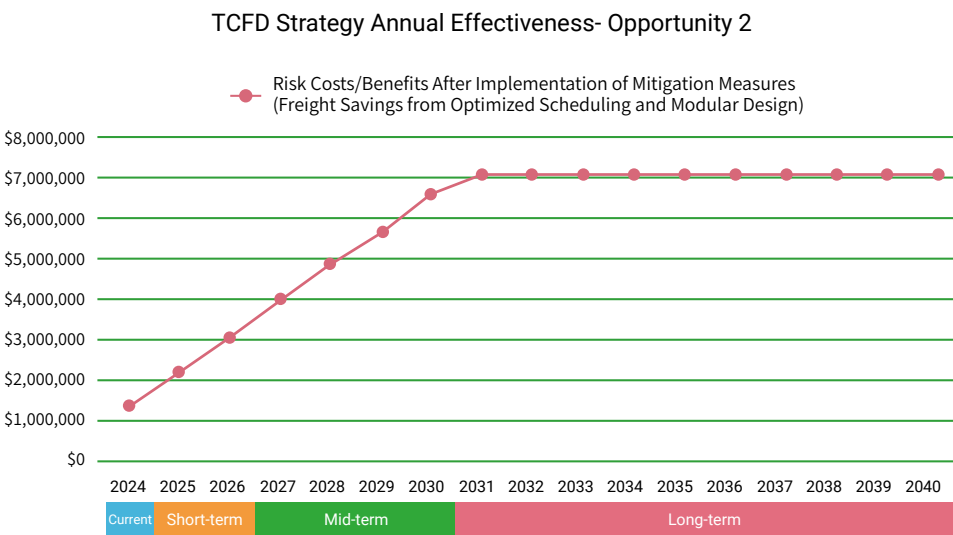
Mid-term
(2027~2030)

In 2030, the Company will strategically optimize shipping arrangements to reduce transportation trips. This strategy will involve no capital expenditures or cash outflows from investment and operating activities and reduces shipping costs. Overall, the strategy will reduce costs equivalent to approximately 0.04% of the Company's annual revenue. This is not expected to significantly impact financing availability or capital costs.

Long-term
(2031~2040)

In 2040, the Company will strategically optimize shipping arrangements to reduce transportation trips. This strategy will involve no capital expenditures or cash outflows from investment and operating activities and will reduce shipping costs. Overall, the strategy will reduce costs equivalent to approximately 0.06% of the Company's annual revenue. This is not expected to significantly impact financing availability or capital costs.

Illustrative Overview of Financial Performance Impact (Profitability) from Opportunity 2



Note: In financial impact figures (NTD/year), "-" denotes a decrease in operating profit, while "+" denotes an increase.

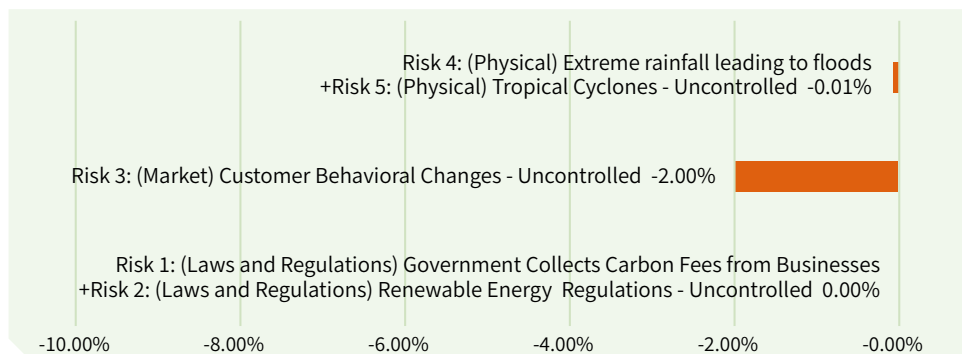
The Company's strategic response to this climate-related opportunity focuses on optimizing shipment arrangements to reduce transportation frequency, thereby lowering both freight expenses and potential future carbon fee costs. This strategy requires no capital expenditures and involves no additional operational cash outflows. Implementation of this approach is expected to deliver annual cost savings across the short, medium, and long term, averaging approximately 0.01% to 0.06% of 2024 revenue, contributing positively to overall profitability. All benefits are achieved through internal resources, with no significant impact anticipated on access to financing or the cost of capital.

The challenges of climate change faced by the Company include government collection of corporate carbon tax, renewable energy laws and regulations, customer behavioral changes, floods caused by extreme rainfall events, and tropical cyclones. Through pragmatic evaluation of strategies and financial impacts, the company is confident that its financial position will remain robust and sustainable in the short, medium, and long term, while also generating increased profits.

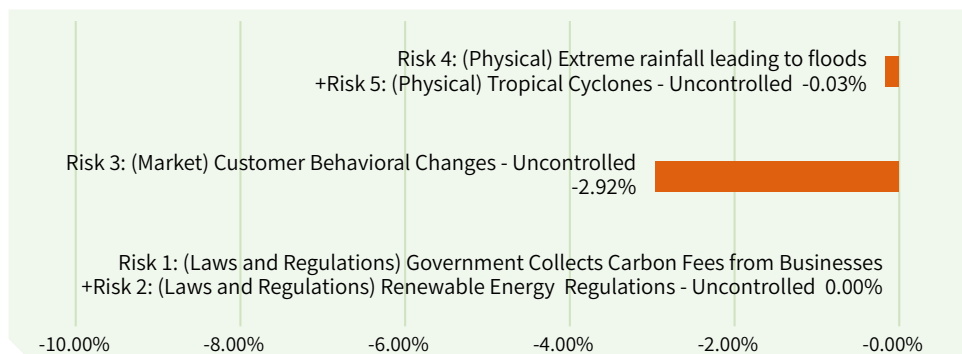
The opportunities of climate change faced by the Company include access to new markets and utilization of modes of transportation with higher efficiencies. The Company's management team has conducted practical assessment of strategies and financial impacts and deems that the Company is able take advantage of the opportunities brought by climate change, maintaining sustainable development and generating greater earnings.



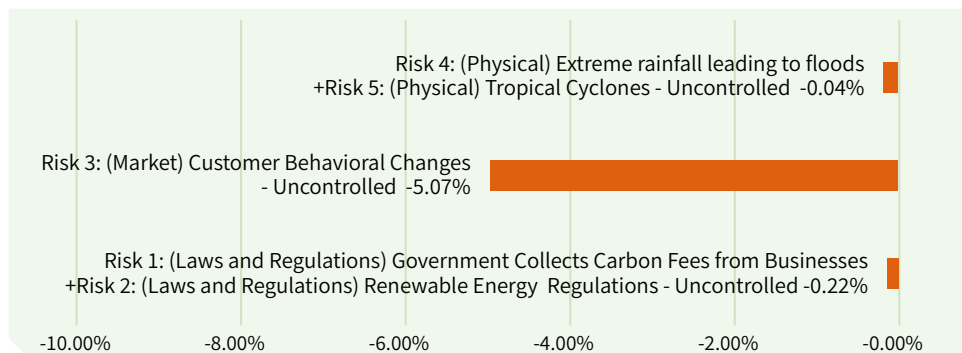
Financial Impacts of Uncontrolled Climate-Related Risks and Opportunities-Short-term



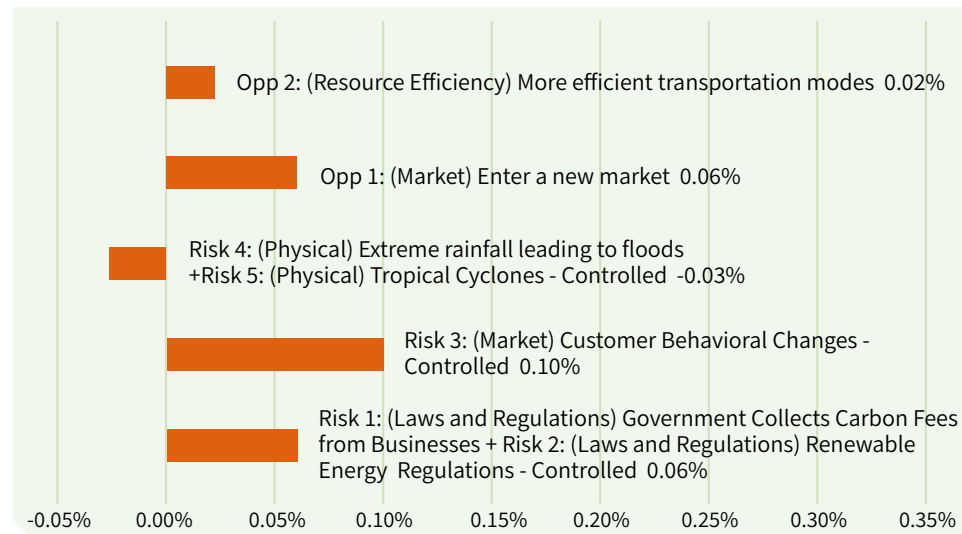
Financial Impacts of Uncontrolled Climate-Related Risks and Opportunities-Mid-term



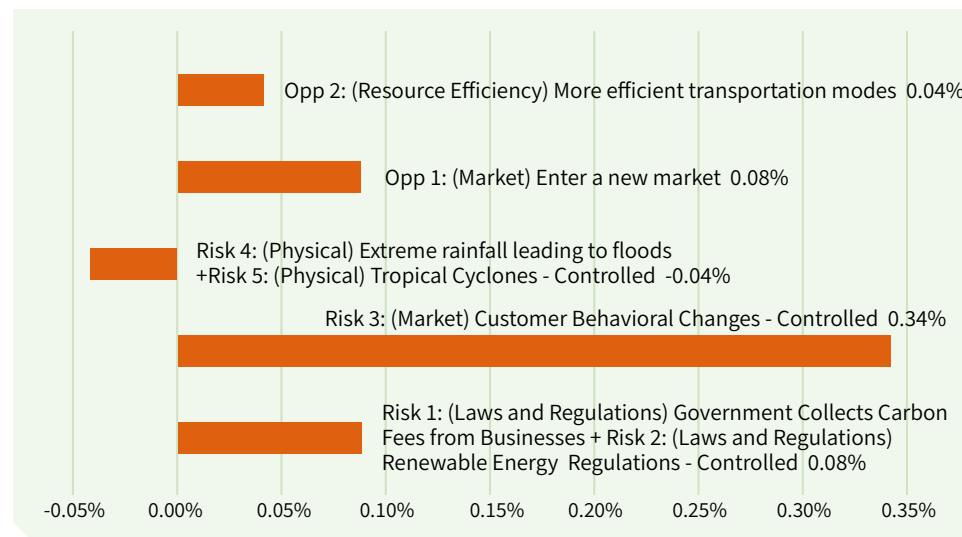
Financial Impacts of Uncontrolled Climate-Related Risks and Opportunities-Long-term



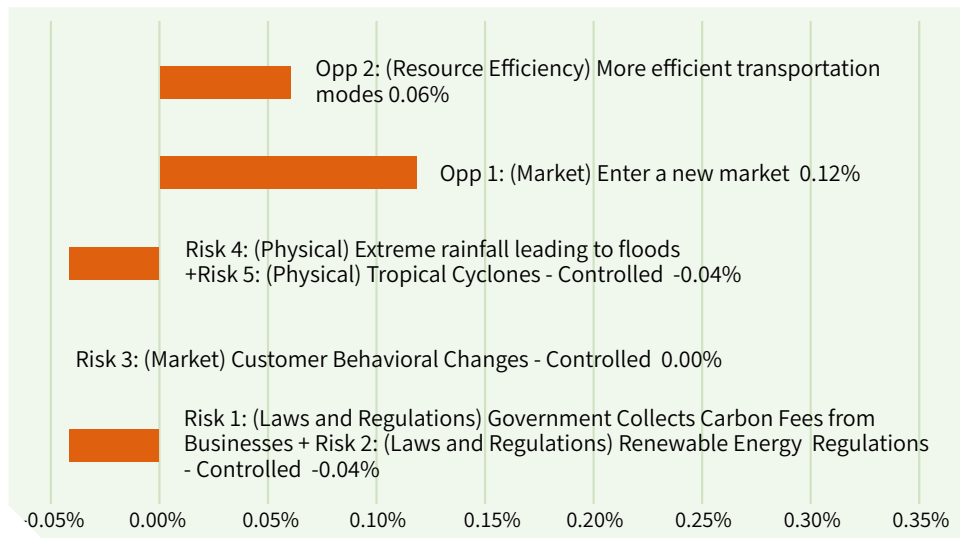
Financial Impacts of Controlled Climate-Related Risks and Opportunities-Short-term



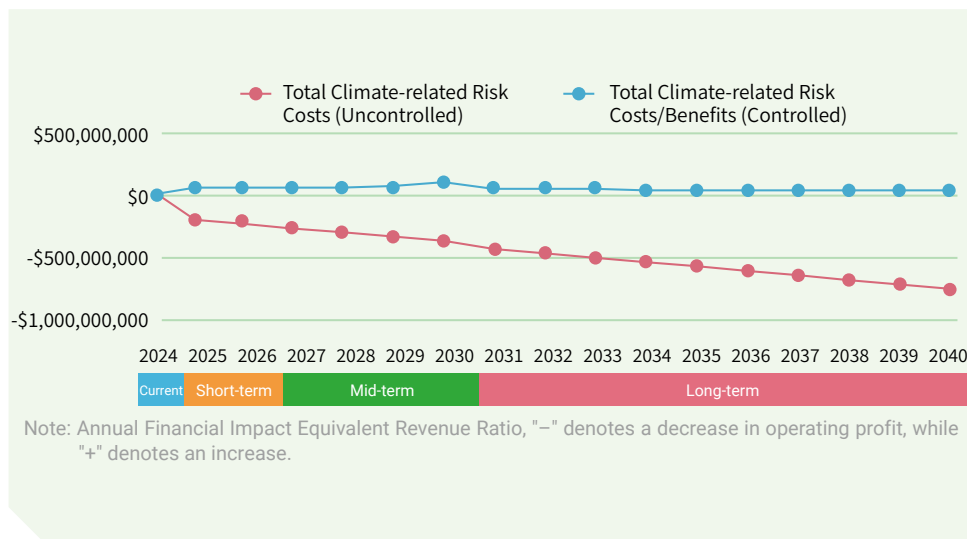
Financial Impacts of Controlled Climate-Related Risks and Opportunities-Mid-term



Financial Impacts of Controlled Climate-Related Risks and Opportunities-Long-term



TCFD Strategy Annual Effectiveness- Total Risk + Opportunity



★ In response to the government's net-zero emissions goal by 2025, Evergreen Steel has installed renewable energy equipment and made follow-up plans as described below:

- Installed a total of 2,221.8 kW of solar panels on the rooftops of the Hsinchu Factory (1,722kW) and Xinying Factory (499.8kW) in 2022.
- The Company installed solar PV facilities (1999.56 kW) on buildings A, B and C at the Xinying Factory in 2023. The meter was installed and power generation began in Feb 2024.
- The Company installed solar PV facilities (547.65kW) on buildings D and E at the Xinying Factory in 2024. The meter was installed and power generation began in November 2024.
- The Company is planning to install more solar PV facilities (160kW) on building F at the Xinying Factory in 2025.
- The Company's reinvested business – Ever Ecove Corporation, is a biomass energy center in Taiwan. It uses the biogas generated from the fermentation of kitchen waste to produce renewable energy. Ever Ecove registered its renewable energy generation facilities (29,780KW from waste) on June 2, 2023 and biomass (800kW from anaerobic digestion) on March 30, 2023. It also installed a solar PV system (200kW) that generates energy for its own consumption on June 24, 2024.



4.1.2 GHGs Inventory

GHG emissions are a major cause of the climate emergency, and corporate GHG management is one of the main concerns of stakeholders. Since 2021, the Company has established a mechanism of GHG inventory standards according to ISO 14064 and the Operation Directions for GHG Validation of the Environmental Protection Administration, Executive Yuan. We conduct regular GHG inventories from all company facilities each year and underwent verification by a third-party verification body (Metal Industries Research & Development Centre) in 2022 to fully understand the current status of GHG usage as a way of verifying the effectiveness of reduction efforts. Operating controls are used as the organizational inventory boundary, the Company inventoried all manufacturing processes and facilities managed by all factories (Taipei Head Office, Hsinchu Factory, Xinying Factory, Kaohsiung Factory, and Container Terminal No. 7). The greenhouse gases emitted by the Company include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and hydrofluorocarbons (HFCs). No ozone-depleting substances (ODS) were used in the factories.

Unit: CO₂e (ton)

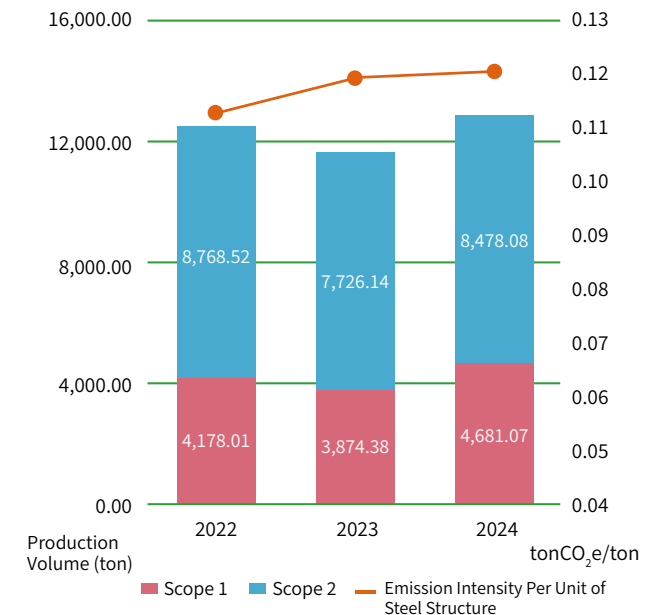
GHGs Inventory				
Item	Year	2022	2023	2024
Scope 1	Total GHG Emission	4,178.0093	3,874.3844	4,681.0683
	GHG Emission Intensity (CO ₂ e (ton)/million)	0.46218	0.47292	0.46766
Scope 2	Total GHG Emission	8,768.5197	7,726.1365	8,478.0791
	GHG Emission Intensity (CO ₂ e (ton)/million)	0.96998	0.94307	0.84700
Scope 3	Total GHG Emission	227,322.7069	245,474.9649	268,973.0761
	GHG Emission Intensity (CO ₂ e (ton)/million)	25.1467	29.9632	26.87173
Total	Total GHG Emission	240,269.236	257,075.486	282,132.224
	GHG Emission Intensity (CO ₂ e (ton)/million)	26.5789	31.3792	28.1864

Note:

1. Scope 1 emissions are direct GHG emissions, that occur from sources that are controlled or owned by the Company, including emissions associated with stationary combustion sources, process emissions, mobile combustion sources of transportation, and sources of fugitive emissions. The emission factor is calculated according to the greenhouse gas emission factors announced by the Ministry of Environment on February 5, 2024.
2. Scope 2 emissions are indirect GHG emissions, such as purchased electricity. The electricity carbon emission factor announced by Bureau of Energy, MOEA, is used for procured electricity.
3. Scope 3 emissions refer to other indirect emissions resulting from the Company's activities, originating from sources not owned or directly controlled by the Company. The categories included in the Company's inventory are: upstream transportation and distribution, downstream transportation and distribution, and emissions from purchased products and energy resources.
4. GHG Emission Intensity=Total GHG Emission/Specific Units.
5. The specific unit of the chart is the year's annual net revenue: Million NTD., 2022: 9,039.860, 2023: 8,192.540, 2024: 10,009.518.
6. The GHG emission data for 2022 to 2024 disclosed by the Company has been verified by a third-party verification body.

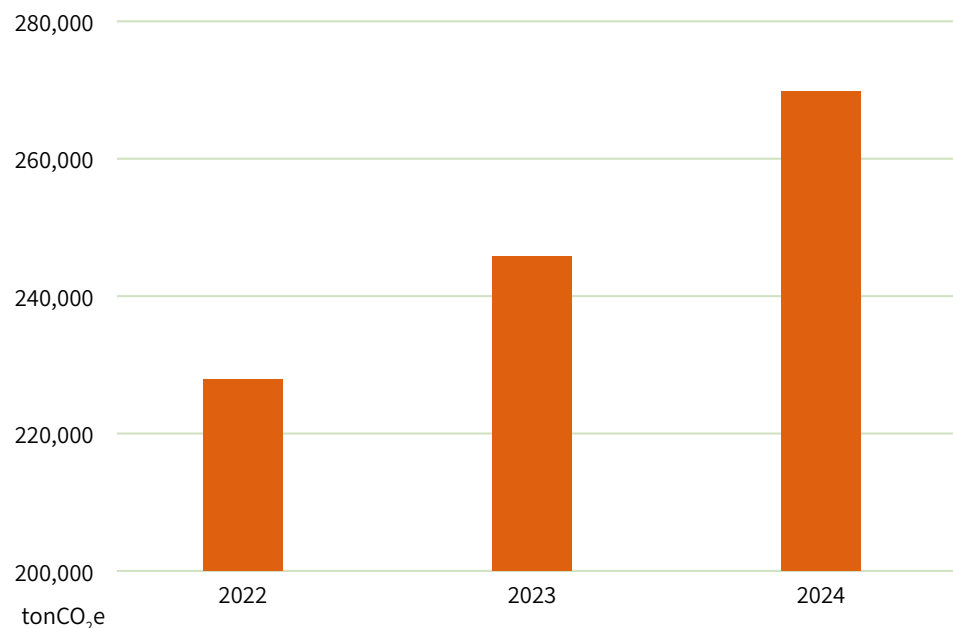
* Direct and Indirect GHG Emissions Verified by a Third Party (Scope 1, Scope 2)

Following the guidelines outlined in the Operation Directions for GHG Validation of the Environmental Protection Administration, Executive Yuan, the Company conducted a direct and indirect GHG inventory. In 2024, the direct GHG emissions (Scope 1) amounted to 4,681.07 metric tons of CO₂e, while the energy-related indirect GHG emissions (Scope 2) amounted to 8,478.08 metric tons of CO₂e. Compared to the baseline year of 2022, the total GHG emissions in 2024 increased by 212.62 metric tons of CO₂e, and the emission intensity per unit of steel structure from 0.1110 ton CO₂e/ton to 0.1186 ton CO₂e/ton. The primary source of GHG emissions was electricity consumption, followed by the use of CO₂ welding gas in processes. Therefore, efforts to reduce emissions will focus on energy conservation and carbon reduction, as well as adjustments to the use of welding gases.



★ Other Indirect GHG Emissions Verified by a Third Party (Scope 3)

To grasp other indirect GHG emissions and identify major emission sources for planning of carbon reduction strategies, we have been calculating other major indirect GHG emissions since 2022 following the ISO 14064:2018 standard and the inventory technical documents of the Environmental Protection Administration's carbon footprint database. The calculations are externally verified according to the ISO 14064:2018 standard. In 2024, other indirect GHG emissions amounted to 268,973.08 metric ton CO₂e. The inventory results are shown in the chart below. GHG emissions from the upstream purchase of goods and services are the highest, followed by emissions from downstream transportation. Compared to the baseline year of 2022, GHG emissions increased by 41,650.37 metric tons of CO₂e in 2024. This increase is mainly because the Company used carbon emissions coefficients of procured steel materials based on product carbon footprint reports released by suppliers (CSC, Dragon Steel), instead of Ministry of Environment Carbon Footprint Information Platform and international product carbon footprint.



Inventory results for other indirect GHG emissions (Scope 3) in 2024

Category	GHG Emission (ton CO ₂ e)	Referenced Coefficient Sources	Data Sources
Purchased Goods and Services	260,747.5014	Ministry of Environment Carbon Footprint Information Platform CSC Carbon Footprint Report Dragon Steel Carbon Footprint Report	According to Actual Statistics
Downstream Transportation and Distribution	3,758.7478	Ministry of Environment Carbon Footprint Information Platform	According to Actual Statistics
Upstream Transportation and Distribution	2,124.7794	Ministry of Environment Carbon Footprint Information Platform	According to Actual Statistics
Fuel- and Energy-related Activities	2,342.0475	Ministry of Environment Carbon Footprint Information Platform	According to Actual Statistics

The Company published its first GHG inventory report on the Company's website in June 2023, and plans to release GHG inventory reports annually. Based on the inventory results, the Company reviews emission source activity data and plans emission reductions, and has set short-, mid-, and long-term carbon reduction targets to promote environmental sustainability.



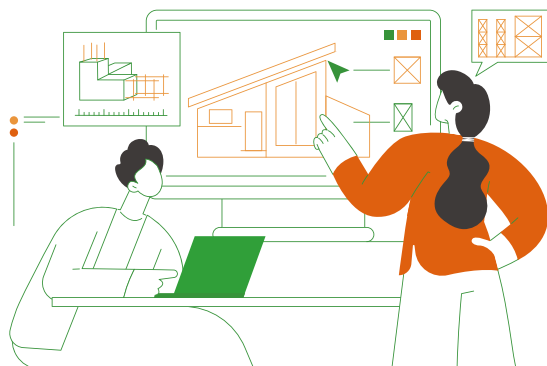
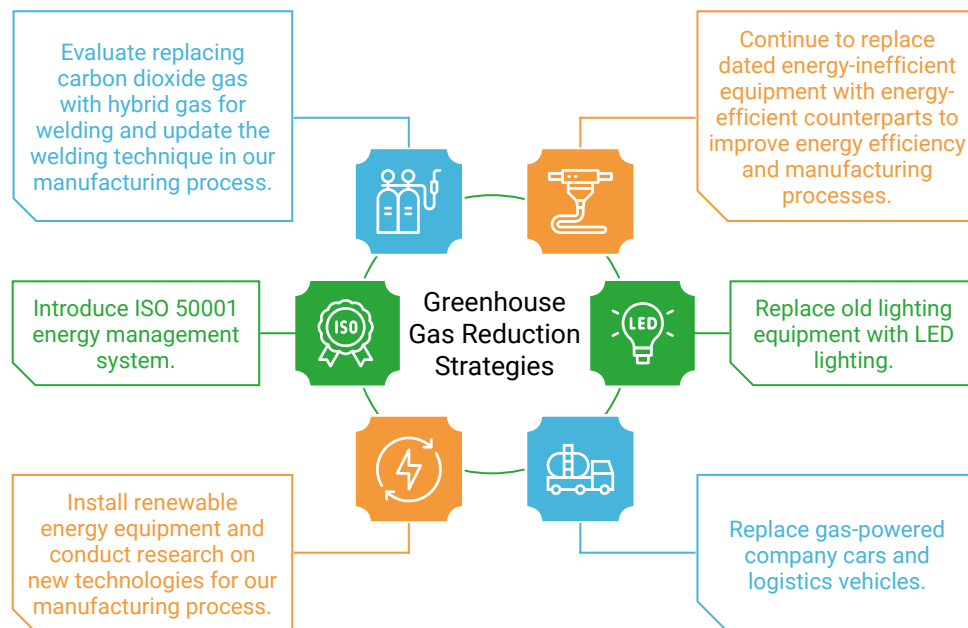
EGST's website
Report Downloads

★ Greenhouse Gas Reduction Goals

The National Development Council published the targets of different stages and the key strategies towards the net-zero transition by 2050 in December, 2022, and proposed the emission reduction of "24%±1%" as the nationally determined contributions (NDC) in 2030. The Company, based on this information, established the short, medium and long-term carbon reduction goals with the GHG emission in 2022 as the baseline. The Company plans to reduce a total of 32% of CO₂e from direct emissions and the indirection emissions from power consumption in 2030 with the goal to reach carbon neutrality by 2050. The Company has obtained verification opinion statements from third-party verification units approved by the Ministry of Environment for all emission statistics.

In 2024, the Company's total GHG emissions (Scope 1 + Scope 2) amounted to 13,159.147 metric tons of CO₂e. This increase compared to 2023 was primarily due to higher production capacity. The Company will continue to regularly review its carbon reduction performance and remain committed to meeting its decarbonization targets.

In alignment with the government's policy trend, the Company seeks to meet our carbon reduction goals with the following measures:



4.2 Energy Resource Management

4.2.1 Energy Management

The energy used by EGST's operational sites (including the Taipei Head Office, Hsinchu Factory, Xinying Factory, Kaohsiung Factory, and Container Terminal No.7) includes gasoline, diesel, liquefied petroleum gas, electricity, etc.

Unit: GJ

Energy usage for the past three years			
Year	2022	2023	2024
Gasoline	772.17	781.13	911.52
Diesel Fuel	4,794.67	4,097.20	3,417.05
Liquefied Petroleum Gas (LPG)	10,741.95	9,122.41	16,290.28
Electricity Usage	60,525.48	54,120.72	64,390.48
Total Energy Consumption	76,834.27	68,121.46	85,009.33
Energy Intensity (GJ/million)	8.50	8.32	8.49

Note:

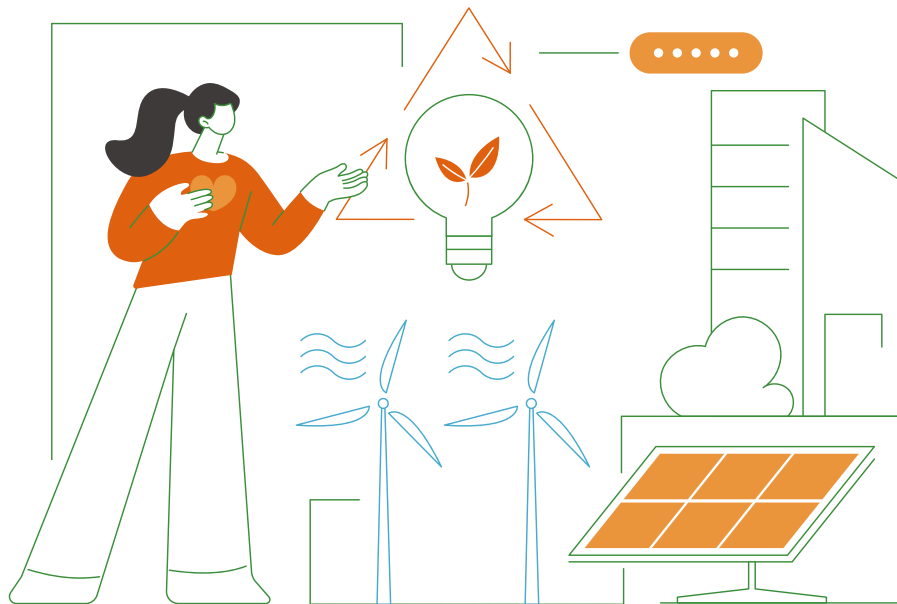
1. The source of conversion factors for calculating fuel calorific values is based on Version 6.0.4 of the Greenhouse Gas Emission Factor Management Table published by the Ministry of Environment. The calorific values are as follows: Gasoline: 7,609 kcal/L; Diesel Fuel: 8,642 kcal/L; Liquefied Petroleum Gas (LPG) : 10,731 kcal/L. The energy conversion rate is 1 kcal = 4.1868 j. For electricity, the thermal equivalent is 1 kWh = 0.0036 GJ.
2. Energy Intensity=Total Energy Consumption/Specific Units.
3. The specific unit of the chart is the year's annual net revenue: Million NTD., 2022: 9,039.860, 2023: 8,192.540, 2024:10,009.518.

* Energy Saving and Carbon Reduction

To reduce the impact of energy use on global warming, EGST formulates energy policies, promotes and implements various energy saving and carbon reduction measures through meetings and announcements. The management method of engineering and administrative improvement is used to save energy in order to achieve the goal of reducing GHG emissions.

Energy Policy

- * **Comply with Energy Regulations** - Comply with energy related legal requirements and fulfill corporate social responsibilities.
- * **Improve Energy Efficiency** - Continue to replace old equipment and reduce energy consumption.
- * **Purchase Energy Saving Equipment** - Support the procurement of energy saving equipment.
- * **Promote Participation by All Employees** - Continue to implement equipment improvements through employee proposals.



Energy Saving and Carbon Reduction in Offices and Workplaces



Lighting in offices, public spaces and on site workplaces is gradually replaced with LED bulbs or LED panel lights, and the lights are turned off when not in use.



Recycling of supplies and consumables purchased with Green Mark (FSC or PEFC) in the office area: Procure Green Mark products for copier paper, domestic paper products, calendars, and notebooks; rent multifunction devices (copiers, fax machines, scanners) and consumables (such as toner) that can be recycled and reutilized.



Official vehicles have been gradually replaced with hybrid or electric vehicles, and employees are encouraged to take public transportation.



Employee Welfare Committee distributes festival gift vouchers, adding the option of e-vouchers to promote paperless operations, reduce use of paper vouchers, and respond to environmental protection, while also enhancing convenience.



Provide employees with environmentally friendly tableware to reduce the amount of waste.



Implement resource recycling and reduce the amount of waste.



Meetings and educational training are conducted by video conferencing to reduce personnel traffic.



Equipment replacement :

- Submersible arc welding machine: purchase variable frequency host.
- Air compressor and sandblasting machine: purchase variable frequency type.

★ Energy Saving Target

According to the "Regulations for Energy Saving Target Stipulation and Plan Execution by Energy Users" announced by the Ministry of Economic Affairs, legal and natural persons with contracted electricity capacity exceeding 800 kW should set energy-saving goals and implementation plans, and the average annual electricity saving rate from 2015 to 2024 should reach more than 1%. Therefore, **EGST sets an annual energy-saving target of 1% of electricity consumption for Hsinchu Factory and Xinying Factory.**

Electricity-saving rate achievement over the past three years						
Year	2022		2023		2024	
Factory	Hsinchu Factory	Xinying Factory	Hsinchu Factory	Xinying Factory	Hsinchu Factory	Xinying Factory
Electricity Saving Rate	0.70%	1.15%	0.64%	2.05%	1.25%	1.10%
Average Annual Electricity Saving Rate	1.29%	1.75%	1.24%	1.78%	1.24%	1.72%

Note: The Taipei Head Office and Kaohsiung Factory are not required to report electricity savings data as their contracted electricity capacities are below 800 kW and therefore not subject to the regulatory threshold.

EGST adheres to the concept of energy saving and sustainable operation and has long been concerned about energy issues. In 2024, it replaced the lamps that have reached their service life, and replacement for production equipment and replacement of cooling towers for air compressors, saving a total of 763.45 GJ of electricity.

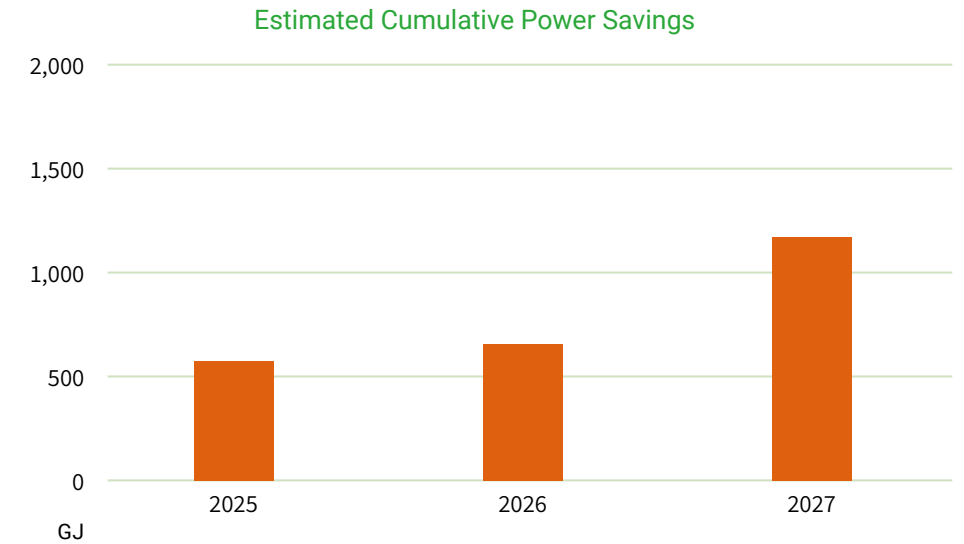
2024 Statistics of Energy Saving Achievements		
Site	Energy Saving Measure	GJ / Year
Taipei Head Office	Replacing LED illumination	10.25
Hsinchu Factory	Replacing air compressor	340.31
Xinying Factory	Replacing production equipment, lighting equipment and cooling tower of air compressor	401.07
Kaohsiung Factory	Replacing LED illumination	11.82
Total		763.45

Note:
1. Hours of use= Annual working days (247)*Daily working hours (8)
2. Estimated value =Total replacement*(Wattage difference)*Hours of use

In addition, according to the annual electricity saving target of 1%, and phasing out high-energy-consuming process equipment in 2024, it is estimated that a total of 1,177 GJ of externally purchased electricity will be saved in 2027.

Unit: GJ

Estimated Energy Saving Value(2025-2027)					
Year	Energy Saving Measure	Before	After	Estimated Value	Total
2025	Replacing AC Welding Machine	279	209	70	555
	Replacing CO ₂ Welding Machine	1,941	1,456	485	
2026	Replacing AC Welding Machine	144	108	36	97
	Replacing CO ₂ Welding Machine	243	182	61	
2027	Replacing AC Welding Machine	279	209	70	525
	Replacing CO ₂ Welding Machine	1,820	1,365	455	
Total				1,177	



Environmental Sustainability

Promoting High-Efficiency CO₂ Inverter Welding Machine Replacement

In response to the global trend toward net-zero carbon emissions by 2050, Evergreen Steel has implemented a carbon reduction roadmap, planning to gradually replace traditional CO₂ welding machines with inverter-type models to achieve energy conservation and carbon reduction goals.

Compared to traditional welding machines, inverter-type welding machines offer advantages such as improved energy efficiency, lighter weight, and easier arc initiation. To support this transition, the Company has introduced a subsidy program of NT\$50,000 per unit to assist contractors in upgrading their equipment. Of the approximately 162 traditional CO₂ welding machines in use, 28 units had already been replaced by the end of 2024. The medium-term goal is to complete the replacement of 59 units by the end of 2029, with full replacement scheduled for completion by 2040.

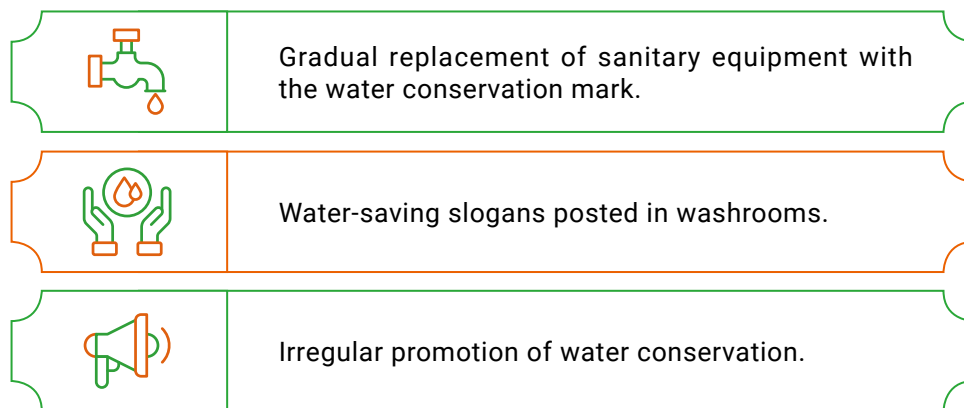
Each inverter-type CO₂ welding machine is estimated to save approximately 12,400 kWh of electricity per year, significantly reducing power consumption and contributing to the Company's energy-saving and carbon-reduction objectives. Additionally, the mobility and arc-initiation ease of inverter machines are expected to enhance welding work efficiency.



S P E C I A L C O L U M N

4.2.2 Water Resources Management

All operational sites of the Company—including the Taipei Head Office, Hsinchu Factory, Xinying Factory, Kaohsiung Factory, and Container Terminal No. 7—source their water supply from tap water. Each unit implements effective management of water resource usage within its facilities, conducts annual water consumption statistics and water quality testing, and strengthens water resource management to reduce consumption through the promotion of various water-saving measures. Compared to 2023, the total water consumption in 2024 increased by 11.728 million liters (approximately 23%), primarily due to increased production and corresponding manpower demand. However, the water intensity remained unchanged.



Unit: million liters

Year	2022	2023	2024
Water Intake	58.760	50.474	62.202
Water Release	32.162	25.826	30.452
Water Used	26.598	24.648	31.750
Water Intensity (million liters/ million)	0.0065	0.0062	0.0062

Note:

1. Water Used=Water Intake - Water Release.
2. Water Intensity=Water Intake/Specific Units.
3. The specific unit of the chart is the year's annual net revenue: Million NTD., 2022: 9,039.860, 2023: 8,192.540, 2024: 10,009.518.

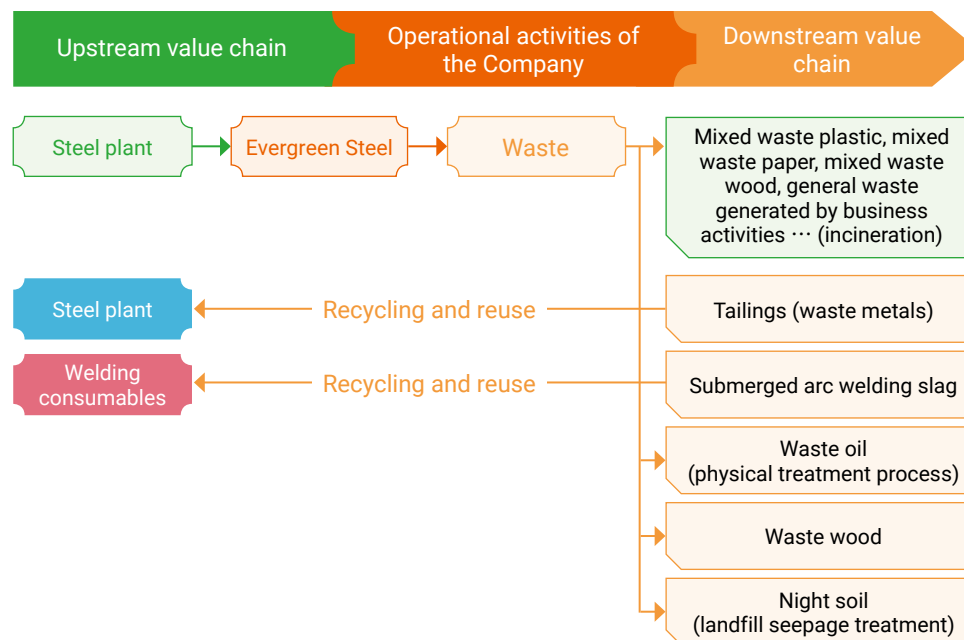
4.3 Pollution Prevention

4.3.1 Waste Management

All kinds of waste are contained in storage sites according to the law, and different types of waste have signed contracts with qualified transporters and entrusted a legal final disposal factory or recycling factory to perform recycling and cleaning operations to ensure the legality and safety of final disposal. The wastes at the factory are mainly general waste of employees, inorganic sludge, mixed waste wood, mixed waste plastic, scrap iron, submerged arc welding slag and night soil. Recyclable material is collected for recycling. Other unrecyclable waste is disposed of by incineration or landfill.

The waste produced by each factory is disposed of off-site. The produced waste and recyclables are temporarily stored in the factory according to the transportation and disposal plan. And reported online within the specified time, and declared the information for three years. In 2024, the Company had no serious leakage of waste.

Waste Treatment Process



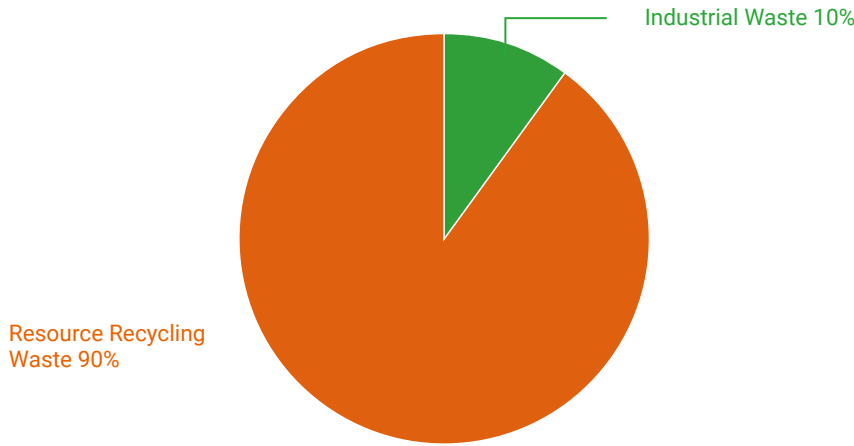
The total waste output of EGST in 2024 was 7,644.74 tons, the annual output of final disposal waste was 736.11 tons, the total amount of waste resources was 6,908.63 tons, and the waste recovery rate reached 90.37% (scrap iron + submerged arc welding slag + waste wood), meeting the Company's annual target.



Unit: ton

Waste disposal over the past three years					
Type	Item	2022	2023	2024	Waste Disposal
Industrial Waste	Domestic Refuse	128.96	85.5	154.08	Incineration
	Mixed Plastics	9.29	8	6.53	
	Waste Wood Pallets	-	2.9	3.20	
	Mixed Paper	3.75	2.33	2.76	
	Fiber, Cotton, Cloth and Other Mixed Waste	-	0.04	0.03	
	Paint Residue	-	6.55	4.89	
	Mixed Wood	40.44	22.89	20.68	Landfill
	Non-Hazardous Collected Dust	10.76	13.43	60.13	
	Sandblasting Waste	84.27	193.39	146.22	
	Scrap Wheels	2.35	11.71	4.73	
	Other Single Non-Hazardous Metal Scraps or Mixture of Scraps	64.66	0	1.945	
	Other Mixed Materials such as Waste Glass, Ceramics, Bricks and Clay	41.83	165.5	179.42	
	Inorganic Sludge	57.52	42.85	60.13	
	Waste Lubricating Oil	0.70	0.98	0.95	
	Mixed Oil	-	2.68	2.60	
	Non-Hazardous Collected Dust	-	-	87.81	Physical-Treatment Process
	Subtotal	444.53	558.75	736.11	
Resource Recycling Waste	Iron Scrap	6,990.31	6,641.08	5,978.74	Recycling
	Submerged Arc Welding	968.42	799.36	883.53	
	Waste Wood	42.63	43.14	46.36	
	Subtotal	8,001.36	7,483.58	6,908.63	
Total		8,445.89	8,042.33	7,644.74	

The Proportion Of Waste Recycling



4.3.2 Air Pollution Control

The Taipei Head Office serves as the administrative unit, and the manufacturing processes at the Hsinchu and Kaohsiung factories do not emit air pollutants and are therefore not subject to regulation by the Ministry of Environment. In 2024, the Xinying Factory continued to carry out air pollution control measures in accordance with the requirements of its fixed pollution source operating permit. Air pollutant testing was completed in December 2023, with all results meeting the applicable emission standards. The Company performs annual maintenance of air pollution control equipment as required, including the regular replacement of filter bags to ensure stable operation. To enhance environmental management performance, the Company has established a "Zero Pollution Incidents" target and remains committed to implementing effective pollution control measures in compliance with regulatory standards.

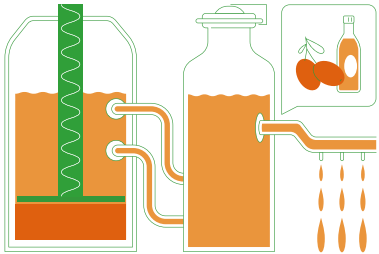
2023 Stationary Pollution Sources Testing and Registration Data				
Source and Pipe No.	Test Item	Value	Emission Standard of Permit	Date
Sandblasting Machine/P002	Particulate Pollutants	1mg/Nm³	100 mg/Nm³	December 15, 2023
Sandblasting Machine/P005		3mg/Nm³		

Note: Testing Agency: Dauge Pharmaceutical Factory Co., Ltd. EPA Jian No. 40.

4.3.3 Water Pollution Control

The Company's main businesses include steel structure production and assembly, and container maintenance and cleaning. The Taipei Head Office serves as the administrative unit, and the steel structure manufacturing at Hsinchu and Xinying factories do not generate industrial wastewater. The wastewater produced during container cleaning processes at Kaohsiung Factory undergoes 16 treatment steps, including sedimentation, rapid mixing, slow mixing, chemical precipitation, equalization, and concentration/dehydration, to meet discharge standards before being discharged to the industrial wastewater treatment plant in the industrial park. The Kaohsiung Factory conducts regular annual maintenance of its treatment equipment and commissions a certified inspection agency to perform water quality testing to ensure that discharged water complies with legal standards and does not negatively impact the environment. The Company will continue to operate in compliance with environmental regulations, maintaining its goal of zero pollution and zero leakage.

Test Item	2024 1H	2024 2H	Effluent Standards	Unit
pH Value	7.0	8.2	5~9	-
Water Temperature	27.1	25.5	Below 40	°C
Suspended Solids(SS)	19.6	3.6	240	mg/L
Chemical Oxygen Demand(COD)	30.9	42.2	480	mg/L
Biochemical Oxygen Demand(BOD)	13.6	10.8	240	mg/L
True Color	<15	<15	400	-
Free Available Residual Chlorine	0.19	0.22	1	mg/L





CHAPTER

5

Friendly Workplace

5.1	Employee Policies and Overview	093
5.2	Employee Development and Training	098
Column	Sexual Harassment Prevention Training	101
5.3	Employee Care	102

5.1Employee Policies and Overview

* Human Rights Policy

The Company is a traditional manufacturer, so the majority of on-site workers are male. However, regardless of gender, every colleague is given equal standards in terms of training, compensation, and promotion opportunities. In compliance with labor-related laws, gender equality, and non-discrimination principles, our recruitment policies prohibit any form of discrimination based on gender, race, age, marital or family status, and strictly forbid the employment of child labor. We expressly prohibit forced labor in accordance with the law, and these provisions are clearly stipulated in our Company Management Regulations.

The Company and each factory hold regular (or irregular as needed) labor-management meetings every quarter. Work hours, breaks, and leave for employees of various positions in each unit are arranged according to the Company's industry attributes and business needs. Relevant labor agreement terms on labor conditions are approved by representatives from both labor and management during these meetings. In 2024, a total of 5 labor-management meetings were held. Resolutions passed during these meetings included issues such as employee travel subsidies, birthday bonuses/year-end gifts (vouchers), revision of the "Procedures for Handling and Disciplinary Action regarding Workplace Sexual Harassment," and adjustments to the subsidy amount for corporate grand floral baskets.

To uphold the basic human rights of employees and stakeholders, the Company supports and follows the United Nations' Universal Declaration of Human Rights, respecting internationally recognized basic human rights. In accordance with the guiding principles of the declaration, the Company has formulated its human rights policy, including providing a fair and inclusive working environment, respecting workplace human rights, providing a safe working environment, and safeguarding information security. In 2024, no discrimination incidents occurred within the Company, nor were there any instances of child labor or forced labor.

Additionally, to maintain labor-management harmony and compliance with relevant laws and regulations, the Company has established a grievance system. Employees can file grievances through a dedicated phone line(02-25135655) or email to HR manager(comment@evergreennet.com).

5.1.1 Manpower Structure

As of the end of December 2024, the Company had 666 employees. All employees are full-time and permanent, with no temporary or part-time staff, and there are no employees that have "no guaranteed hours." 100% of the supervisors in management roles have Taiwanese nationality and were promoted from entry level. They receive training on rotations based on organizational and business requirements.

In compliance with relevant labor laws, such as the Diverse Employment Program and People with Disabilities Rights Protection Act, the Company meets the requirements of employing minorities or the underprivileged, continually promoting a friendly workplace.

Number of employees in the last three years						
Year	2022		2023		2024	
Age / Gender	Male	Female	Male	Female	Male	Female
Under 30 Years Old	76	33	93	26	139	26
30-50 Years Old	263	74	276	82	288	90
Over 50 Years Old	103	16	103	23	100	23
Subtotal	442	123	472	131	527	139
Total	565		603		666	

- Note:
1. This is the number of employees in the Taiwan region, the number of male workers also includes international migrant workers.
 2. The Company does not have employees of other genders or those who do not disclose their gender.
 3. The Company only has full-time employees and does not have temporary or part-time employees, and there are no employees that have "no guaranteed hours."
 4. Employee: Individuals who enter into an employer-employee relationship with an organization in accordance with national laws or relevant applicable requirements.
 5. Full-time: Individuals who sign indefinite-term contracts.
 6. Temporary: Individuals who sign fixed-term contracts.
 7. Full-time: Individuals subject to the definition of working hours under the Labor Standards Act, which in Taiwan is not more than 8 hours per day or 40 hours per week.
 8. Part-time: Excluding full-time employees.
 9. No guaranteed hours: Employees who are not guaranteed a minimum or fixed number of working hours per day, week, or month but may be available for work upon request.
 10. Historical headcount for 2022–2023 has been restated to exclude the Chairman, consistent with the Company's 2024 Sustainability Report and Annual Report.

Number of employees in the last three years							
Item	Year	2022		2023		2024	
	Age	Male	Female	Male	Female	Male	Female
Senior Executives	Under 30 Years Old	0	0	0	0	0	0
	30-50 Years Old	2	1	2	1	2	1
	Over 50 Years Old	19	5	20	5	21	5
	Subtotal	21	6	22	6	23	6
	Total	27		28		29	
Non-Managerial	Under 30 Years Old	76	33	93	26	139	26
	30-50 Years Old	261	73	274	81	286	89
	Over 50 Years Old	84	11	83	18	79	18
	Subtotal	421	117	450	125	504	133
	Total	538		575		637	
Total Number of Employees		565		603		666	

Note:

1. Senior executives are at manager level or above, and all are Taiwan residents.
2. Historical headcount for 2022–2023 has been restated to exclude the Chairman, consistent with the Company's 2024 Sustainability Report and Annual Report.

2024 Employment of Minority and Underprivileged Groups			
Age	Male	Female	Total
Under 30 Years Old	0	1	1
30-50 Years Old	6	1	7
Over 50 Years Old	4	0	4
Total	10	2	12

Note:

1. Minority and underprivileged groups: These are groups characterized by specific conditions or characteristics (such as economic, physical, political, or social), who may suffer greater negative impacts from the organization's activities compared to the general population.
2. The Company ensures adequate employment of minority and disadvantaged groups.

* Non-Employee Workers

Non-employees or external workers refer to individuals who work for the Company but are not officially employed by the Company. These are contractors engaging in various types of work such as cleaning, security, catering, steel structure processing, scrap handling, container maintenance, and construction site steel structure installation. In 2024, there were a total of 868 such workers, with no significant change compared to the previous year.

Operation Site	Number of Workers	Percentage
Taipei Head Office	2	0.23%
Hsinchu Factory	87	10.02%
Xinying Factory	711	81.91%
Kaohsiung Factory	68	7.83%
Total	868	100%



5.1.2 Talent Recruitment and Turnover

Employees are the Company's most important asset, as well as the main driving force of corporate growth. The Company upholds the principles of gender equality and non-discrimination. Our recruitment policy does not permit discrimination based on gender, race, age, marital and family status and we do not allow the use of child labor. When new employees report for duty, we provide pre-employment training, which includes an introduction of the work environment of each department and organization, business philosophy and professional ethics of the corporate culture, ethical corporate management and code of conduct, description of the management system and welfare in important HR rules and human rights policies, sexual harassment prevention, information system operations, occupational safety and health, and other basic guidelines to help new employees learn and adapt to the work environment. In 2024, 152 employees reported for duty. Among them are 16 female employees and 136 male employees (including foreign employees).



Number of new employee in the last three years						
Year	2022		2023		2024	
Age/Gender	Male	Female	Male	Female	Male	Female
Under 30 Years Old	22	7	48	7	88	7
30-50 Years Old	36	12	42	13	47	9
Over 50 Years Old	0	0	1	0	1	0
Total	77		111		152	
Total Number of Employees	565		603		666	
New Employee Rate (%)	13.63%		18.41%		22.82%	

Note: Historical headcount for 2022–2023 has been restated to exclude the Chairman, consistent with the Company's 2024 Sustainability Report and Annual Report.

Employee turnover in the last three years						
Year	2022		2023		2024	
Age/Gender	Male	Female	Male	Female	Male	Female
Under 30 Years Old	17	3	21	6	28	2
30-50 Years Old	30	3	28	5	41	5
Over 50 Years Old	10	1	12	1	12	1
Total	64		73		89	
Total Number of Employees	565		603		666	
Turnover Rate (%)	11.33%		12.11%		13.36%	

Note: Historical headcount for 2022–2023 has been restated to exclude the Chairman, consistent with the Company's 2024 Sustainability Report and Annual Report.



★ Incidents of Discrimination and Corrective Actions

The Company upholds the principles of gender equality and non-discrimination. Our recruitment policy does not permit discrimination based on gender, race, age, marital and family status and we do not allow the use of child labor. Regardless of training, remuneration, or promotion opportunity, the Company treats every employee (regardless of gender) to the same standards.

Moreover, to ensure harmonious labor relations and compliance with related laws and regulations, the Company has established complaint handling measures. To prevent workplace sexual harassment, protect gender equality and human dignity, the Company has also established Measures of Prevention, Correction, Complaint, and Punishment of Sexual Harassment at Workplace according to the Regulations for Establishing Measures of Prevention, Correction, Complaint, and Punishment of Sexual Harassment at Workplace, which is announced on the electronic information platform for employees' reference. Employees can file complaint via phone(02-25135655) or mailbox(comment@evergreennet.com). The Company has also formed "Sexual Harassment Investigation Taskforce" to handle related complaints. In 2024, the Company did not receive any complaints of infringement of privacy from clients, and there were no cases of discrimination or complaints.

★ Freedom of Association and Collective Bargaining

In 2024, neither the Company nor its suppliers had employees forming labor unions or signing collective agreements. However, in order to respect the freedom and rights of employees to associate, we regularly hold labor-management meetings as a platform for coordination and communication, ensuring the protection of workers' rights and interests.

The Company values human rights and complies with labor related laws and regulations, and constructs multiple grievance channels, which are handled by supervisors of all levels and the human resources unit, while also establishing complaint handling measures to make sure that all complaints are handled in a confidential, timely, and secret manner, ensuring smooth channels of communication between employees and supervisors. The Company respects its employees' freedom of association.

5.1.3 Salary and Benefits

The Company has established a Remuneration Committee and formulated the Organization Regulations of the Remuneration Committee through approval by the Board of Directors. Additionally, the basic salaries of the employees are all higher than the statutory minimum wage. The salary is determined by academic records as well as professional skills and experience, but is not determined by gender, region, ethnicity, or political views. The Company sets the appropriate salary structure for different professional ranks. All salaries, allowances, performance bonuses, etc. are provided in accordance with the standards set in the Labor Standards Act. We regularly survey the salaries in the industry to ensure that the overall salary of the Company is in line with the market standard and thus maintain competitiveness in regards to salary. If the Company makes a profit in the year, the Company allocates no less than 0.5% of the annual profits for employee compensation in accordance with the Company's Articles of Incorporation. Additionally, year-end bonuses and on-site performance bonuses are granted based on operational performance and individual work performance, to reward employees. Furthermore, ESG (Environmental, Social, and Governance) promotion keys, such as environmental protection, energy conservation, carbon reduction, resource recycling, green procurement/supply chain management, occupational safety and health, and information security, have been incorporated into overall performance assessments and reward considerations. This is done to incentivize all employees to collectively strive towards fulfilling the Company's social responsibility for sustainable business operations.

Country/ Region	Ratio of the Total Annual Compensation of the Highest-Paid Individual to Median of Total Annual Compensations of Employees (Excluding the Highest-Paid Individual)	Ratio of Increases in Total Annual Compensations of the Company's Highest-Paid Individual to Employees (Excluding the Highest-Paid Individual)
Taiwan	4.83	-0.62

Note:

1. The Chairman is not counted as the highest-paid individual unless the Chairman also serves as the general manager/CEO.
2. Formula for calculating the ratio of total annual compensation of the highest-paid individual to the median of total annual compensations of employees: Total Annual Compensation of Highest-Paid Individual/Median of Total Annual Compensations of Employees.
3. Formula for calculating the ratio of increases in total compensations: Percentage of Increase in Total Annual Compensation of the Highest-Paid Individual/Percentage of Increase in the Median of Total Annual Compensations of Employees.
4. The median of employees' total annual compensation in 2024 decreased compared to 2023.

Compensation Ratios of Different Categories	Employee		Compensation Ratio	
	Female	Male	Female	Male
Senior Executives	3	6	1	1.18
Middle/Front-line Managers	14	76	1	0.98
Non-Managerial Staff	122	445	1	0.83

Note:

1. Total Number of Employees at Operating Sites = number of senior executives + number of middle/ front -line managers + number of non-managerial staff.
2. Ratio of Male to Female Compensation (Annual Salary): Average Annual Compensation of Male in the Category/Average Annual Compensation of Female in the Category.

Cash compensation distributed to employees as approved by the Board of Directors over the past three years			
Year	2022	2023	2024
Employee Cash Compensation (NT\$)	13,600,000	20,450,000	15,000,000
2024 Salary ratio			
Item	Gender (Male to Female)	Local Minimum Wage (The Company's Salary to the Local Minimum Wage)	
Average Salary of Non-management Employees	1 : 1	1.51 : 1	

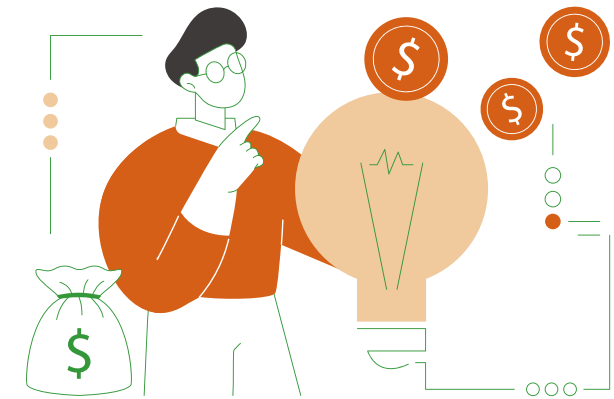
Note:

1. Male and female employees receive equal pay for equal work and the ratio is 1:1.
2. Local minimum wage (statutory minimum wage): NT\$27,470 in 2024.

Overview of the average salary of the Company's non-management employees			
Item	2023	2024	Difference between 2024 and 2023
Number of Full-time Non-management Employees	534	603	69
Total Salary of Full-time Non-management Employees	579,778,281	633,668,906	53,890,625
Average Salary of Full-time Non-management Employees	1,085,727	1,050,861	-34,866
Median Salary of Full-time Non-management Employees	1,044,472	1,021,099	-23,373

Note:

1. "Non-management": Refers to a regular employee who is not included in the definitions of "manager" based on the regulations of the competent authority. The scope is consistent with the disclosure regarding insiders (managers) in the Company's filing and the annual report for the shareholders' meeting.
2. "Full-time employees": Refers to those who work the normal working hours or legal working hours stipulated by the Company and does not include part-time employees.
3. Number of Full-time Non-management Employees excludes those employed for less than six months during the reporting year. This differs from the total headcount disclosed in the report, which is based on active employees as of December 31.
4. "Total salary": Refers to employees' total income from salary recognized when they are due on an accrual basis. It includes recurring salary (basic salary and fixed monthly allowances and bonuses), overtime pay (whether taxable or tax-exempt), and non-recurring salary (allowances, bonuses, employee compensation, etc. not distributed on a monthly basis), but does not include severance pay and pension. Except for the employee remuneration (cash or stocks) distributed in accordance with the Company's Articles of Incorporation which must be included in the total salary, the estimated share-based payments (e.g., transfer or employee subscription warrants to employees) are not included.
5. The figures in the table above were calculated based on the employees' salaries in 2023 and 2024.
6. Disclosure path: Data on full-time non-managerial staff salaries can be found on the Taiwan Stock Exchange Public Information Observatory under: Summary Reports → Corporate Governance → Employee Welfare & Compensation Statistics → "Full-time Non-managerial Employees' Salary"



* Minimum Notice Periods Regarding Operational Changes

The Company may terminate a labor contract in one of the following situations:

- Where the employers' businesses are suspended, or has been transferred.
- Where the employers' businesses suffers an operating losses, or business contractions.
- Where force majeure necessitates the suspension of business for more than one month.
- Where the change of the nature of business necessitates the reduction of workforce and the terminated employees can not be reassigned to other suitable positions.
- A particular worker is clearly not able to perform satisfactorily the duties required of the position held.
- When other reasons of termination of labor contract arise.

Where an employer terminates a labor contract the provisions set forth below shall govern the minimum period of advance notice:

- 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.
- 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.
- Where a worker has worked continuously for more than three years, the notice shall be given thirty days in advance.

5.2 Employee Development and Training

5.2.1 Talent Cultivation

The Company attaches great importance to the physical and mental health of employees, workplace safety, environmental protection, and employee compliance with moral codes and workplace ethics. We have created a comprehensive training system to provide employees with sufficient training. We cultivate excellent employees with the comprehensive training system to ensure smooth operations of the Company. As employees are the most important assets of the Company, we value their rights and opinions and pay special attention to their safety and health. The Company always pays attention to the safety and health of the work environment, and takes care of the employees in all aspects to cultivate employees and help them develop and improve themselves. We want employees to be happy at work and pursue their personal development so that we can make Evergreen Steel a happy enterprise with harmonious labor relations.

The Company provides diverse training programs including employee education and training, which are divided into pre-employment training and on-the-job training. Regarding pre-employment training: the HR Department arranges educational training for new employees, which includes corporate culture and core values, HR regulations, information security and awareness, employee health education, occupational safety and health education, code of ethics, integrity guidelines, human rights protection, and sexual harassment prevention.

Through relevant education and training, employees not only can enhance their professional capabilities but also assist the Company in acquiring business, contracts, and professional certifications. Through diverse learning resources, the Company helps employees to enhance their professional skills and develop potential, while also strengthening their continuous employability, and assisting them in career management and lifelong learning plans. Depending on the operational needs of each business unit and compliance with occupational safety and health, fire regulations, etc., the Company fully subsidizes employees to obtain relevant certifications. In 2024, a total of 123 certifications were obtained, and the main categories of certifications obtained over the past three years are as follows:

Unit: Certificate

The main categories of certifications obtained over the past three years				
Certification Category	2022	2023	2024	
Professional Skills (Including Non-Destructive Testing, Steel Structure Assembly, Environmental Safety...etc.)	91	30	33	
Safety and Health (Including Occupational Safety, Emergency Rescue, Disaster Prevention...etc.)	58	86	47	
Machinery Operation (Including Crane, Forklift...etc.)	47	42	43	
Total	196	158	123	

In 2024, there were a total of 152 new employees (including international migrant workers), all of whom received orientation training on their first day to help them become familiar with the work environment and quickly adapt to their roles.

★ Employee Education, Training, and Implementation Status

Pre-employment training for new employees

The program is organized by the Human Resources Department. When new employees report for duty, we provide pre-employment training, which includes an introduction to the organization and work environment of each department, business philosophy and ethics, description of the management system, important HR rules, human rights policy, sexual harassment prevention and welfare system, information system operations, occupational safety and health, and other basic guidelines to help new employees learn and adapt to the work environment. In 2024, a total of 152 people received such training for 1,216 person-hours.

On-the-job training for employees of each department

To support the Company's long-term development, business requirements of each unit, and the regulatory requirements for employees of different professional practices, each department formulates the employee training plan and budget for the following year at the end of each year, and implements them after obtaining approval. The courses include general courses and professional and management competency training. Each unit implements regular quarterly progress reviews in accordance with the annual training plan, and adjusts its response measures where necessary to implement the plan and improve the overall training effectiveness. In 2024, a total of 595 participants received on-the-job training for 3,170.5 person-hours.







Risk management, occupational safety and health, and health talks

The Occupational Safety and Health Management Department, Supervisor Department (Supervisory Section), and medical units will, from time to time, organize seminars and drills for traffic safety, first aid, and fires/earthquakes as well as health talks on healthcare, food safety, and stress relief. In 2024, a total of 1,294 participants attended these programs for 3,193.5 training hours.

Language training subsidies

The Company provides subsidies for training expenses to encourage employees to improve their language skills. The Company also provides every employee with subsidies for one TOEIC test in accordance with the internal promotion system. In 2024, 36 participants received language learning subsidies.

* 2024 Training Performance

<div>Professional Competencies</div> <div></div>	Courses in professional fields of each unit, necessary knowledge/skills for work, relevant certificates, refresher training, etc.	Participants 490 2,540.5 (person-hours)
<div>Management Competencies</div> <div></div>	Management knowledge, leadership, communication and coordination, problem-solving skills, etc.	Participants 105 630 (person-hours)
<div>Safety and Health</div> <div></div>	Including occupational safety, first aid, fire safety, traffic safety, and health talks.	Participants 1,294 3,193.5 (person-hours)
<div>Corporate Governance</div> <div></div>	Including ethics, internal control and management, information security, law, risk management and Corporate sustainability.	Participants 1,948 2,436.5 (person-hours)
<div>Language Training</div> <div></div>	Advanced courses/training for English, Japanese, and other foreign languages.	Participants 9 727 (person-hours)
<div>Pre-Employment Training for New Employees</div> <div></div>	Department organization, business philosophy and professional ethics of the corporate culture, ethical corporate management, HR benefit system, human rights protection, sexual harassment prevention, information system, and occupational safety and health guidelines.	Participants 152 1,216 (person-hours)
Total Participants		
3,998 person-times		
Total Training Hours		
10,743.5 person-times		
Total Training Expenses		
NT\$1,062,798		

Average hours of employee education and training over the past three years				
Year	2022	2023	2024 ^{Note 2}	
Total Number of Employees	566	604	667	
Total Training Hours (person-hours)	6,137	8,685.5	10,743.5	
Average Hours of Education and Training (hours/person)	10.8	14.4	16.1	
Note:				
1. Starting from 2022, total training hours have been calculated as "training hours per group session × total number of participants."				
2. Summaries of 2024 different employee categories are shown as the chart below.				
3. Total Number of Employees from 2022 to 2024 include the Chairman.				
Average Education and Training Hours of Different Employee Categories				
Item/Category	Managerial		Non-Managerial	
Unit/Gender	Male	Female	Male	Female
Total Number of Employees	83	17	445	122
Total Training Hours (person-hours)	2,173.50	605.00	6,063.50	1,901.50
Average Hours of Education and Training (hours/person)	26.19	35.59	13.63	15.59
Note:				
1. (Managerial + Non-Managerial)=Total Number of Employees at Operational Site				
2. Total Number of Employees include the Chairman.				



◦ Leadership and Management Skills for Supervisors



◦ Insider Trading Prevention Awareness Course

* Performance Management and Development

We evaluate the work skills, work performance, and conduct of employees in a fair, impartial, and reasonable manner. The Company requires supervisors of each level to produce records of their employees' work, conduct, and service attitude on a regular basis and implement the performance evaluations in March and September each year to review the results. All employees will be reviewed based on their employee levels and the aforementioned principles, and the performance evaluation results are not sorted by gender-based differentiation. The performance evaluation results of all employees are sorted by employee level with no gender-based differentiation. All evaluation results are kept by the HR unit as confidential documents, and are not disclosed except with the knowledge of the evaluator and the HR supervisor. The evaluation results are used as references for promotions, salary adjustments, and distribution of the year-end bonus, and used as an important basis for talent cultivation and support for employee development. Performance evaluation ratio are listed below:

Item	Managerial	Non-Managerial
Percentage of Male Employees Evaluated	100%	100%
Percentage of Female Employees Evaluated	100%	100%

Note: During the probation period, new employees are evaluated by respective units in collaboration with the HR Department on various aspects, including job performance, task handling, sense of responsibility, diligence, cooperation, conduct, competence, physical fitness, demeanor, honesty, and proactivity.

Column

Sexual Harassment Prevention Training

To implement gender equality initiatives, Evergreen Steel continues to review and update workplace sexual harassment prevention policies, strengthen employee awareness of relevant regulations, and actively foster a harassment-free, friendly work environment.

In response to regulatory amendments and to further maintain a friendly workplace free from harassment, the Company revised the "Regulations for the Prevention, Complaint, and Disciplinary Measures of Workplace Sexual Harassment," effective as of March 8, 2024. To promote awareness among employees, the Company commissioned the Garden of Hope Foundation to conduct in-person Sexual Harassment Prevention Training at the Xinying Factory on May 30 and June 5, 2024. Employees at other locations (Taipei Head Office, Hsinchu Factory, and Kaohsiung Factory) participated remotely via video. A total of 467 employees attended the training, with 1,401 training hours completed.

To evaluate the effectiveness of the training, the Human Resources Department conducted a post-training satisfaction survey and a comprehensive assessment. The average satisfaction score was 4.8 out of 5, and the average test score was 97 out of 100, indicating that employees have attained a high level of awareness and understanding regarding sexual harassment prevention and self-protection.

To ensure continued training on sexual harassment prevention for new employees, the Company has produced a Workplace Sexual Harassment Prevention video course using educational materials provided by the Ministry of Labor, which is now utilized in onboarding training programs. In addition, the Xinying Factory and Hsinchu Factory have adopted sexual harassment prevention poster materials in Thai and Vietnamese, developed by the Ministry of Health and Welfare, along with the Company's "Regulations for the Prevention, Complaint, and Disciplinary Measures of Workplace Sexual Harassment" translated into Thai and Vietnamese. These materials are used to raise awareness among both current and newly hired foreign workers, and are made available for their reference.



◦ Taipei Head Office-Video conferencing



◦ Hsinchu Factory-Video conferencing



◦ Xinying Factory-In-person training











◦ Kaohsiung Factory-Video conferencing

5.3 Employee Care

5.3.1 Diverse Benefits

* Employee Benefits

Evergreen Steel is committed to maintaining a rational and compliant system for all employment-related matters. Attendance, leave, retirement, and related practices are handled in accordance with the provisions of the Labor Standards Act. Additionally, annual bonuses are granted based on the Company's operational performance and individual performance evaluations. Under a well-structured personnel and welfare system, the Company enjoys a sound and harmonious labor-management relationship. Key agreements and employee rights protections are outlined as follows:

Item	Description
 Leave	Weekends (for employees who are required to take shifts due to business requirements, the days off are not always on Saturdays and Sundays).
 Special Leave	Employees may apply for paid leave after they work at the Company for six months. The number of days of paid leave increases with seniority.
 Insurance	Labor insurance, national health insurance, group accident insurance, employees' medical insurance for foreign travel hospitalization and injuries, and discounts for group life insurance policies.
 Employee Meals	The Company provides free nutritious and healthy lunches and meals (or expense payments) for overtime work.
 Healthcare	The medical unit provides medical consultations and general medical care as well as free regular health examinations.
 Recreation	Employees receive discounts for hotels at domestic and foreign destinations.
 Business Performance Bonus	Onsite work performance bonus, year-end bonus, and employee remuneration.
 Benefits Provided by the Employee Welfare Committee	Marriage/funeral gift money and subsidies, consolation for injuries and illnesses, gifts/gift money for festivals, birthday gift money, subsidies for group travel, and subsidies for language training.

To encourage employees to embody the "Evergreen Spirit" in their daily work, the Company holds an annual selection of model employees. Each department nominates candidates who best exemplify the spirit of "Challenge, Innovation, and Teamwork." These exemplary employees serve as role models for all colleagues and are publicly recognized and awarded medals/gift vouchers. Additionally, the Company organizes retirement parties to bid farewell to retiring employees and present them with commemorative gifts as a token of appreciation for their hard work and contributions during their tenure.



- Recognition of Model Employees of the Steel Structure Business Division



- Presentation of Souvenirs to Retiring Employees of the Xinying Factory

* Pension System

The Company's Labor Pension Supervisory Committee was established on January 23, 1987. It was approved in the Taoyuan County Government Fu-She-Lao-Zi No. 10389 Letter (府 社 勞 字 第 10389 號 函). The Company established the "Employee Retirement Regulations" and appropriates 6% of the employees' total monthly salary to the dedicated account in the Bank of Taiwan as the pension reserve fund in accordance with Article 2 of the Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds((full allocation of pension reserve in exclusive account)) .

According to the Labor Pension Act, the employer shall pay 6% of the employees' monthly salary as the pension reserve fund to the employees' personal pension account for all employees who opt for the pension system under the Act starting from July 1, 2005.

In 2024, the Company did not incur any losses due to labor disputes.

* Parental Leave

The Company proactively complies with government policies, encouraging childbirth, as well as those eligible to apply for paternal leave. All regulations regarding employees' unpaid parental leave are established in accordance with government regulations.

Employee unpaid parental leave and reinstatements in the last three years						
Year	2022		2023		2024	
Gender	Male	Female	Male	Female	Male	Female
Number of Employees Eligible for Parental Leave	7	6	9	9	7	7
	13		18		14	
Number of Applicants for Unpaid Parental Leave in the Current Year (A)	0	1	1	2	0	2
	1		3		2	
Number of Employees Reinstated from Unpaid Parental Leave in the Current Year (B)	0	3	1	1	0	2
	3		2		2	
Actual Number of Employees Reinstated from Parental Leave in the Current Year (C)	0	2	1	1	0	2
	2		2		2	
Actual Number of Employees Reinstated from Parental Leave in the Previous Year (D)	0	0	0	2	1	1
	0		2		2	
Number of Employees Reinstated from Parental Leave in the Previous Year and Have Worked Continuously for at Least One Year (E)	0	0	0	2	1	1
	0		2		2	
Reinstatement Rate After Parental Leave in the Current Year % (C/B)	0	67	100	100	0	100
	67		100		100	
Retention Rate after Parental Leave in the Current Year % (E/D)	-	-	0	100	100	100
	-		100		100	

Note: In 2024, two female employees came back from parental leave but their reinstatement was less than a year, and one female employee is expected to return in 2026.

5.3.2 Occupational Safety and Health System

Evergreen Steel upholds its commitment to preventing work-related injuries and health hazards to provide a safe and healthy work environment and assumes responsibility and accountability for all activities. The Company has established an occupational safety and health management system, which covers the workers in the Xinying Factory, Hsinchu Factory, and the construction sites of Evergreen Steel. We also passed the OHSAS 18001 & CNS 15506 occupational safety and health management system verification in 2015. In 2019, we completed the OHSAS 18001 conversion to ISO/CNS 45001:2018 verification. We conduct internal and external audits to confirm the implementation and effectiveness of the management system, and implement the system PDCA operation to improve safety and health performance.

EGST Occupational Safety & Health Certification



* ISO 45001:2018/CNS 45001:2018

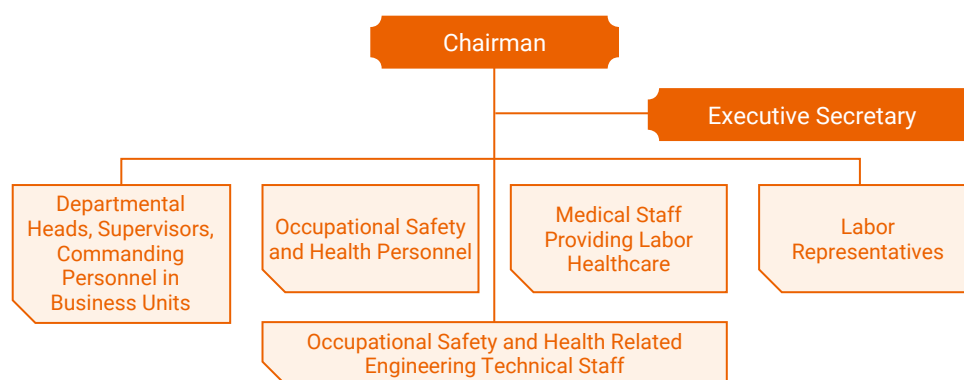
* Valid period: December 24, 2025

According to the Occupational Safety and Health Management Systems ISO 45001:2018 – Requirements for an Occupational Safety and Health Management System, the Company follows relevant management procedures to include all workers at Xinying Factory, Hsinchu Factory, and affiliated sites of construction or operations, including employees and non-employees whose jobs or workplaces are managed and controlled by the organization, in the scope of the management system. The relevant numbers are tabulated below:

Region	Number of Company Employees	Number of Contractors	Number of Workers	Ratio (%)
Xinying Factory	345	391	736	55%
Hsinchu Factory	84	97	181	14%
Construction Sites	122	288	410	31%
Total	551	776	1,327	100%

★ Occupational Safety and Health Management Committee

The Company established the "Occupational Safety and Health Management Regulations" and the "Occupational Safety and Health Committee" to fully implement safety and health management. It provides recommendations for safety and health policies, and reviews, coordinates and recommends safety and health measures. Committee members at all levels consist of occupational safety and health personnel, department supervisors, engineering and technical personnel related to occupational safety and health, medical personnel, and labor representatives, who account for more than one-third of all Committee members (the committee has a total of 8 members, with 4 labor representatives). The Committee serves as a platform for coordination and communication between the employer and employees to protect the safety and health of the workers. The composition and structure of the Committee are as follows:



The Occupational Safety and Health Committee holds quarterly meetings, with a total of four meetings convened in 2024. During these meetings, various topics related to occupational

safety and health were discussed, including prevention measures for electrical disasters (welding, maintenance, power outages, etc.), operational safety measures for forklifts and hazardous machinery, falling and flying object prevention measures, and procedures for component stacking operations. The meetings also reviewed the implementation of the 2024 occupational safety and health objectives and established the 2025 safety and health policy and annual targets.

	Annual Objectives	Performance Results
Safety First	Deaths due to occupational accidents <ul style="list-style-type: none"> 0 cases 	Deaths due to occupational accidents <ul style="list-style-type: none"> Construction Sites 1 cases
	Hospitalization due to injuries <ul style="list-style-type: none"> Hsinchu Factory ≤ 2 cases Xinying Factory ≤ 2 cases Kaohsiung Factory ≤ 0 cases Construction Sites ≤ 2 cases 	Hospitalization due to injuries <ul style="list-style-type: none"> Hsinchu Factory 1 cases Xinying Factory 2 cases Kaohsiung Factory 0 cases Construction Sites 0 cases
Eliminate Hazards	Operating environment tests pass rate <ul style="list-style-type: none"> 100% 	Operating environment tests pass rate <ul style="list-style-type: none"> 100%
Health and Safety	Health Talks <ul style="list-style-type: none"> Hsinchu Factory ≥ 1 sessions Xinying Factory ≥ 2 sessions Kaohsiung Factory ≥ 1 sessions 	Health Talks <ul style="list-style-type: none"> Hsinchu Factory 2 sessions Xinying Factory 3 sessions Kaohsiung Factory 1 sessions
	Health Promotion Activity <ul style="list-style-type: none"> ≥ 1 	Health Promotion Activity <ul style="list-style-type: none"> Hsinchu Factory 1 cases Xinying Factory 3 cases Kaohsiung Factory 1 cases
	Minor Injuries/Property Damage <ul style="list-style-type: none"> Hsinchu Factory ≤ 6 cases Xinying Factory ≤ 9 cases Kaohsiung Factory ≤ 2 cases Construction Sites ≤ 6 cases 	Minor Injuries/Property Damage <ul style="list-style-type: none"> Hsinchu Factory 2 cases Xinying Factory 7 cases Kaohsiung Factory 3 cases Construction Sites 5 cases
Education and Training	Safety and health supervisor (section-level manager) certification rate <ul style="list-style-type: none"> 100% 	Safety and health supervisor (section-level manager) certification rate <ul style="list-style-type: none"> 100%

★ Hazard Identification and Risk Assessment

Evergreen Steel established safety and health assessment criteria based on the ISO/CNS 45001:2018 occupational safety and health management system. The hazard identification and risk assessment for each unit is implemented by the unit supervisor and qualified personnel with professional training. They review and propose improvement or control measures at the end of each year. If there is a change in the equipment or process, if there is an occupational accident, or if it is necessary to implement corrective measures for non-compliance, hazard identification and risk assessment will be conducted again to ensure that the risks are controlled within a tolerable range. Since near-miss incidents are an important indicator of potential risks, if an occupational accident occurs, the Company shall activate the occupational safety and health management system to report the accident, investigate the cause, implement corrective and improvement measures, and continue to track and verify the effectiveness of improvements.

To eliminate potential risks and improve the safety and health management performance, Evergreen Steel has established the "Factory Safety and Health and 6S Implementation Reward and Punishment Regulations" to encourage employees to actively uncover issues, improve the work environment, and fulfill their safety and health management responsibilities. When employees discover imminent danger in the performance of duties, employees may, pursuant to Article 18 of the Occupational Safety and Health Act, under conditions in which the safety of other workers is not jeopardized, suspend operations and evacuate to a safe location and immediately report to their direct supervisor. The Company is prohibited from terminating, transferring, and withholding wages during suspension, or imposing other adverse actions on employees involved in the preceding clause. However, if it is proven that an employee has abused the right to suspend operations and is duly recognized by the competent authority in accordance with labor laws and regulations, this restriction does not apply.



★ Disaster Risk Management

To strengthen risk management and implement self-management of damage prevention, the Occupational Safety and Health Management Department and the supervision and general affairs unit shall require the asset and equipment users to conduct independent inspections and checks every quarter (in January, April, July, and October) and fill out a damage prevention checklist based on the inspection results. Any anomaly shall be reported and corrected to ensure the normal operations of related electrical, mechanical, and fire-fighting facilities. The Company also requires all relevant units to increase patrols and security operations before long holidays and typhoons to ensure the safety of buildings and workplaces in the Company's factories during holidays and to avoid accidents. The Company also requires all relevant units to increase inspections and tests of fire safety, electrical, and emergency equipment and facilities. The Company has established the following disaster risk management measures to reduce the impact of disasters (rainstorms, typhoons, earthquakes, fires, etc.) and to ensure the implementation of safety policies for employee safety, property integrity, and business continuity:

Disaster risk management measures

- We established the "Disaster Prevention and Emergency Response Plan" as guidelines in case of disasters, and conduct disaster prevention and emergency response drills for fire and earthquakes every six months.
- We regularly inspect and maintain all building structures, compile records, and regularly report building public safety inspection results in accordance with regulations.
- The Company organizes damage prevention inspections every three months. We propose recommendations and specify a period for renewed inspections for non-compliant matters. In 2024, a total of 23 deficiencies were corrected.
- We organize risk management seminars and related training programs each year to increase employees' crisis and risk awareness and response capabilities.
- We established the information system backup environment to provide more comprehensive, stable, and uninterrupted information system services and ensure the normal operations of all units.
- We established the independent management system for fire safety equipment to implement routine inspections and maintenance of fire safety facilities and fire safety management. We also execute fire safety equipment inspection reports in accordance with regulations.
- The building lightning rod, grounding, and factory electrical systems are all regularly inspected by external service providers.

Disaster prevention and emergency response drills



◦ Fire Drill (Safety Protection Team)



◦ Fire Drill (Safety Protection Team)



◦ Fire Drill (Firefighting Team)



◦ Fire Drill (Firefighting Team)



◦ Fire Drill (Emergency Rescue Team)



◦ Fire Drill (Emergency Rescue Team)



◦ Fire Drill (Evacuation Guidance Team)



◦ Fire Drill (Evacuation Guidance Team)



◦ Fire Drill (Notification Team)



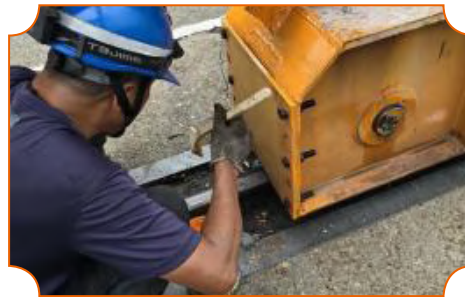
◦ Fire Drill (Notification Team)



Damage Prevention Inspections – Self-improvement Results



- Current Condition: Abnormal wear detected on the passive wheel of Overhead Crane #25 (southwest side).



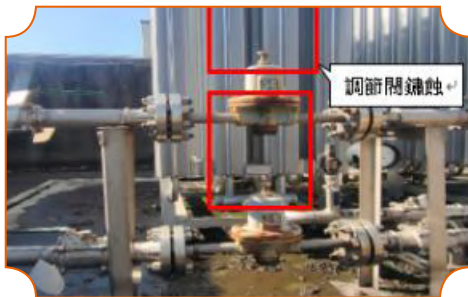
- Improvement measures: Replaced with a new component; post-replacement testing confirmed normal operation.



- Current Condition: Brake slippage observed on the west hook of Overhead Crane #53.



- Improvement measures: Replaced brake pads and resurfaced Friction Plate B; functionality confirmed through operational testing.



- Current Condition: Corrosion identified on the pressure regulator valve of the high-pressure oxygen storage tank (O₂).



- Improvement measures: Removed rust and applied anti-corrosion coating to the oxygen regulator valve to enhance durability.

We use the aforementioned inspection measures and disaster prevention drills to strengthen employees' awareness of hazards, enhance crisis management response, and reduce and minimize risks and property loss in the event of a disaster.

* Other Safety Management Measures

The Company promotes a culture of safety and health for all employees and implements the 6S for "sort, set in order, shine, standardize, sustain, and safety". We organize inspections for factories and construction sites every six months and inspections for offices every year. We assign staff on duty to inspect and record the work areas, environment, buildings, and related facilities in the factories. We use the reward and punishment system to implement and track improvement of defects, and conduct the "Safety and Health and 6S Implementation Contest" for public commendations for units with outstanding performance. We want units to motivate each other and improve the safety and health management standard.

The Company has established the "Construction Site Occupational Safety and Health Reward and Punishment Regulations" and the "Factory Safety and Health and 6S Implementation Reward and Punishment Regulations" as the basis for the evaluation. The Safety, Health, and 6S Promotion Assessment was an evaluation of the daily performance of contractors organized by each department. At the Hsinchu Factory, the assessment aimed to encourage self-improvement by identifying issues during daily work and making necessary improvements. The first-place winner received a plaque and a cash prize of NT\$20,000. For the Xinying factory and construction sites, awards were given to the top three sites for each half-year, with cash prizes of NT\$30,000 for First place, NT\$20,000 for Second place, and NT\$10,000 for Third place. Additionally, the Xinying factory presents a "Best Improvement Award", accompanied by a NT\$10,000 prize, to further promote continuous safety improvement.



★ 2024 Occupational Safety and Health /6S Implementation Evaluation

○ Hsinchu Factory



○ Xinying Factory-1H



○ Xinying Factory-2H



★ Occupational Safety and Health Training

Evergreen Steel assigns employees to attend seminars and training programs organized by government agencies to enhance their understanding of relevant regulations and trends in occupational safety and health management. The Company organizes safety and health training programs each year. We also organize workplace hazard awareness campaigns for all employees.

Occupational Safety and Health Training			
Training	Implementation Method	Participants	Training Expenses (NT\$)
Safety and Health Training for New Employees	Internal Training	179	0
Safety and Health Training for International Migrant Workers	Internal Training	34	0
Training for Occupational Safety and Health Supervisors	External Training	7	12,700
Training for Occupational Safety and Health Management Personnel	External Training	2	3,800
Training for Occupational Safety and Health Specialists	External Training	1	2,000
Training for Category A Occupational Safety and Health Management Personnel	External Training	2	3,600
Training for Fire Safety Management Personnel	External Training	3	9,580
Training for First-Aid Personnel	External Training	6	3,600
Training for Oxygen-Deficient Operation Supervisors	External Training	4	4,800
Training for Supervisors of Compressed Gas Supply and Handling Operations	External Training	5	7,200
Training for Specific High-Pressure Gas Equipment Operator	External Training	6	19,800
Training for Forklift Operators	External Training	6	19,160
Training for Fixed Crane Operators	External Training	4	3,200
Training for Aerial Work Platform Operators	External Training	3	24,500
Certification Training for Overhead Crane Operators with a Lifting Capacity of 3 Tons or More	Appoint External Instructor to Provide Internal Training / External Training	9	16,100
Training for Operators of Forklifts with a Capacity of 1 Ton or More	Appoint External Instructor to Provide Internal Training / External Training	7	8,000

* Accident Investigation

The occupational safety and health management unit established the "Safety and Health Anomaly Management Procedures" for Evergreen Steel to manage the employees or contractors of the factory in the emergency response and follow-up investigation of occupational safety and health accidents to reduce losses from accidents and prevent the recurrence of similar accidents. In the event of an occupational safety accident, the unit where the accident occurred, on-duty personnel, and the individual who discovered the accident shall report to the supervisor by means of the telephone or a verbal report. The supervisor shall proceed with occupational accident reports or report to more senior executives. After the accident, the unit where the accident occurred shall fill out an accident report and propose accident analysis and correction/improvement measures to prevent similar accidents from recurring.

* Occupational Hazard Statistics

The Company aims to achieve zero occupational injuries in its occupational accident management. The target is used as the basis for improving safety activities in the factory. We also present monetary rewards and certificates to support zero-accident activities and commend units with outstanding performance.

Total working hours and occupational injuries of employees over the past three years							
Year	2022		2023		2024		
Category	Male	Female	Male	Female	Male	Female	
Total working hours	627,492	192,570	658,245	188,823	716,860	194,055	
	820,062		847,068		910,915		
Occupational accidents	Number of Occupational Fatalities	No deaths resulted from occupational injuries from 2022 to 2024.					
	Number of severe occupational injury cases	1	0	0	0	0	
		1		0		0	
	Number of Recordable Occupational Injuries	2	1	2	0	4	0
		3	2		4		
Severe Occupational Injury Rate %		1.22	0		0		
Recordable Occupational Injury Rate %		3.66	2.36		4.39		
Occupational Injury Category (e.g., fractures, cutting, and bruises)		<ul style="list-style-type: none">Pressed the wrong button when lifting sections, resulting in injured left thigh that was squeezed by sections. (Hsinchu Factory)When turning a steel pillar, a finger was caught in the chain and injured. (Xinying Factory)Purlicue was cut by iron shavings on chain when carrying chains by hand. (Xinying Factory)		<ul style="list-style-type: none">During welding operations, accidentally stepped into a gap while shifting, resulting in a sprained right ankle. (Xinying Factory)Fell and got injured while inspecting components riding a motorcycle. (Xinying Factory)			<ul style="list-style-type: none">While moving a large electric fan, the employee's right thumb and index finger were accidentally struck by the fan blades.While stepping on and moving box girder stiffeners, the employee slipped and fell, resulting in a strained arm from the impactWhile manually handling tie rods, the employee's wrist was accidentally crushed by a falling wooden pallet.During material retrieval, the employee failed to notice the surroundings and accidentally bumped into a stationary overhead crane motor.
Corrective Action		<ul style="list-style-type: none">Unauthorized personnel are prohibited from operating dangerous machinery. When operating an overhead crane, personnel should stand at safe positions at both ends at a 45-degree angle.Fill out accident report according to the ISO 45001 Occupational Health and Safety Management Systems.Included in education, training, and promotion.		<ul style="list-style-type: none">Fill out accident report according to the ISO 45001 Occupational Health and Safety Management Systems.Included in education, training, and promotion.			<ul style="list-style-type: none">Fill out accident report according to the ISO 45001 Occupational Health and Safety Management Systems.Included in education, training, and promotion.
Note:							
1. Severe occupational injuries refer to those occupational injuries that cannot be recovered from within six months.							
2. Recordable occupational injuries do not include occupational injuries during commuting.							
3. Occupational Fatality Rate=(Number of Occupational Fatalities/ Total working hours)*1,000,000hrs							
4. Severe Occupational Injury Rate=(Number of severe occupational injury cases/ Total working hours)*1,000,000hrs							
5. Recordable Occupational Injury Rate=(Number of Recordable Occupational Injuries/ Total working hours)*1,000,000hrs							

Note:

1. Severe occupational injuries refer to those occupational injuries that cannot be recovered from within six months.
2. Recordable occupational injuries do not include occupational injuries during commuting.
3. Occupational Fatality Rate=(Number of Occupational Fatalities/ Total working hours)*1,000,000hrs
4. Severe Occupational Injury Rate=(Number of severe occupational injury cases/ Total working hours)*1,000,000hrs
5. Recordable Occupational Injury Rate=(Number of Recordable Occupational Injuries/ Total working hours)*1,000,000hrs

Total working hours and occupational injuries of non-employees over the past three years													
Year	2022		2023		2024								
Category	Male	Female	Male	Category	Male	Female							
Total working hours	855,258	196,222	937,861	207,971	844,728	199,144							
	1,051,480		1,145,832		1,043,872								
Occupational accidents	Number of Occupational Fatalities	0	0	0	0	1	0						
		0		0		1							
	Number of severe occupational injury cases	No severe occupational injuries from 2022 to 2024.											
	Number of Recordable Occupational Injuries	3	0	4	0	8	0						
	3		4		8								
Recordable Occupational Injury Rate %	2.85		3.49		7.66								
<div>Occupational Injury Category (e.g., fractures, cutting, and bruises)</div> <div><div><div><div>Slipped when walking, and left leg was scraped by steel plate.</div><div>Right purlicue was burned accidentally by torch during cutting process.</div><div>Right hand injured when falling downstairs.</div></div><div><div>During lifting operations, the beam component accidentally toppled over, resulting in a crush injury to the left thigh.</div><div>While handling materials, accidentally stepped into a gap and fell, resulting in an injury.</div><div>During collaborative work to place cylindrical pipe blocks, accidentally got caught in and injured by the cylindrical pipe.</div><div>While tying chains on a hand truck, accidentally fell and got injured.</div></div></div><div><div><div>While dismantling a safety net on the 41st floor, the worker fell and bounced off the structure, landing on the 39th floor. The worker was transported to the hospital but did not survive.</div><div>During lifting operations, improper use of the remote control caused a steel plate to strike the worker's abdomen.</div><div>While manually handling angle irons, the worker failed to check finger placement during release, resulting in a crush injury to the right index finger.</div><div>While working at the BOX assembly station, an internal partition panel toppled over, causing a shin abrasion.</div><div>During grinding operations, metal shavings splashed and struck the left cheek, causing a minor abrasion.</div><div>While adjusting the position of a steel plate at the assembly station, the worker accidentally struck the middle finger of the right hand, resulting in bruising.</div><div>While descending a steel staircase after work, the worker stepped on a misplaced steel bar and fell.</div><div>While assisting with cleaning flatbed trailer tires, the worker turned on the water source; as the previous user had not closed the water gun, it recoiled and caused a minor injury.</div></div></div></div> <tr><td colspan="7"><div>Corrective Action</div><div><div><div>Fill out accident report according to the ISO 45001 Occupational Health and Safety Management Systems.</div><div>Included in education, training, and promotion.</div><div>During the Occupational Health and Safety Promotion Meeting, accidents that occurred and corrective measures are discussed.</div></div><div><div>Fill out accident report according to the ISO 45001 Occupational Health and Safety Management Systems.</div><div>Included in education, training, and promotion.</div><div>During the Occupational Health and Safety Promotion Meeting, accidents that occurred and corrective measures are discussed.</div></div><div><div>Fill out accident report according to the ISO 45001 Occupational Health and Safety Management Systems.</div><div>Included in education, training, and promotion.</div><div>During the Occupational Health and Safety Promotion Meeting, accidents that occurred and corrective measures are discussed.</div></div></div></td></tr>							<div>Corrective Action</div> <div><div><div>Fill out accident report according to the ISO 45001 Occupational Health and Safety Management Systems.</div><div>Included in education, training, and promotion.</div><div>During the Occupational Health and Safety Promotion Meeting, accidents that occurred and corrective measures are discussed.</div></div><div><div>Fill out accident report according to the ISO 45001 Occupational Health and Safety Management Systems.</div><div>Included in education, training, and promotion.</div><div>During the Occupational Health and Safety Promotion Meeting, accidents that occurred and corrective measures are discussed.</div></div><div><div>Fill out accident report according to the ISO 45001 Occupational Health and Safety Management Systems.</div><div>Included in education, training, and promotion.</div><div>During the Occupational Health and Safety Promotion Meeting, accidents that occurred and corrective measures are discussed.</div></div></div>						
<div>Corrective Action</div> <div><div><div>Fill out accident report according to the ISO 45001 Occupational Health and Safety Management Systems.</div><div>Included in education, training, and promotion.</div><div>During the Occupational Health and Safety Promotion Meeting, accidents that occurred and corrective measures are discussed.</div></div><div><div>Fill out accident report according to the ISO 45001 Occupational Health and Safety Management Systems.</div><div>Included in education, training, and promotion.</div><div>During the Occupational Health and Safety Promotion Meeting, accidents that occurred and corrective measures are discussed.</div></div><div><div>Fill out accident report according to the ISO 45001 Occupational Health and Safety Management Systems.</div><div>Included in education, training, and promotion.</div><div>During the Occupational Health and Safety Promotion Meeting, accidents that occurred and corrective measures are discussed.</div></div></div>													

Note:

- Severe occupational injuries refer to those occupational injuries that cannot be recovered from within six months.
- Recordable occupational injuries do not include occupational injuries during commuting.
- Occupational Fatality Rate=(Number of Occupational Fatalities/ Total working hours)*1,000,000hrs

- Severe Occupational Injury Rate=(Number of severe occupational injury cases/ Total working hours)*1,000,000hrs
- Recordable Occupational Injury Rate=(Number of Recordable Occupational Injuries/ Total working hours)*1,000,000hrs

5.3.3 Employee Health Management and Promotion

To create a safe workplace and protect employees' physical and mental health, Evergreen Steel Corporation complies with the Occupational Safety and Health Act and the Regulations on Labor Health Protection by formulating and implementing a range of policies and preventive plans. These include the Occupational Safety and Health Work Rules, the Prevention Plan for Musculoskeletal Disorders Induced by Repetitive Work, the Prevention Plan for Illnesses Triggered by Abnormal Workload, the Prevention Plan for Unlawful Infringement While Performing Duties, and the Maternal Health Protection Plan for Female Workers. The Company has also planned and adopted corresponding health protection measures to ensure the well-being of all employees.

Item	Implementation	
Occupational Safety and Health Work Rules	Defines and promotes OSH practices through training, PPE usage, and audits to reduce exposure risks and prevent occupational diseases.	
Human-Factor Hazard Prevention Plan	Based on health checkups, attendance records, and symptom surveys; suspected cases are referred for on-site physician consultations with follow-up and improvement tracking.	
Prevention Project for Diseases Triggered by Excessive Workload	Employees with moderate or high risk identified via health checks and overwork questionnaires receive medical counseling and follow-up care.	
Unlawful Infringement in the Performance of Duties Prevention Plan	Employees encountering physical or psychological harm at work may report via hotline (02-25135655), email (comment@evergreenet.com), or forms to HR. Reports are handled confidentially with investigation and preventive actions.	
Workplace Maternal Health Protection Project	<ul style="list-style-type: none">Assesses workplace risks for eligible female employees, arranges doctor consultations, and provides education, health guidance, and preventive actions.We provide breastfeeding rooms for female employees who need them.	
Physical/Health Examination for Employees	In accordance with the Regulations on Labor Health Protection; pre-employment physicals for new hires, regular general checkups (above legal standards), and additional exams for special hazard exposure (e.g., noise, dust).	
Occupational Disease Prevention	Conducts semi-annual monitoring of work environments (noise, dust, solvents, CO ₂ , etc.) and provides targeted health checks and graded health management to prevent occupational diseases.	
Health Consultation	Frequency of On-site Services by Contracted Medical Personnel:	
Health Promotion Activities	<ul style="list-style-type: none">We play music at 3 p.m. every afternoon to encourage employees to exercise and release their stress.We announce relevant healthcare information and preventive health education to remind employees to take care of their own health.Health seminars are held annually, featuring lectures delivered by occupational health professionals and experts from various fields.Annual first aid training and drills are conducted to enhance employees' basic knowledge and skills in self-rescue and providing emergency assistance.We provide Evergreen Symphony Orchestra information on an irregular basis to encourage employees to find relief through music.	
	First-Aid Personnel and Equipment Management	<ul style="list-style-type: none">Appoint first-aid personnel and prepare sufficient first-aid medical supplies in accordance with the Regulations on Labor Health Protection.All operating sites have installed first-aid equipment, including automated external defibrillators (AEDs).We set up a medical room and appointed physicians and nurses to provide medical consultations.

★ Employee Health Examinations

Evergreen Steel Corporation conducts employee health examinations in accordance with the Regulations on Labor Health Protection. Pre-employment physical examinations are conducted for new hires, while general health checkups are provided for current employees to help them understand and manage their health status. **The scope and frequency of the health examinations conducted by the Company exceed legal requirements**, as outlined in the comparison table below:

The Company		Regulatory Requirements	
Age	Frequency	Age	Frequency
Under 30 Years Old	5 years/time	Under 40 Years Old	5 years/time
30~45 Years Old	3 years/time	40~65 Years Old	3 years/time
45~65 Years Old	2 years/time		
Over 65 Years Old	1 years/time	Over 65 Years Old	1 years/time

In addition to general health examinations, Evergreen Steel Corporation provides specialized health checkups for employees working in designated high-risk environments (e.g., exposure to dust or noise). Based on the results, employees are classified into risk levels and assigned corresponding health management measures. Those in Level 2 or above receive personalized health guidance, consultation with contracted medical staff, and are referred for additional outpatient follow-ups. Where necessary, physicians may recommend workplace adjustments to ensure proper health protection.

Over the past three years, the attendance rate for general health examinations has consistently reached 100%. In 2024, the abnormality rate in health check results decreased by 4% compared to the previous year. A total of 26 employees were identified for health concern follow-up based on risk classification, all of whom have received appropriate medical referrals and health counseling.



Employee health examinations in 2024

Items	Examination Items	Employee	Examination Expenses (NT\$ thousands)
General Health Examination	The health examination includes general physical examination, hearing test (using a decibel meter), routine urine test, stool test, routine blood test, liver function test, kidney function test, lipid profile test, cardiovascular disease screening, thyroid examination, tumor (cancer) markers, electrocardiogram (ECG), X-ray examination, ultrasound examination, metabolic profile test, and other functional tests.	140	503.15
Special Health Examination	In addition to general health examination items, additional checks are conducted based on specific working environments, such as noise exposure assessments or inspections for exposure to manganese and its compounds (excluding MnO and MnO ₃).	39	24.48
Total		179	527.63

- Note:
1. New employees in the current year already received the physical examination before reporting for duty and were therefore not included in the health examination.
 2. The Taipei head office is not a production unit and the Kaohsiung Factory's operations and environment are not legally defined as having special hazardous operations, and therefore do not need special health exams.
 3. Special health examinations are arranged for personnel in special operating environments as both the environments in the Hsinchu Factory and the Xinying Factory are legally defined as special hazardous operations.

Annual Employee Health Examination



★ Occupational Disease Prevention

The main health hazards associated with the production processes at the Company's Hsinchu Factory and Xinying Factory include dust, noise, and electric ophthalmia. Through personnel education and training, protective gear, labor working environment monitoring, and special health examination, the Company monitors the health of its employees. In 2024, the Company had zero cases of the aforementioned occupational diseases (including cases that led to death).

★ Health Consultation

To uphold the physical and mental well-being of employees, Evergreen Steel Corporation arranges for contracted medical personnel to provide on-site health services in accordance with legal requirements. These professionals offer medical consultations and assist employees in managing and maintaining their personal health.

The frequency of deployment of occupational medical personnel for onsite labor health and services are as follows:

Factory	Frequency of Onsite Service by Doctors	Frequency of Onsite Service by Nurses
Taipei Head Office	One 2-hour session/week (via videoconferencing)	One 8-hour session/month
Hsinchu Factory	Four 2-hour sessions/year	Four 2-hour sessions/month
Xinying Factory	One 2-hour sessions/week	Full-time

Note:

1. The Kaohsiung Factory has less than 50 people, and therefore is not included in the chart.
2. On-site physician service at each site is provided for 2 hours per session.
3. On-site nurse service at the Taipei Head Office and Hsinchu Factory is provided for 8 hours per month.

Health Consultation by doctors



★ Health Promotion

To provide employees with more health information, the Company periodically adapts to current events and provides employees health information and epidemic prevention measures via email or bulletin boards. In 2024, a total of 16 such announcements were made.

Health Education Board- Promotion of Musculoskeletal Stretching Exercises



Health Education Board- Occupational Safety and Health Awareness for Outdoor Work in Cold Weather



Health Education Board- Cardiovascular Health Awareness in Response to Sudden Temperature Drops



Health Education Board- Heat Injury Prevention Awareness Campaign



Health Promotion

In 2024, a total of **16** such announcements were made

★ Health Promotion Activities

The Company organize annual health seminars, inviting occupational physicians, nurses, and experts from various fields to deliver presentations. In 2024, a total of six seminars were held, with 187 employees participating.

In addition, we conducted one emergency response training and drill for injuries and illnesses to strengthen employees' understanding of emergency reporting procedures and their ability to respond effectively during medical emergencies. This helps ensure that employees are well-prepared to act quickly and appropriately, thereby enhancing workplace safety.



Health Talks - Workplace Stress Adjustment and Emotional Management (Xinying Factory)



Health Promotion Activity-Injury and Emergency Treatment Training and Drills (Xinying Factory)



Health Talks - START Exercise Coordination and Health (Xinying Factory)



Health Promotion Activities

In 2024, a total of **6** seminars were held, with **187** employees participating



Health Talks - Hypertension Prevention and Management (Hsinchu Factory)



Health Talks - Metabolic Syndrome Prevention (Hsinchu Factory)





Evergreen Steel adheres to the philosophy of giving back to society and actively participates in multifaceted social welfare activities. Since 2021, This includes promoting the art and cultural industry, providing assistance to local communities, sponsoring educational programs, devoting resources to education and medicine in remote areas, and participating in environmental protection activities. In 2024, the Company invested a total of NT4.43 million towards various social welfare activities, continually spreading love and care through concrete actions to contribute to social harmony and create a virtuous cycle.

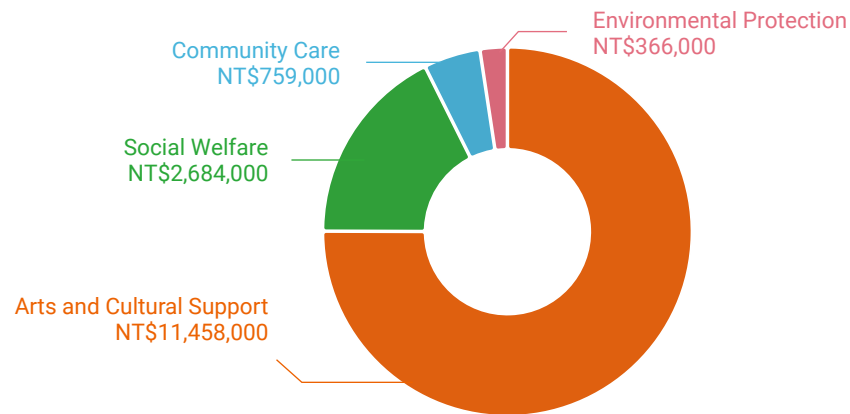
CHAPTER

6

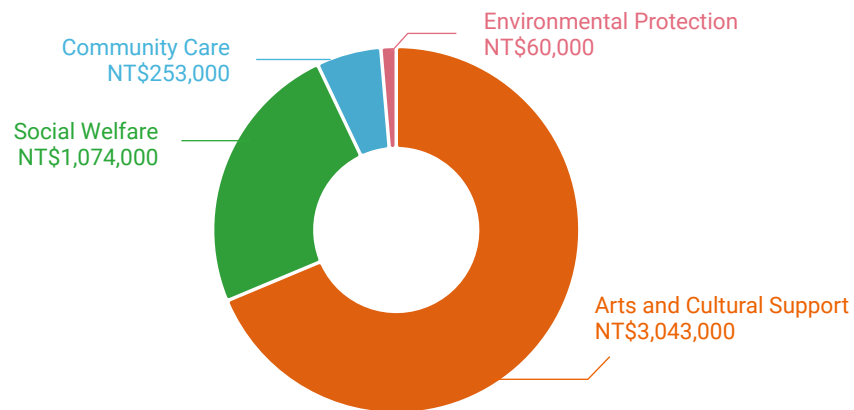
Social Engagement

6.1	Arts and Cultural Support	116
6.2	Community Care	117
6.3	Social Welfare	118
6.4	Environmental Protection	119

★ Evergreen Steel Corporation Public Welfare Contributions (2021–2024)
Approximately NT\$15.27 Million



★ Evergreen Steel Corporation Public Welfare Contributions in 2024
Approximately NT\$4.43 Million



6.1 Arts and Cultural Support

In 2024, the Company invested over NT\$3 million to support the development of domestic arts and culture. We sponsored seven classical concerts organized by the Evergreen Symphony Orchestra and provided a portion of the tickets to employees as well as social welfare and disadvantaged groups. The Company also sponsored more than 100 students from Lufeng Elementary School and Ruifeng Elementary School in Hsinchu County to participate in marine education charity activities at the Evergreen Maritime Museum. Together with the Chang Yung-Fa Foundation and Jing Xue Studio, we co-produced an environmental education theater program that toured 20 elementary schools in northern Taiwan. In addition, the Company sponsored the Hsinchu County Jiaying Elementary School Choir's music education development fund, the publication of the United Daily News "2024 Republic of China Economic Yearbook," and the China Times "New Homeland Mobilization Order" special feature report and publication. Through these diverse initiatives, the Company actively promotes cultural enrichment, educational access, and the vitality of Taiwan's creative and publishing sectors.

Arts and Culture Support

Invested over **NT\$3 million** to support arts and culture, sponsoring **7** concerts organized by the Evergreen Symphony Orchestra.



6.2 Community Care

To give back to local communities and promote shared prosperity, the Company defines its local communities as the townships and districts where its operating sites are located. In 2024, the Company participated in various community engagement initiatives around the Xinying Factory, including: the meal delivery initiative of the Taizi Community Development Association; the Mid-Autumn Festival celebration organized by the Evergreen Seniors Care Association; the neighborhood bonding event hosted by the Xinying Industrial Park Manufacturers Association; disaster recovery donations to the Yanshui District Office following Typhoon Gaemi; the "Run for Health" marathon organized by the Xinying Taizi Temple; and providing meals to firefighters of the Tainan City Fire Department. Through these diverse activities, the Company not only fulfills its corporate social responsibility but also remains committed to fostering stronger community ties and enhancing social well-being.



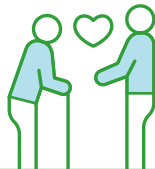
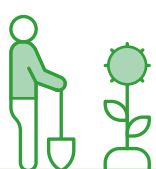
◦ Taizi Community Development Association "Meals for Community Senior Citizens"



◦ Yanshui District Office "Post-disaster relief fund after Typhoon Gaemi"



◦ Xinying Taizih Temple "Run for Health marathon"



6.3 Social Welfare

Evergreen Steel remains committed to advancing social equity and inclusion through sustained engagement in education, healthcare, and support for disadvantaged communities. In 2024, the company implemented a variety of public welfare initiatives that directly addressed community needs and created long-term social value. The Company sponsored the multi-year diversified tutoring program by the DENER Children Foundation Taiwan, arranging for professional teachers to tour schools in Changhua and Nantou and provide curriculum guidance and book reading tutorials, helping 91 children improve their learning abilities. Furthermore, we provided evening snacks and nutritional beverages for extracurricular activities for students at Maolin Junior High School, allowing all 20 students to timely replenish the energy needed for learning and growth, and helping them enhance learning performance and confidence. In addition, the Company funded meal expenses for 15 boarding students at Kung Tung Technical Senior High School to improve their nutrition and learning outcomes, and also sponsored the "Girls Spreading Wings Program" at Nanzih Special School in Kaohsiung, providing diverse activities of guided explorative education to cultivate students' basic knowledge and skills, preparing them for stable work and normal life upon returning to society.

In terms of rural healthcare, the Company sponsored the National Cheng Kung University Medical Service Club to conduct home visits and provide health education for elderly residents living alone in the Qigu area, as well as to organize daytime community activities. We also supported the Taipei Medical University Mountain Region Social Medical Service Team in delivering mobile clinics and organizing recreational camps for children in Puli and Ren'ai Townships of Nantou. These initiatives promoted health awareness, provided free clinics and consultations, and leveraged local resources for community activities and children's camps. Through these efforts, the Company seeks to improve health and social bonds in remote areas while advancing rural healthcare.

In supporting disadvantaged groups, the Company sponsored nutritious Lunar New Year meal sets and supplementary food funds for the Datong Children's Home under the Taiwan Fund for Children and Families, enabling orphaned and vulnerable children to enjoy festive dishes and a joyful holiday. The Company also supported the Tainan Family Support Center's "Year-end gratitude and creative charity market" to bring care and warmth to families in need. In addition, we purchased handmade cookies from Zhan-Yi Bakery, operated by the Tainan Association for the Mentally Challenged, to help sheltered individuals enhance their sense of self-worth. Through these charitable initiatives, the Company seeks to extend care, bring warmth to disadvantaged groups, and foster continued social support within local communities.



* Blood Donation and Lifesaving Action

The Xinying Factory regularly collaborates with the Tainan Blood Center to host blood donation events. Over the past nine years, the company has organized 15 blood donation drives and collected 386 units of blood. In 2024, two events in January and June resulted in the donation of 48 bags. This effort contributed to the medical needs in Taiwan and reflected the Company's commitment to social responsibility.

Blood Donation

15 blood donation drives over the past nine years,
collecting **386** units of blood.



6.4 Environmental Protection

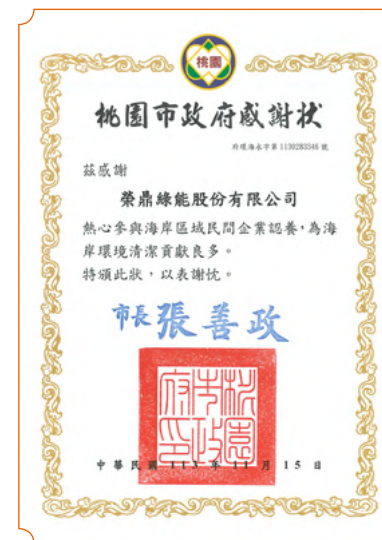
On April 20, 2024, Evergreen Steel and the subsidiary Ever Ecove Corp., and the Society of Wilderness(SOW) organized the "Let's Go River Cleanup" activity along the Lao Jie River in Zhongli, Taoyuan City. On September 28, the Company partnered with Ever Ecove Corp. and Ecove Environment Services Corp. to host a beach cleanup at the south coast of Yong'an Fishing Port in Xinwu, Taoyuan City. Chairman Lin led employees and family members to serve as environmental volunteers. A total of 126 people participated in the two activities and picked up a total of about 338 kilograms of garbage. These efforts not only improved the local environment but also reinforced personal responsibility for reducing plastic waste and practicing waste separation.

Beach Cleanup

338 kg waste removed in 2 events with **126** participants.



The subsidiary Ever Ecove Corp. received the "Silver-Level " Green Building Certification by the Ministry of the Interior in 2024, demonstrating its commitment to sustainable architecture. The company also adopted a 1.5-kilometer stretch of shoreline at Yong'an Fishing Harbor, where it organizes regular cleanups to preserve coastal habitats and promote biodiversity.





CHAPTER

A

Appendix

Appendix I	GRI Content Index	121
Appendix II	Sustainability Accounting Standards Board (SASB) Index	130
Appendix III	Sustainability Disclosure Indicators-Steel Industry	132
Appendix IV	Climate-Related Information of TWSE/ TPEX Listed Company	133
Appendix V	Independent Assurance Statement	137

Appendix I: GRI Content Index

Statement of use	Evergreen Steel's Sustainability Report is compiled in accordance with the GRI Standards. The information disclosure period of this report is from 1 January 2024 to 31 December 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	GRI has not published an applicable Sector Standard

Indicator	Disclosure	Chapter	Page	Notes
GRI 2: General Disclosures 2021				
The organization and its reporting practices				
2-1	Organizational details	2.1 Company Overview	37-38	
2-2	Entities included in the organization's sustainability reporting	About this Report	3	
2-3	Reporting period, frequency and contact point	About this Report	3	
2-4	Restatements of information	About this Report	3	
2-5	External assurance	About this Report	3	
Activities and workers				
2-6	Activities, value chain and other business relationships	2.1 Company Overview	37-38	
		3.1 Products and Sales	53	
2-7	Employees	5.1 Employee Policies and Overview	93	
2-8	Workers who are not employees	5.1 Employee Policies and Overview	94	

Indicator	Disclosure	Chapter	Page	Notes
Governance				
2-9	Governance structure and composition	1.1 Sustainable Development Strategy	7	
		2.2 Corporate Governance Structure	40-42	
2-10	Nomination and selection of the highest governance body	2.2 Corporate Governance Structure	40	
2-11	Chair of the highest governance body	2.2 Corporate Governance Structure	40-41	
2-12	Role of the highest governance body in overseeing the management of impacts	1.1 Sustainable Development Strategy	7	
2-13	Delegation of responsibility for managing impacts	1.1 Sustainable Development Strategy	7	
2-14	Role of the highest governance body in sustainability reporting	1.1 Sustainable Development Strategy	7	
2-15	Conflicts of interest	2.2 Corporate Governance Structure	41	
2-16	Communication of critical concerns	1.1 Sustainable Development Strategy	7	
		2.2 Corporate Governance Structure	41	
2-17	Collective knowledge of the highest governance body	2.2 Corporate Governance Structure	41	
2-18	Evaluation of the performance of the highest governance body	2.2 Corporate Governance Structure	43-44	
2-19	Remuneration policies	2.2 Corporate Governance Structure	42	
2-20	Process to determine remuneration	2.2 Corporate Governance Structure	43-44	
2-21	Annual total compensation ratio	5.1 Employee Policies and Overview	96	
Strategy, policies and practices				
2-22	Statement on sustainable development strategy	Letter from the Management	4-5	
2-23	Policy commitments	5.1 Employee Policies and Overview	93	
2-24	Embedding policy commitments	5.1 Employee Policies and Overview	93	
2-25	Processes to remediate negative impacts	2.3 Ethical Management	46-47	
		2.4 Risk Management	48-51	
		5.1 Employee Policies and Overview	93	

Indicator	Disclosure	Chapter	Page	Notes
2-26	Mechanisms for seeking advice and raising concerns	2.3 Ethical Management	46	
2-27	Compliance with laws and regulations	2.3 Ethical Management	45-46	
2-28	Membership associations	2.1 Company Overview	39	
Stakeholder engagement				
2-29	Approach to stakeholder engagement	1.2 Stakeholder Interaction	14-17	
2-30	Collective bargaining agreements	5.1 Employee Policies and Overview	96	
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	1.3 Management of Material Topics	18	
3-2	List of material topics	1.3 Management of Material Topics	18-19	
3-3	Management of material topics	1.3 Management of Material Topics	20-35	
Topic-specific Standards - Economic				
GRI 201: Economic Performance 2016				
201-1	Direct economic value generated and distributed	3.1 Products and Sales	54	
201-2	Financial implications and other risks and opportunities due to climate change	4.1 Climate Action	72-82	
201-3	Defined benefit plan obligations and other retirement plans	5.3 Employee Care	102	
201-4	Financial assistance received from government	-	-	No such incident
GRI 202: Market Presence 2016				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.1 Employee Policies and Overview	97	
202-2	Proportion of senior management hired from the local community	5.1 Employee Policies and Overview	94	
GRI 203: Indirect Economic Impacts 2016				
203-1	Infrastructure investments and services supported	Ch. 6 Social Engagement	115-119	

Indicator	Disclosure	Chapter	Page	Notes
203-2	Significant indirect economic impacts	Ch. 6 Social Engagement	115-119	
GRI 204: Procurement Practices 2016				
204-1	Proportion of spending on local suppliers	3.4 Sustainable Supply Chain Management	66	
GRI 205: Anti-corruption 2016				
205-1	Operations assessed for risks related to corruption	-	-	The Company has yet to conduct operation site corruption risk assessment
205-2	Communication and training about anti-corruption policies and procedures	2.3 Ethical Management	44	
205-3	Confirmed incidents of corruption and actions taken	2.3 Ethical Management	44	
GRI 206: Anti-competitive Behavior 2016				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.3 Ethical Management	44	
GRI 207: Tax 2019				
207-1	Approach to tax	3.1 Products and Sales	54	
207-2	Tax governance, control, and risk management	3.1 Products and Sales	54	
207-3	Stakeholder engagement and management of concerns related to tax	3.1 Products and Sales	54	
207-4	Country-by-country reporting	-	-	Not applicable
Topic-specific Standards - Environmental				
GRI 301: Materials 2016				
301-1	Materials used by weight or volume	3.4 Sustainable Supply Chain Management	67	
301-2	Recycled input materials used	3.4 Sustainable Supply Chain Management	67	
301-3	Reclaimed products and their packaging materials	-	-	No such incident

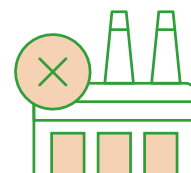
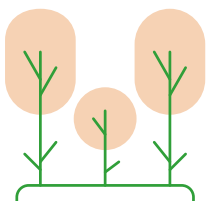
Indicator	Disclosure	Chapter	Page	Notes
GRI 302: Energy 2016				
302-1	Energy consumption within the organization	4.2 Energy Management	85	
302-2	Energy consumption outside of the organization	4.2 Energy Management	85	
302-3	Energy intensity	4.2 Energy Management	85	
302-4	Reduction of energy consumption	4.2 Energy Management	86-87	
302-5	Reductions in energy requirements of products and services	-	-	No such incident
GRI 303: Water and Effluents 2018				
303-1	Interactions with water as a shared resource	4.2 Energy Management	89	
303-2	Management of water discharge-related impacts	-	-	The Company has not reported related information
303-3	Water withdrawal	4.2 Energy Management	89	
303-4	Water discharge	4.2 Energy Management	89	
303-5	Water consumption	4.2 Energy Management	89	
GRI 304: Biodiversity 2016				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	-	The Company's operation sites are not in environmental protection areas or other regions of high biodiversity value
304-2	Significant impacts of activities, products and services on biodiversity	-	-	The Company's operational activities, products and service have not caused significant impacts on biodiversity
304-3	Habitats protected or restored	-	-	Not applicable
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-	-	Not applicable

Indicator	Disclosure	Chapter	Page	Notes
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	4.1 Climate Action	83	
305-2	Energy indirect (Scope 2) GHG emissions	4.1 Climate Action	83	
305-3	Other indirect (Scope 3) GHG emissions	4.1 Climate Action	83-84	
305-4	GHG emissions intensity	4.1 Climate Action	83-84	
305-5	Reduction of GHG emissions	4.1 Climate Action	84-85	
305-6	Emissions of ozone-depleting substances (ODS)	-	-	No such incident
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-	-	No such incident
GRI 306: Waste 2020				
306-1	Waste generation and significant waste-related impacts	4.3 Pollution Prevention	89-91	
306-2	Management of significant waste-related impacts	4.3 Pollution Prevention	89-91	
306-3	Waste generated	4.3 Pollution Prevention	89-91	
306-4	Waste diverted from disposal	4.3 Pollution Prevention	89-91	
306-5	Waste directed to disposal	4.3 Pollution Prevention	89-91	
GRI 306: Effluents and Waste 2016				
306-3	Significant spills	-	-	No such incident
GRI 308: Supplier Environmental Assessment 2016				
308-1	New suppliers that were screened using environmental criteria	3.4 Sustainable Supply Chain Management	63-66	
308-2	Negative environmental impacts in the supply chain and actions taken	3.4 Sustainable Supply Chain Management	63-66	
Topic-specific Standards - Social				
GRI 401: Employment 2016				

Indicator	Disclosure	Chapter	Page	Notes
401-1	New employee hires and employee turnover	5.1 Employee Policies and Overview	95	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.3 Employee Care	102	
401-3	Parental leave	5.3 Employee Care	103	
GRI 402: Labor/Management Relations 2016				
402-1	Minimum notice periods regarding operational changes	5.1 Employee Policies and Overview	97	
GRI 403: Occupational Health and Safety 2018				
403-1	Occupational health and safety management system	5.3 Employee Care	103-104	
403-2	Hazard identification, risk assessment, and incident investigation	5.3 Employee Care	105-109	
403-3	Occupational health services	5.3 Employee Care	112-114	
403-4	Worker participation, consultation, and communication on occupational health and safety	5.3 Employee Care	104	
403-5	Worker training on occupational health and safety	5.3 Employee Care	108	
403-6	Promotion of worker health	5.3 Employee Care	113-114	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.3 Employee Care	105	
403-8	Workers covered by an occupational health and safety management system	5.3 Employee Care	104	
403-9	Work-related injuries	5.3 Employee Care	109-110	
403-10	Work-related ill health	5.3 Employee Care	113	
GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee	5.2 Employee Development and Training	99	
404-2	Programs for upgrading employee skills and transition assistance programs	5.2 Employee Development and Training	98-99	
404-3	Percentage of employees receiving regular performance and career development reviews	-	-	

Indicator	Disclosure	Chapter	Page	Notes
GRI 405: Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	2.2 Corporate Governance Structure	40	
		5.1 Employee Policies and Overview	94	
405-2	Ratio of basic salary and remuneration of women to men	5.1 Employee Policies and Overview	96-97	
GRI 406: Non-discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken	5.1 Employee Policies and Overview	96	
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	5.1 Employee Policies and Overview	96	
GRI 408: Child Labor 2016				
408-1	Operations and suppliers at significant risk for incidents of child labor	5.1 Employee Policies and Overview	93	
GRI 409: Forced or Compulsory Labor 2016				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.1 Employee Policies and Overview	93	
GRI 410: Security Practices 2016				
410-1	Security personnel trained in human rights policies or procedures	-	-	All security personnel in the Company are non-employees, and the relevant training is conducted by their respective companies in accordance with relevant regulations
GRI 411: Rights of Indigenous Peoples 2016				
411-1	Incidents of violations involving rights of indigenous peoples	-	-	No such incident
GRI 413: Local Communities 2016				
413-1	Operations with local community engagement, impact assessments, and development programs	Ch. 6 Social Engagement	115-119	

Indicator	Disclosure	Chapter	Page	Notes
413-2	Operations with significant actual and potential negative impacts on local communities	-	-	No such incident
GRI 414: Supplier Social Assessment 2016				
414-1	New suppliers that were screened using social criteria	3.4 Sustainable Supply Chain Management	63-66	
414-2	Negative social impacts in the supply chain and actions taken	3.4 Sustainable Supply Chain Management	63-66	
GRI 415: Public Policy 2016				
415-1	Political contributions	-	-	No such incident
GRI 416: Customer Health and Safety 2016				
416-1	Assessment of the health and safety impacts of product and service categories	3.2 Quality Control	56-58	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	-	No such incident
GRI 417: Marketing and Labeling 2016				
417-1	Requirements for product and service information and labeling	-	-	Not applicable
417-2	Incidents of non-compliance concerning product and service information and labeling	-	-	No such incident
417-3	Incidents of non-compliance concerning marketing communications	-	-	No such incident
GRI 418: Customer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.3 Customer Satisfaction	59-62	



Appendix II: Sustainability Accounting Standards Board (SASB) Index

Type of Industry : Iron & Steel Producers						
Topic	Code	Metric	2024 Disclosure Information		Chapter	Page
Greenhouse Gas Emissions	EM-IS-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	<ul style="list-style-type: none">Gross global Scope 1 emissions 4,681.0683 tCO₂e.No regulatory limits on Scope 1 emissions currently.		4.1 Climate Action	83
	EM-IS-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	<ul style="list-style-type: none">The Company has established short-, medium- and long-term carbon reduction goals using the 2022 GHG emissions as the baseline.			
			Time	Reduction %		Accumulated Reduction %
			2023~2025	4%		4%
			2026~2030	28%		32%
			2031~2050	68%		100%
<ul style="list-style-type: none">To achieve carbon reduction targets, the Company has formulated related plans. Please refer to 4.1 Climate Action.						
Air Emissions	EM-IS-120a.1	Air emissions of the following pollutants: (1)CO, (2) NOx (excluding N ₂ O), (3) SOx, (4)particulate matter (PM ₁₀), (5) manganese(MnO), (6) lead (Pb), (7) volatile organic compounds (VOCs), and (8) polycyclic aromatic hydrocarbons (PAHs)	<ul style="list-style-type: none">Total suspended particulates (TSP) 0.0089 kg, no PM₁₀ data.Volatile Organic Compounds (VOCs) 7,197.2 kg.		4.3 Pollution Prevention	91
Energy Management	EM-IS-130a.1	<ul style="list-style-type: none">Total energy consumedpercentage grid electricitypercentage renewable	<ul style="list-style-type: none">85,009.33 GJ100%0%		4.2 Energy Management	85
	EM-IS-130a.2	<ul style="list-style-type: none">Total fuel consumedpercentage coalpercentage natural gaspercentage renewable	<ul style="list-style-type: none">4,328.57 GJ0%0%0%			

Type of Industry : Iron & Steel Producers					
Topic	Code	Metric	2024 Disclosure Information	Chapter	Page
Water Management	EM-IS-140a.1	<ul style="list-style-type: none"> Total water withdrawn total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress 	<ul style="list-style-type: none"> 62.202 million liters 0% The Company does not consume water resources from areas with high or extremely high water stress. 	4.2 Energy Management	89
Waste Management	EM-IS-150a.1	<ul style="list-style-type: none"> Amount of waste generated percentage hazardous percentage recycled 	<ul style="list-style-type: none"> 7,644.74 tons 0% 90% 	4.3 Pollution Prevention	90-91
Workforce Health & Safety	EM-IS-320a.1	<ul style="list-style-type: none"> Total recordable incident rate (TRIR) fatality rate(FR) near miss frequency rate (NMFR) for (a) full-time employees and (b) contract employees	<ul style="list-style-type: none"> 4.39% 0% 0% Note: The Company has no contracted employees.	5.3 Employee Care	109
Supply Chain Management	EM-IS-430a.1	Discussion of the process for managing iron ore or coking coal sourcing risks arising from environmental and social issues	<ul style="list-style-type: none"> As of 2024, the Company had yet to include "iron ore management" in the contract. The Company has never procured coking coal as a raw material. 	-	-
Topic	Code	Activity Metrics	Category	2024 Disclosure	
Activity Metrics	EM-IS-000.A	Raw steel production, percentage from: (1) basic oxygen furnace processes, (2) electric arc furnace processes	Quantitative	Not applicable	
	EM-IS-000.B	Total iron ore production ¹	Quantitative	Not applicable	
	EM-IS-000.C	Total coking coal production ²	Quantitative	Not applicable	

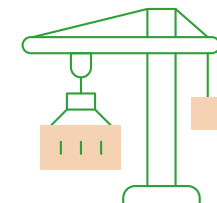
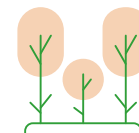
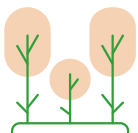
1 Note to EM-IS-000.B The scope of production includes iron ore consumed internally and that which is made available for sale.

2 Note to EM-IS-000.C The scope of production includes coking coal consumed internally and that which is made available for sale.

Appendix III: Sustainability Disclosure Indicators-Steel Industry

No.	Indicator	Indicator Type	2024 Disclosure	Unit	Chapter	Page
1	Total energy consumption, percentage of purchased electricity, utilization rate (renewable energy/total energy), and total self-generated and self-use energy ^{Note 1}	Quantitative	<ul style="list-style-type: none"> Total energy consumption: 85,009.33 GJ Percentage of purchased electricity: 100% Utilization rate (renewable energy/total energy): 0% Total self-generated and self-use energy: 0 GJ 	Gigajoules(GJ), percentage(%)	4.2 Energy Management	85
2	Total fuel consumption, percentage of coal, percentage of natural gas, and percentage of renewable fuels	Quantitative	<ul style="list-style-type: none"> Total fuel consumption: 4,328.57 GJ Percentage of coal: 0% Percentage of natural gas: 0% Percentage of renewable fuels: 0% 	Gigajoules(GJ), percentage(%)	4.2 Energy Management	85
3	Total water withdrawn and total water consumption Unit: Thousand cubic meters (m ³)	Quantitative	<ul style="list-style-type: none"> Total water withdrawn: 62.202 m³ Total water consumption: 31.750 m³ 	Thousand cubic meters(m ³)	4.2 Energy Management	89
4	Total waste generated, percentage of hazardous waste and percentage recycled	Quantitative	<ul style="list-style-type: none"> Total waste generated: 7,644.74 tons Percentage of hazardous waste: 0% Percentage recycled: 90.37% 	Metric tons(t) , percentage(%)	4.3 Pollution Prevention	90-91
5	Number of employees in and rate of occupational accidents	Quantitative	<ul style="list-style-type: none"> Number of occupational accidents: 4 Rate of occupational accidents: 4.39% 	Number, percentage(%)	5.3 Employee Care	109
6	Production by product category	Quantitative	<ul style="list-style-type: none"> Product Item: Steel structure products Output (Unit): 127,092 tons 	Varies by product	3.1 Products and Sales	53

Note: The total self-generated and self-use energy are as defined by the "Renewable Energy Development Act", "Implementation Regulations Governing Renewable Energy Certificates", or related laws.



Appendix IV: Climate-Related Information of TWSE/TPEX Listed Company

1. Risks and opportunities posed by climate change to the Company and the relevant measures taken by and relevant countermeasures taken by the company

Item	Chapter	Page
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	4.1 Climate Action	72-82
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	4.1 Climate Action	72-82
3. Describe the financial impact of extreme weather events and transformative actions.	4.1 Climate Action	72-82
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	4.1 Climate Action	72-82
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	4.1 Climate Action	72-82
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	4.1 Climate Action	72-82
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	-	-
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	4.1 Climate Action	72-82
9. Greenhouse gas inventory and assurance status (separately fill out in point 1-1 and 1-2 below).	1-1 The Company's GHG Inventory and Assurance in the Last Two Years	133-135
	1-2 Greenhouse Gas Reduction Goals, Strategies and Concrete Action Plans	135-136

1-1 Greenhouse Gas Inventory and Assurance Status

Basic information of the company	<input checked="" type="checkbox"/> Capital of NT\$10 billion or more, iron and steel industry, or cement industry <input type="checkbox"/> Capital of NT\$5 billion or more but less than NT\$10 billion <input type="checkbox"/> Capital of less than NT\$5 billion	Minimum required disclosure under the Sustainable Development Roadmap for TWSE/TPEX Listed Companies	<input type="checkbox"/> Inventory for parent company only <input checked="" type="checkbox"/> Inventory for all consolidated entities <input checked="" type="checkbox"/> Assurance for parent company only <input type="checkbox"/> Assurance for all consolidated entities

1-1-1 Greenhouse Gas Inventory Information

Scope 1	Total Emission (tCO ₂ e)	Intensity (tCO ₂ e/NT\$1,000)	Assurance body	Description of assurance status
Evergreen Steel	4,681.0683	0.00047	Metal Industries Research & Development Centre (MIRDC)	Refer to Table 1-1-2
Super Max Engineering Corp.	59,763.9969	0.08715	-	-
Hsin Yung Enterprise Corp.	103,470.4771	0.11447	-	-
Ever Ecove Corp.	56,610.4843	0.04294	-	-
Scope 2	Total Emission (tCO ₂ e)	Intensity (tCO ₂ e/NT\$1,000)	Assurance body	Description of assurance status
Evergreen Steel	8,478.0791	0.00085	Metal Industries Research & Development Centre (MIRDC)	Refer to Table 1-1-2
Super Max Engineering Corp.	3,849.9890	0.00561	-	-
Hsin Yung Enterprise Corp.	2,060.968	0.00228	-	-
Ever Ecove Corp.	44.2624	0.00003	-	-

List the Company's GHG emissions (unit: tCO₂e), intensity (unit: tCO₂e/NT\$ million) and the data's scope of coverage.

Item	Year 2023			2024		
	Parent company	Subsidiary	Total	Parent company	Subsidiary	Total
Scope 1: Total Emission (tCO ₂ e)	3,874.3844	-	3,874.3844	4,681.0683	219,844.9583	224,526.0266
Scope1: Intensity (tCO ₂ e/NT\$ million)	0.47292	-	0.47292	0.46766	75.5980	17.3814
Scope 2: Total Emission (tCO ₂ e)	7,726.1365	-	7,726.1365	8,478.0791	5,955.2194	14,433.2985
Scope 2: Intensity (tCO ₂ e/NT\$ million)	0.94307	-	0.94307	0.84700	2.0478	1.1173
Scope 3: Total Emission (tCO ₂ e)	245,474.9649	-	245,474.9649	268,973.0761	-	268,973.0761
Scope 3: Intensity (tCO ₂ e/NT\$ million)	29.9632	-	29.9632	26.87173	-	26.87173

Note:

1. Direct emissions (Scope 1, emissions from sources directly/indirectly owned by the organization), indirect energy emissions (Scope 2 - indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling) and other indirect emissions (Scope 3 – emissions as the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly affects in its value chain, emissions from the organization's activities.)
2. The scope of coverage of the direct emissions and indirect energy emissions must comply with the timeline specified in Article 4-1, Paragraph 2 of the “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies” (Hereinafter referred to as this Rules). Information of other indirect emissions may be disclosed on a voluntary basis.
3. GHG Inventory Standard: ISO 14064-1 published by International Organization for Standardization (ISO).
4. All GHG emission intensity is calculated based on each product/service unit or total revenue, with the calculation detailed when using the revenue (unit: NT\$ million).
5. Intensity = Total Emission(tCO₂e)/Total Operating Revenue(NT\$ million)

1-1-2 Greenhouse Gas Assurance Information

List the assurance information, including the scope, assurer, assurance standards and assurance opinions for the last two years up to the printing date of this annual report.

Item	Year	2023		2024	
		Parent company	Subsidiary	Parent company	Subsidiary
Assurance Scope		Scope 1+2+3	-	Scope 1+2+3	-
Assurer		Metal Industries Research & Development Centre (MIRDC)	-	Metal Industries Research & Development Centre (MIRDC)	-
Assurance Standard		ISO 14064-3 : 2019	-	ISO 14064-3 : 2019	-
Assurance Opinion		The above verification opinions are based on the fair verification process of MIRDC and the 2023 Greenhouse Gas Statement of Evergreen Steel Corporation MIRDC implements the verification procedure according to the verification criteria, and the evidence results show that the greenhouse gas statement made by Evergreen Steel Corporation meets the substantive threshold and is a reasonable assurance level.	-	The above verification opinions are based on the fair verification process of MIRDC and the 2024 Greenhouse Gas Statement of Evergreen Steel Corporation MIRDC implements the verification procedure according to the verification criteria, and the evidence results show that the greenhouse gas statement made by Evergreen Steel Corporation meets the substantive threshold and is a reasonable assurance level.	-

- Note:
- 1. This information shall be disclosed in compliance with the schedule prescribed in Article 4-1, Paragraph 3 of the Rules.
 - 2. The assurer must comply with the sustainability report assurer guidelines set by Taiwan Stock Exchange Corporation and Taipei Exchange.

1-2 Greenhouse Gas Reduction Goals, Strategies and Concrete Action Plans

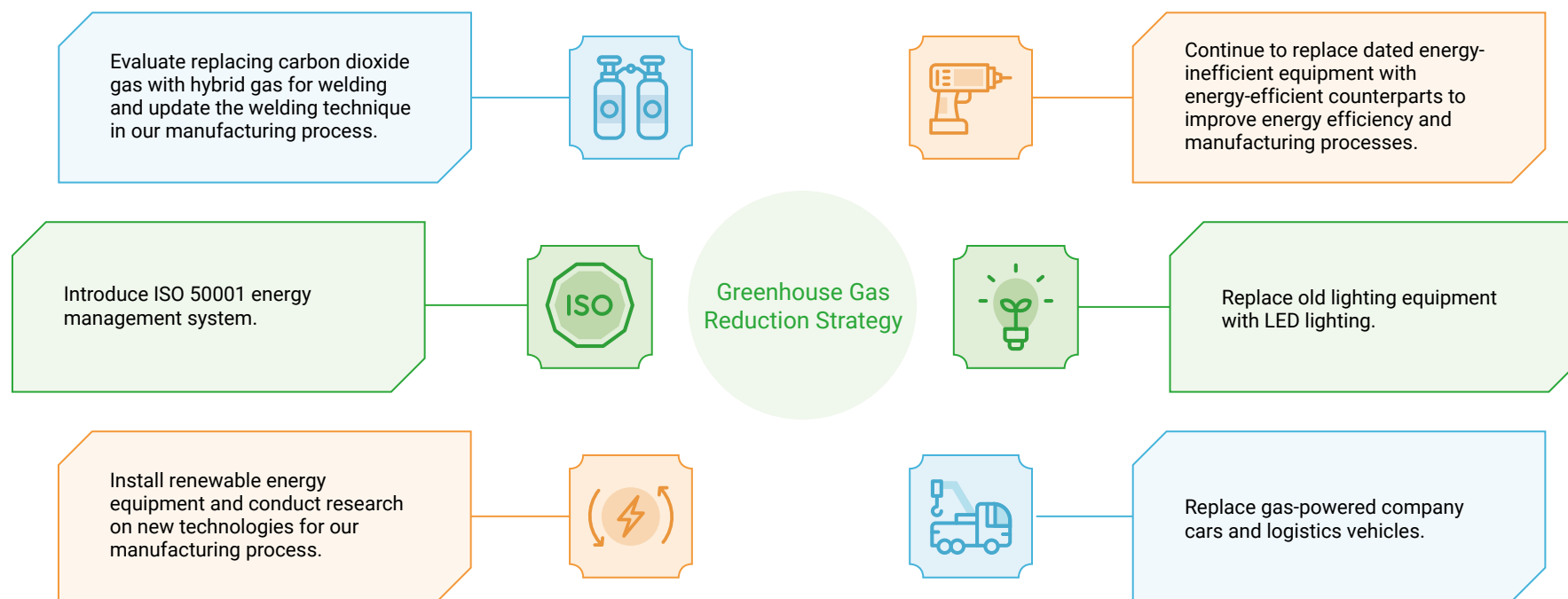
Basic information of the company	<div>Capital of NT\$10 billion or more, iron and steel industry, or cement industry</div>	Minimum required disclosure under the Sustainable Development Roadmap for TWSE/TPEx Listed Companies	<div>Disclosed the reduction goal, strategy and concrete action from the year prior in 2025</div>
	<div>Capital of NT\$5 billion or more but less than NT\$10 billion</div>		<div>Disclosed the reduction goal, strategy and concrete action from the year prior in 2026</div>
	<div>Capital of less than NT\$5 billion</div>		<div>Disclosed the reduction goal, strategy and concrete action from the year prior in 2027</div>

Greenhouse Gas Reduction Goal

The National Development Council published the targets of different stages and the key strategies toward the net-zero transition by 2050 in December, 2022, and proposed an emissions reduction of "24%±1%" as the nationally determined contributions (NDC) in 2030. The Company, based on this information, established the short, medium and long-term carbon reduction goals with the GHG emissions in 2022 as the baseline. The Company plans to reduce a total of 32% of CO₂e from direct emissions and the indirect emissions from power consumption in 2030 with the goal of reaching carbon neutrality by 2050. The Company has obtained verification opinion statements from third-party verification units approved by the Ministry of Environment for all emissions statistics.

Furthermore, the Ministry of Environment updated the 2030 NDCs reduction target to "28% ± 2%" on December 30, 2024. Our company will continue to monitor government policies and comply with regulatory requirements.

Greenhouse Gas Reduction Strategy



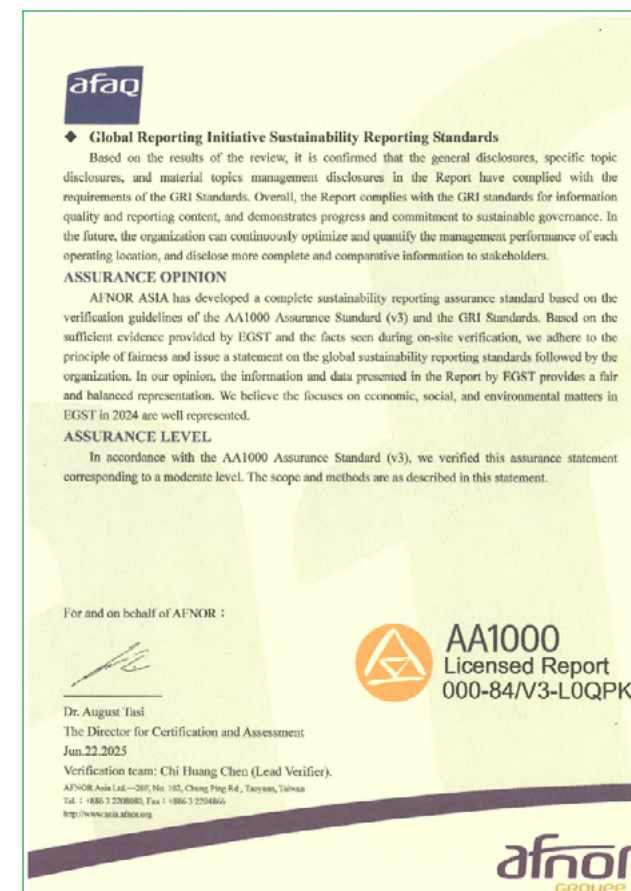
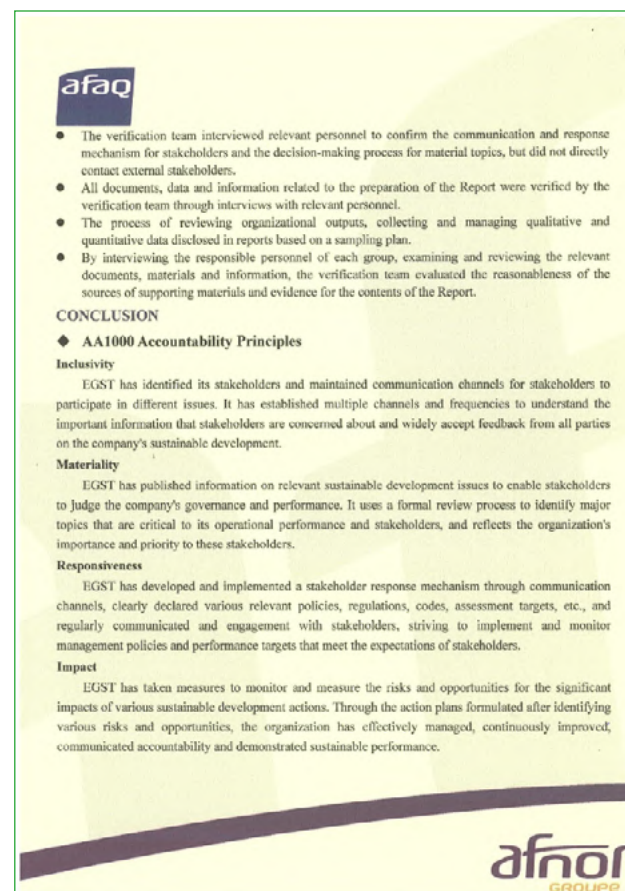
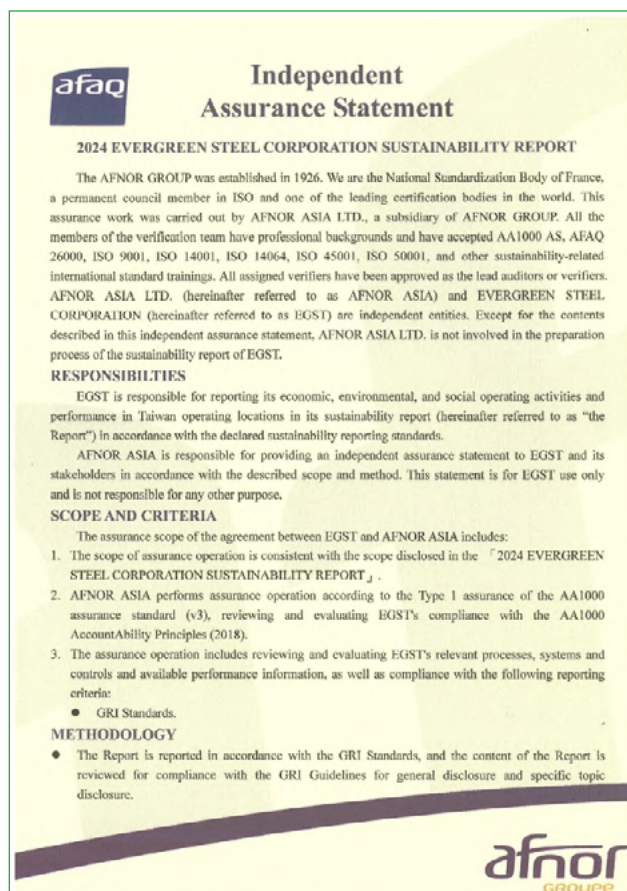
GHG Reduction Results

In 2024, GHG emissions in Scope 1 and Scope 2 increased by 13.44% compared to 2023, mainly due to the increase in production volume.

Note:

1. This information shall be disclosed in compliance with the schedule prescribed in Article 4-1, Paragraph 4 of the Rules.
2. The base year should be the year when the verification was completed based on the boundaries in the consolidated financial statement. For example, according to Article 4-1, Paragraph 2 of these Rules, companies with capital of more than NT\$10 billion should complete the verification of the 2024 consolidated financial statement in 2025, which makes 2024 as the base year. If a company has completed the verification of the consolidated financial statement early, it can use the earlier year as the base year. The data for a base year can be c from that particular year or the average of multiple years.

Appendix V: Independent Assurance Statement





長 榮 鋼 鐵 股 份 有 限 公 司
EVERGREEN STEEL CORPORATION