

3.3.6 Promotion of Sustainable Development and Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Evaluation Item	Implementation Status (Note1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
1. Does the Company establish a governance framework for its promotion of sustainable development and set up a unit that is specifically or partially dedicated to promotion of sustainable development? Does the Board of Directors authorize a senior executive to handle such affairs under its supervision?	✓		<p>1. To deepen sustainable governance and risk management, the Board, with a resolution on August 7, 2023, established a Sustainability Committee that reports to the Board directly. The original Corporate Sustainability Committee was restructured into a task force subordinate to the Sustainability Committee, responsible for promoting various sustainability operations.</p> <p>2. Sustainability Committee: The Sustainability Committee has five members, including 3 independent directors, the Chairman (convener) and the President (vice convener). The Sustainability Committee, in compliance with this Company’s Sustainability Committee Charter, convenes at least 2 meetings annually to report the current sustainability operations to the Board of Directors. The Sustainability Committee’s main responsibilities include:</p> <p>(1) Formulate sustainability-related policies, strategies, objectives and management guidelines that also cover risk management.</p> <p>(2) Audit the annual sustainability work plan.</p> <p>(3) Oversee and keep track of the task force’s work plan progress, results, and other matters.</p> <p>3. The Company has established a task force under the Sustainability Committee, with the head of the Supervisory Department as the director general, in charge of organizing the meetings for the task force and assisting with the promotion of all operations. The task force has 7 teams, including corporate governance, employee care, customer care, supplier management, environmental sustainability, social welfare, and risk management. These teams are in charge of</p>	None

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			<p>assigning the responsibilities of corporate sustainability policies, objectives, strategies, related management guidelines and the formulation and execution of the concrete promotion plan to different departments and to respond to and communicate with stakeholders regarding issues that concern them.</p> <p>The corporate sustainability promotion results were reported to the Board of Directors on December 20, 2023. The Sustainability Committee reports its sustainability promotion results twice a year to the Board.</p> <p>4. Board of Director’s Oversight in 2023:</p> <p>(1) The establishment of the Sustainability Committee and the formulation and amendment of the Sustainability Committee Charter, Sustainability Guidelines, Intellectual Property Management Policy, Intellectual Property Management Plan, Risk Management Policy and Procedure, and Short, Medium, and Long-term Sustainability Objectives (including GHG reduction goals) must be approved by the Board through a resolution.</p> <p>(2) The following sustainability operations were reported to the Board in 2023:</p> <p>A.Implementation of corporate sustainability projects.</p> <p>B.Communication with stakeholders.</p> <p>C.Operations regarding risk management.</p> <p>D.2024 Sustainability Work Plan.</p> <p>E.The execution of the Intellectual Property Management Plan</p> <p>F.Greenhouse gas inventories and progress report of verification</p> <p>5. The execution results in 2023 are as below:</p> <p>(1) Completed the 2022 Annual Sustainability</p>	

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			<p>Report and obtained an independent assurance opinion statement from a third-party verification unit. Both were disclosed on the Market Observation Post System and the Company’s website.</p> <p>(2) Kept close watch on issues related to climate change and risk management and completed the 2023 climate-related financial disclosure report following the TCFD structure, which was also disclosed on the Company’s website.</p> <p>(3) In response to the promotion of greenhouse gas inventory, all factory areas have assigned dedicated staff to establish a Greenhouse Gas Inventory Group, which reports progress to the Board quarterly. The group has already completed the 2022 GHG inventory and completed the report that has been verified by a third-party verification unit approved by the Ministry of Environment.</p> <p>(4) The Company was awarded a certificate of appreciation by the Tainan City Government for its green procurement of over NT\$ 5 million.</p> <p>(5) Replaced old facilities with energy-saving ones, which cost NT\$8.52million, for energy saving and carbon reduction.</p> <p>(6) Participated in diverse charity works, including educational support, environmental protection, art/cultural event sponsorships and care for remote areas.</p> <p>(7) To promote corporate sustainability and ensure that suppliers/contractors comply with this Company’s sustainability guidelines and business integrity, this Company requires all suppliers/contractors to sign the supplier/contractor Corporate Sustainability Commitment and self-evaluation and accreditation on human rights issues.</p>	

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			<p>Objectives for 2024:</p> <p>(1) Based on the 3 steps of decarbonization, conduct carbon inventory and carbon reduction (formulate objectives and plans) to reach carbon neutrality. Based on the GHG inventory results, each department should take inventory of its equipment for manufacturing and plan replacement of those that are not energy-efficient. Formulate short, medium and long-term decarbonization objectives to reach carbon neutrality by 2050.</p> <p>(2) Rejuvenating old, energy-ineffective machinery and equipment in order to meet energy saving and carbon reduction requirements.</p> <p>(3) Procuring energy-efficient electronic appliances and LED lighting devices/equipment. Replacing old company vehicles with hybrid electric ones.</p> <p>(4) Installing solar panels on the roofs of Hsinying Factory for utilization of renewable energy.</p> <p>(5) In response to the sustainability roadmap, the Company must complete the GHG inventory and include all its subsidiaries. The subsidiaries must follow the plan and report their quarterly progress.</p> <p>(6) Continue to promote the management of waste, air pollution, and wastewater discharge and upgrade related equipment to comply with environmental regulations and protect the environment.</p> <p>(7) Continue to promote digitalization to conserve paper and use products with the green mark to protect the environment.</p> <p>(8) Execute the human rights policy to make sure that the Company has zero incidents of labor right violations and gradually promote this to all major supplier/contractors.</p> <p>(9) Effectively ensure that suppliers/contractors</p>	

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			<p>comply with sustainability-related guidelines, continue to require our partners to sign our Supplier/Contractor Corporate Sustainability Commitment, and conduct human-rights issues self-evaluation and accreditation.</p> <p>(10) Continue to evaluate investment in the circulation economy (such as recycling industrial waste) and biomass renewable energy.</p> <p>Mid-term and long-term goals:</p> <p>(1) Expand the environmental and green energy businesses to keep up with the future trends.</p> <p>(2) Promote decarbonization measures based on the GHG inventory results to reach carbon reduction goals.</p> <p>(3) Continue to promote the management of waste, air pollution and wastewater discharge and upgrade related equipment to protect the environment.</p>	
2. Does the Company assess risks of environment, society and corporate governance related to the Company’s operation based on materiality principles and establish related risk assessment policies or strategies? (Note 2)	✓		<p>1. The Company's Enterprise Risk Management (ERM) follows international guidelines and standards, including GRI, SASB, and TCFD. It assesses risks related to environmental, social, and corporate governance issues relevant to our operation based on their significance. Each department of the Company identifies, measures, responds to, monitors, and reports (discloses) their risks in accordance with their respective responsibilities on an annual basis and identifies , including operation risks, financial risks, inflation risks, sales and purchase concentration risks, occupational safety and health risks, information risks, and environment and climate change risks. The Company has introduced corresponding measures to reduce the risks and monitors the risk management processes.</p>	None

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			2. To enforce the Company’s risk management mechanism and reduce operational risks effectively, the Board of Directors, through a resolution on August 7, 2023, decided to establish a Sustainability Committee to monitor all matters related to risk management and report the situation of risk management, related operations, and risk controls to the Board once a year; through a resolution on December 20, 2023, the Board agreed to pass the amendment to the Risk Management Policies and Procedures of Evergreen Steel Corporation. Risk management operations, identified risks, and corresponding measures in 2023 were reported to the Board.	
3. Environmental issues (1) Does the Company establish proper environmental management systems based on the characteristics of their industries?	✓		<p>1. In regard to environmental management systems, the Company has continued to fulfill its sustainable development and environmental protection responsibilities in terms of sewage treatment, renewal and maintenance of air pollution prevention equipment, application for permit for approval for operations, payment of air pollution fees, waste removal and reuse, and employment of environmental protection staff. The Company has properly performed the aforementioned operations over the years.</p> <p>2. The Company has carried out all the inspections in its factories and buildings needed for compliance with regulatory requirements on fire protection and occupational safety and health and completed such a declaration. It has also set up an Occupational Safety and Health Department to undertake occupational safety and health tasks and establish related systems.</p>	None

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(2) Does the Company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		<p>1.The Company has endeavored to increase energy utilization efficiency in order to reduce the impact to the environment. It produces energy consumption statistics regularly, assesses its energy management performance annually and often collects the information about its electricity use for statistical analysis. The related measures are explained as follows:</p> <p>(1) Increase recyclability of a variety of resources and place industrial waste (such as scrap iron and waste oil) or scraps produced by the Company’s plant separately according to their classification. After the Company accumulates specific amounts of the recyclable waste/scraps, they are sold to the environmental service company making the best offer after comparing the prices of multiple environmental service companies.</p> <p>(2) The Company replaces old air compressors with new ones of high efficiency, variable frequency and energy saving features in order to increase energy efficiency.</p> <p>(3) Continue to promote the digitalization of the Company’s official documents to reduce unnecessary paper consumption and use environmentally-friendly products with green labels for environmental protection.</p> <p>(4) The Company has installed good polluted and waste water treatment facilities to meet the regulatory requirements on polluted and waste water it discharges.</p> <p>(5) The Company has sorted its trash and promoted trash reduction to decrease the impact of its operations on the environment.</p> <p>(6) The Company recycles the toner cartridges of</p>	None

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(3) Does the Company evaluate the risks of climate change to its current and future operations and adopt measures to address climate-related issues?	✓		<p>all its printers for environmental protection.</p> <p>2. The steel structure products from the Company’s Hsinchu and Hsinying factories still follow the ISO9001 quality management system and provide standardized documented information to ensure that the product quality meets the customers’ needs and continue to improve customer satisfaction.</p> <p>3. The Company will gradually introduce the ISO 5001 energy management system, ISO 14001 environmental management system, and ISO14067 product carbon footprint and obtain certifications by an external certification body.</p> <p>1. The Company has devised a variety of contingency plans for fire, earthquake, pandemic protection and emergencies according to its occupational safety and health management system and the assessment of various risks, and is fully prepared in terms of prevention of these risks.</p> <p>2. The Company also set up a TCFD risk/opportunity subgroup under the environmental sustainability division of the Corporate Sustainability Committee. This subgroup adopts the climate risk and opportunity framework provided by TCFD to identify and assess the potential impacts of climate change on the Company’s operations. In 2023, the Company identified 5 major risks among 16 risks: carbon fee for businesses collected by government, change of customer behaviors, regulatory requirements for renewable energy , extreme rainfall that leads to floods and tropical cyclones. The Company signed on to become one of the</p>	None

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(4) Does the Company produce statistics of greenhouse gas emissions, volume of water consumption and total weight of waste over the last two years and establish policies for carbon reduction, energy saving, decrease of greenhouse gases and water consumption and management of other waste?	✓		<p>TCFD Supporters in April, 2022, and published its first TCFD report in June, 2023. The Company expects to publish its second TCFD report in June, 2024.</p> <p>3. The Board of Directors, on December 20, 2023, approved the Company’s periodic goal of carbon reduction in 2025 to be 4% lower than 2022, medium-term goal of a total of 32% in carbon reduction by 2030, and the long-term goal of carbon neutrality by 2050.</p> <p>1.The Company has installed solar panels on the roofs of its plants for energy saving. Please refer to the table below for the amounts of carbon emissions reduced (as of Dec. 31, 2023)</p> <table><tr><th>Year</th><th>2022</th><th>2023</th></tr><tr><td>Electricity Generated (kWh)</td><td>2,634,892</td><td>2,683,292</td></tr><tr><td>Carbon Emission Reduced (tons)</td><td>1,341.160</td><td>1,328.230</td></tr></table> <p>2. The Company’s affiliate Hsin Yung Enterprise Corporation generated 11,770,000 kWh of electricity per month with its incinerators while Ever Ecove generated 15,450,000 kWh per month. They generated approximately 326,640,000 kWh of electricity annually, reducing approximately 161,687 tons of CO₂e for the country in the year.</p> <p>3.Greenhouse gases: the figures of Category I and Category II cover all of the Company’s offices and factories)</p>	Year	2022	2023	Electricity Generated (kWh)	2,634,892	2,683,292	Carbon Emission Reduced (tons)	1,341.160	1,328.230	None
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			<table><tr><th colspan="2">Year</th><th>2022</th><th>2023</th></tr><tr><td rowspan="4">CO² emission (tons)</td><td>Category I (gasoline, diesel + LNG +LPG + fuel oil)</td><td>4,178.01</td><td>3,874.38</td></tr><tr><td>Category II (Purchased Electricity)</td><td>8,768.52</td><td>7,726.14</td></tr><tr><td>Category III (transportation of raw materials or products)</td><td>5,081.12</td><td>4,396.85</td></tr><tr><td>Category VI (use of products and services)</td><td>222,241.58</td><td>241,078.12</td></tr></table> <p>4. Water Consumption: (all of the Company’s offices and factories)</p> <table><tr><th>Year</th><th>2022</th><th>2023</th></tr><tr><td>Unit: Millions of Liters</td><td>58.76</td><td>50.47</td></tr></table> <p>5. The amounts of waste produced and recycled: (All of the waste produced by all of the Company’s offices and factories are not hazardous waste)</p> <table><tr><th>Year</th><th>2022</th><th>2023</th></tr><tr><td>General Waste (tons)</td><td>444.53</td><td>558.75</td></tr><tr><td>Scrap Iron (tons)</td><td>6,990.31</td><td>6,641.08</td></tr></table> <p>6. Following its belief in energy conservation and sustainability, the Company has been paying close attention to resource and waste management issues. On December 20, 2023, the Board approved the Company’s periodic goal of carbon reduction in 2025 to be 4% lower than 2022, medium-term goal of a total of 32% in carbon reduction by 2030 and the long-term goal of carbon neutrality by 2050. To achieve our carbon reduction goals, fixed-frequency equipment in the manufacturing process is gradually being replaced with variable-frequency counterparts. The Company has also been replacing</p>	Year		2022	2023	CO ² emission (tons)	Category I (gasoline, diesel + LNG +LPG + fuel oil)	4,178.01	3,874.38	Category II (Purchased Electricity)	8,768.52	7,726.14	Category III (transportation of raw materials or products)	5,081.12	4,396.85	Category VI (use of products and services)	222,241.58	241,078.12	Year	2022	2023	Unit: Millions of Liters	58.76	50.47	Year	2022	2023	General Waste (tons)	444.53	558.75	Scrap Iron (tons)	6,990.31	6,641.08	
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			lighting equipment and switching company cars to EVs to improve energy efficiency. The Company has also been actively planning the installation of renewable energy equipment. In 2023, the Company installed solar panels (phase I) of 1,999.56 kW on the roofs of the Hsinying Factory and is planning to install phase II solar panels of approximately 547 kW in 2024. Regarding waste management, the Company complies with the government’s regulations in its waste disposal and continues to improve waste management. In addition to enhancing the recycling of general waste, the Company also enhances its industrial waste management. For example, the Company now keeps track of and reports 100% of the waste it processes and maintains a 90% recycling rate of its metal and non-metal waste. We also promote waste recycling to enhance resource utilization for business waste.	
4. Society issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		1. The Company has formulated its management policies and procedures according to related regulations and complied with labor-related laws to protect legal rights of its employees and respect fundamental human rights of laborers recognized by international society. It has never used child labor and has laid down related requirement for its recruitment practices. 2. In order to prevent sexual harassment in the workplace, ensure gender equality in employment, and safeguard personal dignity, the Company has laid down guidelines for prevention, correction, complaints and punishment of sexual harassment in the	None

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			<p>workplace according to the Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment in the Workplace. The guidelines are published on the employees’ electronic information platform and a task force on sexual harassment investigations has been formed to handle related complaints.</p> <p>3. The Company fully complies with the People with Disabilities Rights Protection Act and recruits capable employees with disabilities. Meanwhile, the Company has hired aboriginal people and protected their rights related to employment without any discrimination. It honors the International Bill of Human Rights with respect for human rights and nondiscrimination.</p> <p>4. To protect all employees during their performance of Company duties from physical or psychological harm, which can lead to physical/psychological illnesses, and showcase our no-tolerance policy to workplace violence, the heads of all locations/factories have signed a statement announcing such a policy. The Company has also been identifying hazards and evaluating risks.</p> <p>5. To enhance corporate integrity and sustainability, the Company mandates all suppliers and contractors to sign our Corporate Sustainability Commitment. This commitment binds signatories to uphold corporate integrity and environmental sustainability, and to complete a Supplier/Contractor Self-Evaluation on Human Rights. As of the end of 2023, 194 of our major suppliers and contractors signed the commitment and completed 178 of self-evaluations, and no</p>	

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(2) Does the Company establish and implement reasonable employee benefit measures (including remuneration, holidays, leave, and other benefits)? Does the employee compensation scheme appropriately reflect management performance or achievements?	✓		<p>supplier has been disqualified due to human rights violations or dishonest business activities.</p> <p>The Company has devised and implemented reasonable, sound employee benefit policies, including a minimum wage that is higher than the regulatory requirement and salary/remuneration scheme based on their living conditions and compensation of peer companies (according to education, experience, professional skills, nature of work and duties without considering their gender, origin, race, and political stance). The Company has set up a work hours, holiday and leave system, and calculates overtime work pay and compensation for unused annual leave according to the Labor Standards Act. Its Employees’ Welfare Committee provides multiple employee benefits, including allowances for weddings and funerals, consolation money for injury and illness, gift money for birthdays, festival gifts, travel allowances, and allowances for foreign language learning. Other perks include free lunches, group insurance, medical insurance, and free annual health examinations. When the Company makes a profit, it allocates at least 0.5% of the annual profit to employee remuneration for rewarding its employees for their contribution. The Company has also rewarded employees with year-end bonuses and field work bonuses based on its operational performance and employees’ work performance.</p>	None
(3) Does the Company provide a healthy and safe working environment and organize training on health and	✓		1. The Company’s occupational safety and health management has acquired international certification of ISO45001, complies with occupational safety and health regulations, and	None

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safety for its employees on a regular basis?			<p>fulfills related responsibilities and obligations. In addition to continued improvement of its work environment and ongoing checks of the operational environment and autonomous inspection of dangerous machinery and equipment, the Company also provides its employees occupational safety and health training and helps them acquire related certificates and training in order to eliminate dangers in the workplace, reduce near-miss events, and prevent occupational hazards. The Company actively arranges activities for health enhancement of its employees and their well-being in the workplace.</p> <p>2. Occupational Safety and Health Management System: it applies to all the operations of the Company’s Xinying Factory and Hsinchu Factory and their project sites.</p> <p>3. In 2023, 3 occupational accidents occurred and 3 people were injured, accounting about 0.6% of all of the Company’s personnel. The reports on the accidents were prepared for description of what happened and for correction and improvement measures according to related requirements.</p> <p>4. To enhance employees' awareness of disaster prevention, strengthen personnel organization, familiarize them with equipment operation, and plan for disaster prevention and emergency response, the Company has formulated disaster prevention and emergency response plans for fire, earthquake, and emergency incidents. In 2023, there were no fire incidents at the Company.</p>	
(4) Does the company provide its employees effective training plans for career	✓		1. The Company provides a variety of training, including orientation training, general training, professional training (training arranged to meet	None

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development?			<p>business needs and specific activities) and training for supervisors.</p> <p>2. The Company arranges annual training for its employees, who are required to receive internal or external professional job-related training to enhance their professional capabilities and help the Company secure business deals, meet contractor requirements, and receive certification. The Company helps its employees improve their professional capabilities, develop their potential, continuously meet job requirements, and formulate life-long learning plans with diverse learning resources.</p> <p>3. To support local education and cultivate local talents, the Company actively collaborates with colleges and universities in all areas by hosting careers fairs on campuses to provide job and internship opportunities to the students.</p>	
<p>(5) Does the Company’s products/services comply with regulations and international standards related to customers’ health, safety and privacy, marketing and labeling?</p> <p>Does the Company establish related consumer interest protection policies and complaint procedures according to domestic regulations and international standards?</p>	✓		<p>The Company’s products and services shall comply with regulations and international standards related to customer health and safety, customer privacy, marketing and labeling without any cheating, misleading information, fraud and any other actions that betray customer trust or damage customer interests. The Company has introduced the customer satisfaction management mechanism, which carries out a customer satisfaction survey every 6 months (June and December) to protect customer interests and provide a complaint channel.</p>	None

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(6) Does the Company establish a supplier management policy that asks its suppliers to comply with requirements related to environmental protection, occupational safety and health or labor rights? What’s the implementation status of the policies?	✓		<p>1. All the materials suppliers of the Companies are required to sign contracts with an anti-corruption clause and a clause that allows the Company to terminate or cancel the agreement and seek compensation at any time when the supplier breaches its ethical corporate management obligation (such as making or accepting bribes, making illegal political donations or inappropriate charity donation or sponsorship, etc), or fails to assume its corporate social responsibilities in terms of upholding social justice (such as discrimination, gender inequality, and infringement of right to work, etc) or supporting sustainable development without making significant (negative) impact to the environment.</p> <p>2. The Company’s major materials suppliers are China Steel Corporation and Dragon Steel Co., Ltd, which are part of China Steel Corporation Group. The total amount of raw materials purchased by the Company from them in 2023 accounted for 78.48% of total net amount of all costs of raw materials purchased by the Company for steel structure production. China Steel Corporation has signed the new version of Sustainability Charter and shall therefore make substantial sustainability achievements according to the principles and standards of the Charter.</p>	None
5. Does the Company prepare its reports for disclosure of non-financial information, including its corporate sustainability report, by reference to international standards or guidelines for report preparation? Does the	✓		<p>1. The Company publishes its sustainability report for the previous year by June 30 annually and prepares and presents its Corporate Sustainability Report according to the Global Reporting Initiative Standards, G4 Sector Disclosures– Mining and Metals, Sustainability Accounting Standards Board (SASB)’s Sustainability Indicators of Steel Industry and TCFD</p>	None

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company obtain opinions of a third-party accreditation body for its assurance or guarantee for aforementioned reports?			<p>recommendations. The disclosure in the report also follows the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies issued by the Taiwan Stock Exchange and the United Nations’ Sustainable Development Goals.</p> <p>2. The 2022 Corporate Sustainability Report published in 2023 passed Ares International Certification’s AA1000 AS v3 Type 1 for moderate assurance in June, 2023. For more information on the third-party verification opinion statement, please refer to page 131 to 133 of the 2022 Corporate Sustainability Report.</p>	
<p>6. If the Company has established Sustainable Development Best Practice Principles based on the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” please describe any discrepancy between the Principles and their implementation:</p> <p>None.</p>				
<p>7. Other important information to facilitate better understanding of the company’s corporate sustainability practices</p> <p>(1) The Company made the following contributions for charity purpose in 2023:</p> <p>A. In 2023, the Company sponsored Chang Yun-Fa Foundation for the charity projects below with a total donation of NT\$ 1.26million. The donations covered scholarships and meal subsidies for outstanding students from underprivileged backgrounds, sponsorships for field trips at elementary schools in remote areas, sponsorships for the Eco-protection Theater’s campus tour, after school & special education program, and free clinics/meals for remote areas. The Company, in response to the United Nations’ SDGs, sends resources to remote areas in various ways to narrow the urban-suburban gap.</p> <p>B. The Company joined forces with the Society of Wilderness to organize the “Let’s Go River Cleanup” activity along the banks of the Old Shuangxi River in Beitou, Taipei City on March 19. On September 16, the Company was once again invited by the Society of Wilderness to the beach cleanup event held at the coast near the Temple of the Eighteen Lords in Shimen District. The Company puts its environmental beliefs into action by leading its employees in environmental protection and sustainability activities.</p> <p>C. The Company sponsored the Evergreen Symphony Orchestra with a donation of NT\$2.1 million for six classical music charity concerts. These concerts were open to the company's employees, their family members, and personnel from social welfare and charity organizations, all attending for free. The aim was to provide over 200 individuals with an opportunity to relax and alleviate stress through the power of music.</p> <p>D. On April. 12, 2023, the Company arranged two blood donation events with the Tainan Blood Donation</p>				

Evaluation Item	Implementation Status (Note1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Explanation	
<p>Center. A total of 21 staff participated in them and donated a total of 8,000cc of blood. This was one of the Company’s concrete actions to give back to society with love and care.</p> <p>E.In 2023, the Company donated NT\$ 0.1 million to the Taizi Community Development Association, adjacent to the Company’s Xinying Factory. The Association prepared and delivered free meals to low-income families and underprivileged people who live alone, had disabilities, or were sick or unable to move freely and needed food. The Company was also invited to participate in the community event organized by the Xinying Industrial Park Manufacturers Association and sponsored the patrol vehicles and materials, as well as local celebrations to bring community members closer, give back to the local community, and fulfill our corporate social responsibilities.</p> <p>(2) Other Matters:</p> <p>A.The Company participated in the bidding created by the Taoyuan City Government for the BOT project of a biomass energy center and won the bid as the best applicant. Ever Ecove Corp, a private company, has been in charge of the construction work and operation. The 4.38 hectare center is located at an area specifically for environmental protection facilities inside a local technology industrial park. It has three types of environment-friendly facilities, including heat treatment facility, anaerobic fermentation facility and a landfill of solidified waste and produces renewable energy with the heat generated by incineration of waste and the marsh gas generated by anaerobic fermentation of kitchen waste. Through waste reduction, reuse and recycle, the Company endeavors to make contribution to vision of the “green, low-carbon, sustainable, “smart”, eco-friendly” future with this new-generation,</p> <p>B.To support the government’s goal of net zero emissions by 2050, the Company installed solar panels with 1999.56kW of capacity on the rooftop of our Hsinying factory. The installation was completed in December 2023, and is expected to generate 2.42 million kWh in 2024.</p> <p>C.In 2023, the Company won the Net Zero Industrial Competitiveness Gold Award for the steel industry from the 21st Century Foundation. In the future, the Company will continue to promote various sustainability efforts to reduce energy consumption and carbon emissions, protect the environment, and boost sustainable competitiveness.</p> <p>D.The Company was awarded a certificate of appreciation by the Tainan City Government for its green procurement of over NT\$ 5 million.</p>				

Note 1: If the Company ticks “Yes” for Implementation Status, it shall explain important policies, strategies, measures and actions it has adopted. If the Company ticks “No” for Implementation Status, it shall explain the reason of the difference(s) in the column of “Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons” and its plan for related policies, strategies, measures and actions it will adopt in the future.

Note 2: Materiality principles refer to principles that are related to environment, society and corporate governance issues and make significant impact to investors and other stakeholders of the Company.

3.3.7 Execution of Climate-Related Information by Listed Companies

Item	Execution
<p>1. Description of the oversight and governance of climate-related risks and opportunities by the Board of Directors and the management.</p>	<p>1. The Board of Directors, as the highest risk management body of the Company, develops the risk management policy and procedures based on the Company's operational strategy and business environment. They oversee the effective functioning of the Company's risk management mechanism to ensure efficient risk management. The Board also holds ultimate responsibility for the Company's overall risk management. In May 2022, the Company established the "Risk Management Policies and Procedures" and set up its risk management organization and processes to achieve sustainability objectives and reduce operational risks. These were approved by the board on May 9 of the same year. To further enhance sustainability and risk management efforts, the Board established the "Sustainability Committee" through a resolution on August 7, 2023. This committee reports directly to the Board and oversees tasks related to sustainability and risk management. Additionally, the Board passed amendments to the "Risk Management Policies and Procedures" on December 20 of the same year.</p> <p>2. Reporting to the Sustainability Committee is the TCFD Risk/Opportunity Group within the Environmental Sustainability department. This group is tasked with overseeing climate-related risks and promoting effective management strategies. The Supervisory Department is responsible for coordinating risk monitoring and related operations across various departments. The Sustainability Committee's task force monitors the outcomes and regularly reports the results to both the Sustainability Committee and the board of directors on an annual basis. On December 20, 2023, the Sustainability Committee task force presented the results of its climate risk management efforts for the year 2023 to both the committee and the board of directors.</p> <p>3. In 2023, the Company established the TCFD Risk/Opportunity Taskforce as a cross-department unit, responsible for evaluating and managing climate-related risks and opportunities and incorporating them into our risk evaluation system.</p> <p>4. Climate-Related Agenda for 2023 to 2024</p> <ul style="list-style-type: none"> ① October 20, 2023 – Evergreen Steel Chairman participated in the TCFD project kickoff meeting ② October 20, 2023 – Evergreen Steel President audited the climate-related risks and opportunities' identification and evaluation ③ December 19, 2023 – Evergreen Steel's TCFD Risk/Opportunity subgroup conducted a financial evaluation of climate-related risks and opportunities ④ January 17, 2024 – Evergreen Steel's TCFD Risk/Opportunity subgroup conducted a 2nd financial evaluation of climate-related risks and opportunities ⑤ February 21, 2024 – Evergreen Steel's TCFD Risk/Opportunity subgroup began document preparation ⑥ March 20, 2024 – Evergreen Steel's TCFD Risk/Opportunity subgroup convened a meeting to finalize the Company's TCFD report

Item	Execution																																																	
2. Description of how the identified climate risks and opportunities impact the business, strategies, and finance of the company (in short-, mid-, and long-term).	<div>1.To minimize climate change’s impact on the business and finances, the TCFD Risk/Opportunity subgroup convened climate-related risks and opportunities identification meetings, during which 5 major climate-related risks and 3 major opportunities were identified based on the TCFD-suggested structure. The subgroup also defined “short-term” (2024-2025), “medium-term” (2026-2030) and “long-term” (2031-2050), based on which the subgroup formulated measures to respond to climate-related risks and opportunities.</div> <table><tr><th colspan="7">Identified Major Climate-Related Risks</th></tr><tr><th>Sequence</th><th>Type</th><th>Details</th><th>Scope</th><th>Time Period</th><th>Likelihood</th><th>Impact Level</th></tr><tr><td>Risk 1</td><td>Transition risk</td><td>(Regulations & Policy) – the government collects carbon fees from businesses</td><td>Entire company</td><td>Short-term</td><td>Extremely High</td><td>Moderate</td></tr><tr><td>Risk 2</td><td>Transition risk</td><td>(Regulations & Policy) – Renewable energy regulations</td><td>Hsinying Factory Hsinchu Factory</td><td>Medium-term</td><td>High</td><td>High</td></tr><tr><td>Risk 3</td><td>Transition risk</td><td>(Market) – Customer behavioral changes</td><td>Entire company</td><td>Short-term</td><td>Extremely High</td><td>Extremely High</td></tr><tr><td>Risk 4</td><td>Physical risk</td><td>(Imminent) – Extreme rainfall leading to floods</td><td>Hsinying Factory Hsinchu Factory Kaohsiung Factory</td><td>Medium-term</td><td>High</td><td>High</td></tr><tr><td>Risk 5</td><td>Physical risk</td><td>(Imminent) – Tropical cyclones</td><td>Hsinying Factory Hsinchu Factory Kaohsiung Factory</td><td>Medium-term</td><td>High</td><td>High</td></tr></table>	Identified Major Climate-Related Risks							Sequence	Type	Details	Scope	Time Period	Likelihood	Impact Level	Risk 1	Transition risk	(Regulations & Policy) – the government collects carbon fees from businesses	Entire company	Short-term	Extremely High	Moderate	Risk 2	Transition risk	(Regulations & Policy) – Renewable energy regulations	Hsinying Factory Hsinchu Factory	Medium-term	High	High	Risk 3	Transition risk	(Market) – Customer behavioral changes	Entire company	Short-term	Extremely High	Extremely High	Risk 4	Physical risk	(Imminent) – Extreme rainfall leading to floods	Hsinying Factory Hsinchu Factory Kaohsiung Factory	Medium-term	High	High	Risk 5	Physical risk	(Imminent) – Tropical cyclones	Hsinying Factory Hsinchu Factory Kaohsiung Factory	Medium-term	High	High
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Item	Execution					
	Identified Major Climate-Related Risks					
	Sequence	Details	Scope	Time Period	Likelihood	Impact Level
	Opp 1	(Market)-Enter a new market	Entire company	Medium-term	High	High
	Opp 2	(Resource efficiency) - More efficient transportation modes	Hsinyin Factory Hsinchu Factory	Medium-term	High	High
	Opp 3	(Resource efficiency) - Use low-carbon steels	Hsinyin Factory Hsinchu Factory	Medium-term	Extremely High	High
<p>2.The (short, medium and long-term) impact of climate-related risks and opportunities on the Company's business, strategies and finances. For more information, please refer to item 3.</p>						

Item	Execution			
3. Description of the financial impacts of extreme weather events and transition actions.	1. In response to extreme weather events and transition actions, 5 major risks and 3 major climate-related opportunities and their impacts on the Company's finances have been identified			
	Risk 1 : (Regulations & Policy) – the government collects carbon fees from businesses + Risk 2 : (Regulations & Policy) – Renewable energy regulations			
	Risk and Strategy Details	In response to the government becoming more strict with carbon fees collections from businesses after passing the Climate Change Response Act and tightening control over businesses due to the Renewable Energy Development Act, the Company will use solar panels and switch to submerged arc welding machines with higher efficiency and other strategies to lower the financial risks from the carbon fees.		
	Type of Financial Impact	Time Period	Financial Impact to Annual Revenue Ratio	Financial Impact Details
	Risk's financial impact (uncontrolled)	Short-term	Approx. 0%	<ul style="list-style-type: none"> • (Cost increase) – Carbon fee per ton is estimated at NT\$300 from 2024 to 2025 • (Cost increase) – Carbon fee per ton is estimated at NT\$500 from 2026 to 2030
		Medium-term	Approx. -0.10%	<ul style="list-style-type: none"> • (Cost increase) – Carbon fee per ton is estimated at NT\$1,500 from 2031 to 2050
		Long-term	Approx. -0.18%	<ul style="list-style-type: none"> • (Cost increase) – Monetary substitution from the Renewable Energy Development Act from 2026 to 2030
	Risk's financial impact (under control with strategies)	Short-term	Approx. -0.01%	<ul style="list-style-type: none"> • (CAPEX) – Solar panel systems and highly-efficient submerged arc welding machines • (Depreciation cost increase) – The depreciation costs of the solar panel systems and highly-efficient submerged arc welding machines
		Medium-term	Approx. -0.05%	<ul style="list-style-type: none"> • (Maintenance cost increase) – Maintenance costs for the solar panel system • (Insurance cost increase) – The insurance cost for the solar panel system
		Long-term	Approx. -0.11%	<ul style="list-style-type: none"> • (Cost decrease) – Carbon fees and monetary substitutions (from the Renewable Energy Development Act) being offset and the lower expenditure on power purchased from external sources

Item	Execution			
	Risk 3 : (Market) – Customer behavioral changes			
	Risk and Strategy Details	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	Time Period	Financial Impact to Annual Revenue Ratio	Financial Impact Details
	Risk’s financial impact (uncontrolled)	Short-term	Approx. -1.61%	• (Revenue decrease) – Loss of revenue and pure profit due to the lack of carbon management capabilities and licensed personnel with this Company’s steel structure
		Medium-term	Approx. -2.86%	
		Long-term	Approx. -7.32%	
	Risk’s financial impact (under control with strategies)	Short-term	Approx. +0.29%	• (Cost increase) – The cost to obtain the carbon footprint lead auditor license and have such persons(s) manage the carbon footprint of our constructions • (Revenue increase) – Increase in revenue and gross profit resulting from carbon footprint verification
		Medium-term	Approx. +0.29%	
		Long-term	Approx. -0.01%	
	Risk 4 : (Imminent) – Extreme rainfall leading to floods + Risk 5: (Imminent) – Tropical cyclones			
	Risk and Strategy Details	According to IPCC’s 6 th global climate report, Taiwan may face typhoons of larger scale and even more frequent and extreme rainfall, which may lead to financial loss for the Company. The Company will take out insurance to transfer the risks and reduce financial loss.		
	Type of Financial Impact	Time Period	Financial Impact to Annual Revenue Ratio	Financial Impact Details
	Risk’s financial impact (uncontrolled)	Short-term	Approx. -0.02%	• (Cost increase) – Gross profit decrease due to factories damaged by typhoons and floods. Frequency of catastrophic typhoons and floods: Once a year in short-term; twice in medium-term; 3 times in long-term
		Medium-term	Approx. -0.03%	
		Long-term	Approx. -0.05%	
	Risk’s financial impact (under control with strategies)	Short-term	Approx. -0.03%	• (Cost increase) – Cost from natural disaster insurance policies • (Revenue maintained) – Gross profit loss decreased with the countermeasure
		Medium-term	Approx. -0.04%	
		Long-term	Approx. -0.04%	
	Note: “-” means decreased operational profit and “+” means increased operational profit in the “Financial Impact to Annual Revenue Ratio” column			

Item	Execution			
	Opp 1: (Market) – Enter a new market			
	Opportunity and Strategy details	With the global trend of net zero emissions by 2050, it is estimated that more and more businesses will have to purchase renewable energy certificates. The Company expects entering the renewable energy market to boost sales and gross profit.		
	Type of Financial Impact	Time Period	Financial Impact to Annual Revenue Ratio	Financial Impact Details
	Opportunity’s financial impact (under control with strategies)	Short-term	Approx. +0.05%	<ul style="list-style-type: none">• (Cost increase) – Amortized capital expenditure for the installation of solar panel systems• (Cost increase) – Maintenance (manpower and consumables) cost of the solar panels• (Cost increase) – Insurance costs of the solar panels• (Cost decrease) – From the power generated from the solar panels annually that can be supplied to the Company’s factories• (Revenue increase) – Income from the renewable energy certificates from solar power generation
		Medium-term	Approx. +0.14%	
		Long-term	Approx. +0.08%	
	Opp 2 : (Resource efficiency) – More efficient transportation modes			
	Opportunity’s financial impact (under control with strategies)	With the global trend of net zero emissions by 2050, the Company optimizes shipping arrangements to reduce transportation trips to reduce carbon fees and transportation costs.		
	Opportunity’s financial impact (under control with strategies)	Time Period	Financial Impact to Annual Revenue Ratio	Financial Impact Details
	Opportunity’s financial impact (under control with strategies)	Short-term	Approx. +0.01%	<ul style="list-style-type: none">• (Cost decrease) – Shipping cost reduced with fewer transportation trips• (Cost decrease) – Carbon fees reduced with fewer transportation trips
		Medium-term	Approx. +0.04%	
		Long-term	Approx. +0.06%	
	Opp 3 : (Resource efficiency) – Use low-carbon steels			
	Opportunity’s financial impact (under control with strategies)	With the global trend of net zero emissions by 2050, the Company’s strategy is to utilize low-carbon steels as the main construction material to reduce carbon emissions from the construction projects and reduce the material procurement costs while improving the value of our construction services.		
	Opportunity’s financial impact (under control with strategies)	Time Period	Financial Impact to Annual Revenue Ratio	Financial Impact Details
	Opportunity’s financial impact (under control with strategies)	Short-term	Approx. +0.01%	<ul style="list-style-type: none">• (Cost decrease) – Lower material procurement cost• (Profit increase) – Higher value from our construction services
		Medium-term	Approx. +0.03%	
		Long-term	Approx. +0.12%	
	Note: “-” means decreased operational profit and “+” means increased operational profit in the “Financial Impact to Annual Revenue Ratio” column			

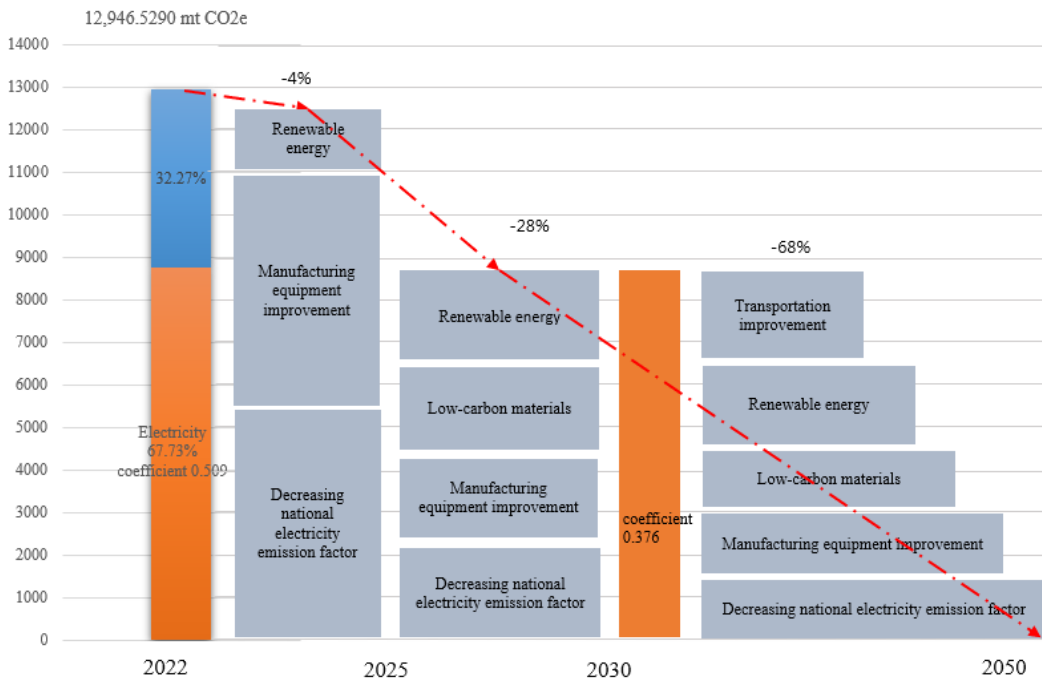
Item	Execution					
4. Description of how the identification, assessment and management of climate risks are integrated into the overall risk management system.	<div>1. The Board of Directors, serving as the Company’s primary risk management authority, develops the risk management policy and procedures in alignment with the Company’s operational strategy and business environment. They oversee the Company’s risk management mechanism to ensure its effectiveness, bearing ultimate responsibility for overall risk management. To promote our risk management policy, establish a crisis management mechanism, and enhance employee awareness of risk and crisis management for corporate sustainability, the Company has formulated its "Risk Management Policies and Procedures." These comprehensive measures include operational procedures for the entire Company, covering the identification, evaluation, and management of climate-related risks within our risk management system.</div> <div>2. The Company’s risk management process: Identify risk issues → analyze the potential damage from such risks → evaluate the Company’s capability to assume such risks → formulate a countermeasure for such risks → improve risk control operations. The Company has also incorporated the TCFD framework into its climate-related risk management and formulates its responses to climate risks in 4 areas: governance, strategy, risk management and metrics and targets.</div> <div>3. The TCFD Risk/Opportunity subgroup under the Environmental Sustainability Department of the Sustainability Committee’s Executive Team convenes meetings to identify and evaluate climate-related risks and opportunities. In these meetings, they identify and evaluate a risk/opportunity matrix based on the pre-defined risk levels and produce a list of identifiable high-level risks and opportunities.</div> <table><tr><th>Climate-related Risk and Opportunity Identification and Evaluation Process</th></tr><tr><td>1. Define the risk categories: The TCFD Risk/Opportunity subgroup produces reports on the emerging risks and opportunities worldwide and in the industry, based on which the unit responsible for risk management defines the risk categories. When defining the categories of climate-related risks and opportunities, TCFD’s examples of the impacts from climate-related risks and opportunities provide great information, including transition risks, physical risks and opportunities.</td></tr><tr><td>2. Identify the risk categories: The unit responsible for risk management identifies the potential risks the Company faces in each risk category as well as the key risk items.</td></tr><tr><td>3. Analyze the risks: After identifying the risk factors that it may face, the unit responsible for risk management evaluates the risks’ impact on the Company using the risk management measuring scale. The evaluation result will serve as reference as the Company determines the risk control priorities and formulates the response measures in the future.</td></tr><tr><td>4. Risk matrix: The TCFD Risk/Opportunity subgroup draws the risk map based on the likelihood (L) and impact (I) of the risk items.</td></tr></table>	Climate-related Risk and Opportunity Identification and Evaluation Process	1. Define the risk categories: The TCFD Risk/Opportunity subgroup produces reports on the emerging risks and opportunities worldwide and in the industry, based on which the unit responsible for risk management defines the risk categories. When defining the categories of climate-related risks and opportunities, TCFD’s examples of the impacts from climate-related risks and opportunities provide great information, including transition risks, physical risks and opportunities.	2. Identify the risk categories: The unit responsible for risk management identifies the potential risks the Company faces in each risk category as well as the key risk items.	3. Analyze the risks: After identifying the risk factors that it may face, the unit responsible for risk management evaluates the risks’ impact on the Company using the risk management measuring scale. The evaluation result will serve as reference as the Company determines the risk control priorities and formulates the response measures in the future.	4. Risk matrix: The TCFD Risk/Opportunity subgroup draws the risk map based on the likelihood (L) and impact (I) of the risk items.
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Item	Execution										
	<table><tr><td>Time Period:<ul style="list-style-type: none">• Short-term: 2024~2025• Medium-term: 2026~2030• Long-term: 2031~2050</td><td>Risk/Opportunity measuring scale :<ul style="list-style-type: none">• Likelihood (L)• Impact (I)</td><td rowspan="3">Operational Risk Map:<ul style="list-style-type: none">• High-level risks and opportunities• Moderate risks and opportunities• Low-level risks and opportunities</td></tr><tr><td rowspan="2">Climate scenarios:<ul style="list-style-type: none">• 1.5°C scenario• NDC scenario• The SSP5-8.5 scenarios from IPCC’s 6th global climate report• Climate Change Response Act</td><td>Evergreen Steel’s Identification and Evaluation of Climate-Related Risks and Opportunities</td></tr><tr><td>Risk and Opportunity Categories:<ul style="list-style-type: none">• Transition risks: Policy and regulations, technologies, market and reputation• Physical risk: Acute and chronic risks• Opportunities: Resource efficiency, energy sources, products and services, market and resilience</td></tr></table> <p>4. The Company’s TCFD Risk/Opportunity subgroup conducts the following management processes for the identified high-level climate-related risks and opportunities.</p> <table><tr><th>Management Process for the Climate-related Risks & Opportunities</th></tr><tr><td>1.Select and execute risk management measure: Each unit evaluates the likelihood and impact of each identified risk that may lead to financial losses and, based on cost effectiveness analysis and priorities, plans and executes various countermeasures against such risks, including risk aversion, risk reduction, risk retention and risk transfer.</td></tr><tr><td>2.Regularly review and correct risk management: In addition to conducting risk evaluation based on this paragraph, the head of each unit should conduct regular or irregular simulations or testing as needed to ensure effective control measures will be in place when a risk occurs. They should also keep a close eye on how a risk evolves and evaluate and manage such risk as needed.</td></tr><tr><td>3.Oversight, audit and tracking of risk management: The head of each business department should, based on the needs of their business operation, regularly or irregularly audit each department’s risk management. A list of areas for improvement will be compiled and the department heads should help their departments follow such lists and keep track of the progress; they will also conduct risk management and crisis management training and organize the study session or even on-site drills as needed to help employees build their capabilities in risk and crisis management and crisis prevention and response.</td></tr></table>	Time Period: <ul style="list-style-type: none">• Short-term: 2024~2025• Medium-term: 2026~2030• Long-term: 2031~2050	Risk/Opportunity measuring scale : <ul style="list-style-type: none">• Likelihood (L)• Impact (I)	Operational Risk Map: <ul style="list-style-type: none">• High-level risks and opportunities• Moderate risks and opportunities• Low-level risks and opportunities	Climate scenarios: <ul style="list-style-type: none">• 1.5°C scenario• NDC scenario• The SSP5-8.5 scenarios from IPCC’s 6th global climate report• Climate Change Response Act	Evergreen Steel’s Identification and Evaluation of Climate-Related Risks and Opportunities	Risk and Opportunity Categories: <ul style="list-style-type: none">• Transition risks: Policy and regulations, technologies, market and reputation• Physical risk: Acute and chronic risks• Opportunities: Resource efficiency, energy sources, products and services, market and resilience	Management Process for the Climate-related Risks & Opportunities	1.Select and execute risk management measure: Each unit evaluates the likelihood and impact of each identified risk that may lead to financial losses and, based on cost effectiveness analysis and priorities, plans and executes various countermeasures against such risks, including risk aversion, risk reduction, risk retention and risk transfer.	2.Regularly review and correct risk management: In addition to conducting risk evaluation based on this paragraph, the head of each unit should conduct regular or irregular simulations or testing as needed to ensure effective control measures will be in place when a risk occurs. 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3.Oversight, audit and tracking of risk management: The head of each business department should, based on the needs of their business operation, regularly or irregularly audit each department’s risk management. A list of areas for improvement will be compiled and the department heads should help their departments follow such lists and keep track of the progress; they will also conduct risk management and crisis management training and organize the study session or even on-site drills as needed to help employees build their capabilities in risk and crisis management and crisis prevention and response.											

Item	Execution									
5. Description of the scenarios, parameters, assumptions, analysis factors and major financial impacts used if scenario analysis is employed to assess the resilience against climate change risks.	<div>1. The Company, based on the transition and physical risks recommended by TCFD, plans the scenarios. Since climate-related risks and opportunities can affect the Company’s future strategy and financial planning, the Company utilizes the worst-case scenario when analyzing our climate strategy’s resilience.</div> <table><tr><th>Climate-Related Risk & Opportunity Types</th><th>The risk & opportunity scenario evaluated</th><th>Scenario</th></tr><tr><td><ul style="list-style-type: none">• Transition risk• Opportunities</td><td><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</td><td>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. It published the nationally-determined contributions (NDC) of 24%±1% in our carbon reduction goal, which may impact the operation of this Company and its value chain.</td></tr><tr><td><ul style="list-style-type: none">• Physical risk</td><td><ul style="list-style-type: none">• The SSP5-8.5 scenarios (worst global warming) from IPCC’s 6th global climate report</td><td>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.</td></tr></table>	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	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. It published the nationally-determined contributions (NDC) of 24%±1% in our carbon reduction goal, which may impact the operation of this Company and its value chain.	<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	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.
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Item	Execution														
	<table border="1"> <tr> <th colspan="2">Details of the worst-case scenario (SSP5-8.5) in IPCC's 6th Assessment Report</th></tr> <tr> <td>Temperature</td><td>Temperatures across Taiwan are expected to continue to rise. With the worst-case scenario of global warming (SSP5-8.5), annual average temperature may rise by 1.8 °C and 3.4 °C by the middle and the end of the 21st century respectively.</td></tr> <tr> <td>Extremely-high temperature</td><td>During the events of extremely-high temperatures in the future, the number of days hotter than 36°C increases across the globe. Under the worst-case scenario (SSP5-8.5), the number of days hotter than 36°C will increase by 8.5 days and 48.1 days by the middle and the end of the 21st century respectively.</td></tr> <tr> <td>Total annual rainfall</td><td>Taiwan's total annual rainfall is expected to increase in the future. Under the worst-case scenario (SSP5-8.5), Taiwan's total annual rainfall will increase by approximately 15% and 31% by the middle and the end of the 21st century respectively.</td></tr> <tr> <td>Rainstorm intensity</td><td>Taiwan's maximum 1-day rainstorm intensity is on the rise. Under the worst-case scenario (SSP5-8.5), the average maximum 1-day rainstorm intensity will go up by approximately 20% and 41.3% by the middle and the end of the 21st century respectively.</td></tr> <tr> <td>Number of consecutive days without rainfall</td><td>Number of consecutive days without rainfall in a year is on the rise. Under the worst-case scenario (SSP5-8.5), it will increase by approximately 5.5% and 12.4% by the middle and the end of the 21st century respectively.</td></tr> <tr> <td>Typhoons</td><td>Under the worst-case scenario (RCP8.5), the number of typhoons impacting Taiwan will drop by approximately 15% and 55%, percentage of severe typhoons will increase by 100% and 50% and typhoon rainfall variability will increase by approximately 20% and 35% by the middle and the end of the 21st century respectively.</td></tr> </table> <p>2. The Company has identified 5 major risks and 3 major opportunities related to climate change. For their impact on the Company's finances, please refer to Item 3.</p>	Details of the worst-case scenario (SSP5-8.5) in IPCC's 6 th Assessment Report		Temperature	Temperatures across Taiwan are expected to continue to rise. With the worst-case scenario of global warming (SSP5-8.5), annual average temperature may rise by 1.8 °C and 3.4 °C by the middle and the end of the 21 st century respectively.	Extremely-high temperature	During the events of extremely-high temperatures in the future, the number of days hotter than 36°C increases across the globe. Under the worst-case scenario (SSP5-8.5), the number of days hotter than 36°C will increase by 8.5 days and 48.1 days by the middle and the end of the 21 st century respectively.	Total annual rainfall	Taiwan's total annual rainfall is expected to increase in the future. Under the worst-case scenario (SSP5-8.5), Taiwan's total annual rainfall will increase by approximately 15% and 31% by the middle and the end of the 21 st century respectively.	Rainstorm intensity	Taiwan's maximum 1-day rainstorm intensity is on the rise. Under the worst-case scenario (SSP5-8.5), the average maximum 1-day rainstorm intensity will go up by approximately 20% and 41.3% by the middle and the end of the 21 st century respectively.	Number of consecutive days without rainfall	Number of consecutive days without rainfall in a year is on the rise. Under the worst-case scenario (SSP5-8.5), it will increase by approximately 5.5% and 12.4% by the middle and the end of the 21 st century respectively.	Typhoons	Under the worst-case scenario (RCP8.5), the number of typhoons impacting Taiwan will drop by approximately 15% and 55%, percentage of severe typhoons will increase by 100% and 50% and typhoon rainfall variability will increase by approximately 20% and 35% by the middle and the end of the 21 st century respectively.
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Item	Execution
<p>6. Description of the content of the plan and the indicators and targets used to identify and manage physical risks and transition risks if there is any transition plan to respond or manage climate-related risks.</p>	<p>1. In response to the government's net-zero emissions goal by 2025, the Company has installed renewable energy equipment and made follow-up plans as described below:</p> <ul style="list-style-type: none"> • Installed a total of 2,221.8 kW of solar panels on the rooftops of the Hsinchu Factory (1,722kW) and Hsinying Factory (499.8kW) in 2022. • The Company installed solar PV facilities (1999.56 kW) on buildings A, B and C at the Hsinying Factory in 2023, meter power generation in Feb 2024. • Installed 547 kW of solar panels in Hsinying Factory in 2024. • 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 and is expecting to commence commercial operation in 2024. Ever Ecove Corporation also installed 200 kW of solar PV system that generates energy for its own consumption. The system has been installed, with the completion report being reviewed by the competent authority. <p>2. Greenhouse Gas Reduction Goals</p> <p>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.</p> <p>3. In alignment with the government's policy trend, the Company seeks to meet our carbon reduction goals with the following measures:</p> <ul style="list-style-type: none"> • Continue to replace dated energy-inefficient equipment with energy-efficient counterparts to improve energy efficiency and manufacturing processes. • Replace old lighting equipment with LED lighting. • Replace gas-powered company cars and logistics vehicles. • Evaluate replacing carbon dioxide gas with hybrid gas for welding and update the welding technique in our manufacturing process. • Introduce ISO 50001 energy management system. • Install renewable energy equipment and conduct research on new technologies for our manufacturing process.

Item	Execution
<p>7. Description of the basis for price setting if internal carbon pricing is employed as a tool for planning.</p> <p>8. Description of the activities covered, scope of greenhouse gas emissions, planning time horizons, annual progress, and other information if climate-related goals are set; description of the sources and quantity of carbon credits offset or the number of renewable energy certificates (RECs) if carbon offsets or RECs are used to achieve relevant targets.</p>	<p>Currently the Company does not use the internal carbon pricing as a tool for planning.</p> <ol style="list-style-type: none"> 1. GHG reduction goals and promotion measures are described in Item 6. 2. GHG emissions (scope 1 & 2) in 2023 were 10.40% lower than 2022. 3. Achieved 90% of waste recycling rate. 4. In alignment with the government's policy trend, the Company will achieve carbon neutrality gradually with the carbon reduction pathways below:  <p>The chart illustrates the carbon reduction pathways from 2022 to 2050. The y-axis represents emissions in mt CO₂e, ranging from 0 to 14,000. The x-axis shows the years 2022, 2025, 2030, and 2050. The 2022 baseline is 12,946.5290 mt CO₂e. The chart shows a 32.27% reduction in electricity emissions (coefficient 0.509) and a 67.73% reduction in manufacturing equipment emissions. By 2025, the total is reduced by 4%. By 2030, the total is reduced by 28% (coefficient 0.376). By 2050, the total is reduced by 68% to achieve carbon neutrality. The chart includes stacked bars for each year, with segments labeled: Decreasing national electricity emission factor, Manufacturing equipment improvement, Low-carbon materials, and Renewable energy.</p>

Item	Execution
<p>9. GHG inventory and assurance, reduction goals, strategies and concrete actions (also in section 1-1 and 1-2).</p>	<p>For more information, please refer to page 92 to 95.</p>

1-1 The Company's GHG Inventory and Assurance in the Last Two Years

<p>The Company's Basic Information</p> <ul style="list-style-type: none"> ■ Companies, steel-producing companies, and cement companies with capital of NT\$10 billion or above □ Companies with capital of more than NT\$5 billion and less than NT\$10 billion □ Companies with capital of less than NT\$5 billion 	<p>As required by the Sustainable Development Roadmap for TWSE/TPEX-Listed Companies, the following shall be provided:</p> <ul style="list-style-type: none"> ■ Parent company individual inventory □ Consolidated financial statement subsidiary inventory ■ Parent company individual assurance □ Consolidated financial statement subsidiary assurance
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1-1-1 Greenhouse Gas Inventory Information

List the Company's GHG emissions (unit: CO₂e (ton)), intensity (unit: CO₂e (ton)/million NT\$) and the data's scope of coverage.

Item \ Year	2022			2023		
	Parent company	Subsidiary	Total	Parent company	Subsidiary	Total
Scope 1: Total GHG Emission (CO ₂ e (ton))	4,178.0093	-	4,178.0093	3,874.3844	-	3,874.3844
Scope 1: GHG Emission Intensity (CO ₂ e (ton)/million)	0.46218	-	0.46218	0.47292	-	0.47292
Scope 2: Total GHG Emission (CO ₂ e (ton))	8,768.5197	-	8,768.5197	7,726.1365	-	7,726.1365
Scope 2: GHG Emission Intensity (CO ₂ e (ton)/million)	0.96998	-	0.96998	0.94307	-	0.94307
Scope 3: Total GHG Emission (CO ₂ e (ton))	227,322.7069	-	227,322.7069	245,474.9649	-	245,474.9649
Scope 3: GHG Emission Intensity (CO ₂ e (ton)/million)	25.1467	-	25.1467	29.9632	-	29.9632

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.)

Note 2: The scope of coverage of the direct emissions and indirect energy emission must comply with the timeline specified in Article 10, Paragraph 2 of the Regulations Governing Information to be Published in Annual Reports of Public Companies. (Hereinafter referred to as this Code.) Information of other indirect emissions may be disclosed on a voluntary basis.

Note 3: GHG Inventory Standard: ISO 14064-1 published by International Organization for Standardization (ISO).

Note 4: All GHG emission intensity is calculated based on the organization's revenue (unit: million NTD).

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	2022		2023	
	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 aforementioned assurance opinions are proposed by MIRDC on the 2022 GHG assertion of Evergreen Steel Corp. following a fair and just verification process. MIRDC adheres to verification standards for the implementation of the verification procedure, and evidence shows that the GHG assertion declared by Evergreen Steel Corp. does not violate the materiality required. The GHG assertion for categories 1 and 2 is materially correct; other categories achieved the level of limited assurance.	-	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.	-

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. If the Company has not obtained a complete greenhouse gas assurance opinion by the date of printing of the annual report, it shall note that “Complete assurance information will be disclosed in the sustainability report.” If the Company does not prepare a sustainability report, it shall note that “Complete assurance information will be disclosed on the Market Observation Post System (MOPS),” and shall disclose the complete assurance information in the annual report of the following fiscal year.

Note 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

<p>The Company's Basic Information</p> <ul style="list-style-type: none"> ■ Companies, steel-producing companies, and cement companies with capital of NT\$10 billion or above □ Companies with capital of more than NT\$5 billion and less than NT\$10 billion □ Companies with capital of less than NT\$5 billion 	<p>As required by the Sustainable Development Roadmap for TWSE/TPEX-Listed Companies, the following shall be provided:</p> <ul style="list-style-type: none"> ■ Disclosed the reduction goal, strategy and concrete action from the year prior in 2025 □ Disclosed the reduction goal, strategy and concrete action from the year prior in 2026 □ Disclosed the reduction goal, strategy and concrete action from the year prior in 2027
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Greenhouse Gas Reduction Strategy



Continue to replace dated energy-inefficient equipment with energy-efficient counterparts to improve energy efficiency and manufacturing processes.



Replace old lighting equipment with LED lighting.



Replace gas-powered company cars and logistics vehicles.



Evaluate replacing carbon dioxide gas with hybrid gas for welding and update the welding technique in our manufacturing process.



Introduce ISO 50001 energy management system.



Install renewable energy equipment and conduct research on new technologies for our manufacturing process.

Greenhouse Gas Reduction Strategy

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.

2023 GHG Reduction Results
GHG emissions (scope 1 & 2) in 2023 were 10.40% lower than 2022.

Note 1: Should be conducted in the timeline specified in Article 10, Paragraph 2 of these Rules

Note 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 10, 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 date for a base year can be from that particular year or the average of multiple years.