

CARBON
NEUTRAL

2024



0 Overview

0.1 About This Report	1
0.2 About CSC	3
0.3 Sustainability Performance	7

1 Sustainable Operation

1.1 Message from Top Management	13
1.2 Operation Philosophy	15
1.3 Sustainability Directives	16
1.4 Stakeholder Engagement	25
1.5 Material Topics	29

5 Social Participation

5.1 Concepts and Management	105
5.2 Local First	107
5.3 CSC Group Education Foundation	109

2 Climate Change Adaptation and Mitigation

2.1 Respond to Climate Change	Material Topic	35
2.2 Climate-related Risks and Opportunities		37
2.3 Actions on Climate Change Adaptation		43

6 Corporate Governance

6.1 Strategies and Targets	115
6.2 Board of Directors	119
6.3 Operational Finance	Material Topic 123
6.4 Risk Management	Material Topic 127

3 Environmental Protection

3.1 Environmental Concepts and Management	49
3.2 Green Process	Material Topic 52
3.3 Circular Economy	Material Topic 65
3.4 Biodiversity	72
3.5 Sustainable Value Creation of Steel Productst	Material Topic 74

7 Value Creation and Industry Chain Improvement

7.1 Product and Sales	135
7.2 Research Innovation and Product Management	Material Topic 138
7.3 Sustainable Supply Chain Management	143
7.4 Intellectual Property Management	149

4 Corporate Commitment

4.1 Recruitment and Retention	81
4.2 Happy Workplace	Material Topic 86
4.3 Employee Rights	92
4.4 Occupational Safety and Health	Material Topic 96

8 Appendix

Appendix 1 GRI Standards Content Index	153
Appendix 2 Sustainability Accounting Standards Board (SASB)	158
Appendix 3 Sustainability Disclosure Indicators - Steel Industry	161
Appendix 4 TCFD Content Index	162
Appendix 5 Climate-Related Information of CSC	163
Appendix 6 Domestic and International Organizations	165
Appendix 7 Assurance Statement	167

0.1 About This Report

Starting with the 2002 Environmental Report, China Steel Corporation (CSC) has widened the scope of non-financial reporting to all aspects of corporate social responsibility (CSR) and sustainability. This year, the report is named the Sustainability Report due to the current regulations. Since 2010, CSC has been publishing annual Sustainability Reports in accordance with the Global Reporting Initiative (GRI) guidance, as an important channel to disclose non-financial related information and improve sustainability performance. In 2012, the CSC sustainability website was launched for more accessible, transparent, timely, complete, and interactive reporting. Sustainability Reports and the sustainability website are important communication channels for the continual improvement of sustainable operations.

Standards

The 2024 CSC Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021 and “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports” by TWSE

Listed Companies. It also refers to the OECD Guidelines for Multinational Enterprises, the UN Global Compact (UNGC), the UN Sustainable Development Goals (SDGs), ISO 26000 Guidance on Social Responsibility, Sustainability Accounting Standards Board (SASB), and non-financial disclosure of the steel industry.

Reporting Period

This report is issued once annually and the current issue of this report covers CSC's operational systems and practices from January 1, 2024 to December 31, 2024, with a special focus on CSC's management approach and performances on material topics. The reporting period of this report is consistent with the financial report.

↑ Previous issue

Published in August 2024

↓ Current issue

Published in July 2025

CSC Sustainability Website



Reporting Scope

The reporting boundary encompasses financial disclosures consistent with the scope of consolidated financial statements, with other disclosures covering CSC entities, including the Head Office, Stone Quarry Processing Yard, Osaka office, Taipei Liaison Office, and China Steel Building. It does not include subsidiaries compared to CSC's consolidated financial statements (consolidated financial statements: https://www.csc.com.tw/csc_e/ss/fin/pdf/fin_report113_Q4.pdf, pages 16-19). The environmental data presented in this report is primarily based on CSC entities. Disclosures related to certain topics, such as air pollution and water resources, may differ from the overall reporting framework. For details, please refer to the respective chapters.

Report on Management Methods and Quality

Internal Review

Data and information presented in this report were supplied by CSC departments with the approval of respective Directors. The initial draft, compiled by the Environmental Protection Dept., was reviewed by the sustainability task group. It was confirmed through a rigorous administrative procedure before being finalized and was published after the resolution of the Board of Directors.

Quality of the Report

This report was assured by BSI, in adherence to AA1000 Assurance Standard v3 as conducted in accordance with Type 1 moderate level of assurance while part of the data complies with Type 2 high level of assurance (Please see the Appendix 1: GRI Standards Index) as well as the GRI Standards. It has been discussed and reviewed with the General Manager of Environmental Protection Department and certain members of the Sustainability Reporting Group to explain the direction of the Company's sustainable development and the presentation of the achievements.

External Assurance/Third-Party Verification

Financial information was extracted from financial reports audited by CPA, and the chapters on “3.2 Green Process” and “4.4 Occupational Safety and Health” were based on related international management systems (ISO 50001 Energy Management System, ISO 14001 Environmental Management System, and CNS 45001/ISO 45001 Occupational Health and Safety Management System, etc.) and externally reviewed.

Contacts

For any comments or questions regarding this report, please contact us at:

**Environmental Protection Dept.,
China Steel Corporation**

1, Chung Kang Rd., Hsiao Kang, Kaohsiung 812401, Taiwan (R.O.C.)
+886-7-8021111#6915
210690@mail.csc.com.tw



Sustainability Reporting Group

Includes Human Resources Dept., General Affairs Dept., Public Affairs Dept., Purchasing Dept., Marketing Dept., Transportation Dept., Marketing Administration Dept., Finance Dept., Accounting Dept., Secretariat Dept., Industrial Engineering Dept., Corporate Strategy Dept., Legal Dept., Sustainable Development Dept., Iron & Steel Research & Development Dept., Metallurgical Dept., Intellectual Property & Testing Technology Dept., New Materials Research & Development Dept., Green Energy & System Integration Research & Development Dept., Project Engineering Dept., Rolling Mill Dept., III -Cold Rolling Products, Utilities Dept., Plant Engineering & Maintenance Dept., Production Planning Dept., Industrial Safety & Hygiene Dept., Environmental Protection Dept., Internal Audit Office., CSC Group Education Foundation and etc.

0.2 About CSC

0.2.1 Chronicle

CSC was founded on December 3, 1971. Over the past half-century, CSC has overcome many tough challenges. After going through four phases of expansion along with Dragon Steel Corporation's

stage II construction, CSC built a magnificent steel plant from scratch, providing the foundation for Taiwan's industrial development and acting as an important promoter of Taiwan's economic miracle.

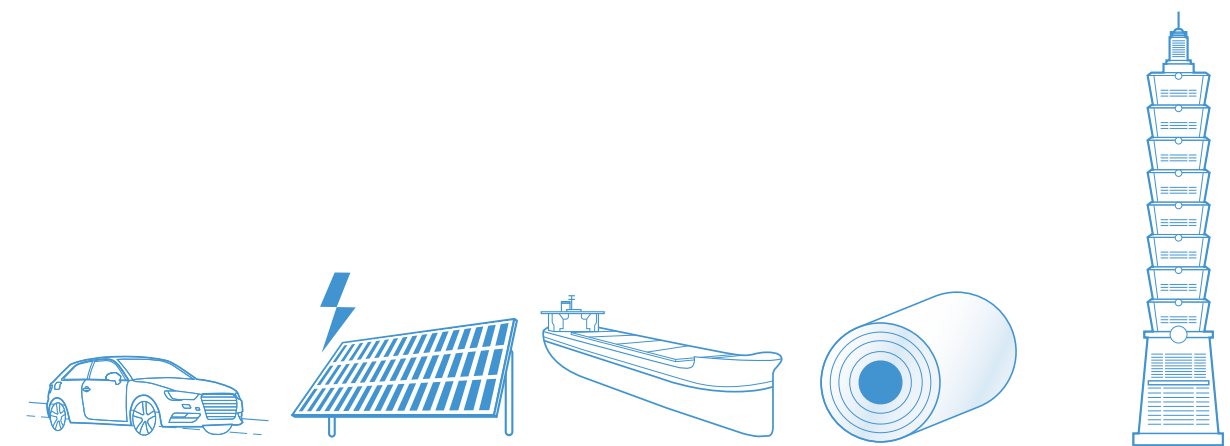
1970s	1980s	1990s	2000s	2010s	2020s
<ul style="list-style-type: none"> – 1971 Dec 3, 1971 China Steel Corporation is officially registered, with head office located in Taipei. – 1972 Sep 16, 1972 Kaohsiung Plant Site Office is established. – 1974 Sep 1, 1974 Phase I construction commences. Dec 26, 1974 CSC stock is listed on Taiwan Stock Exchange Corporation. – 1975 Sep 15, 1975 Head office relocates to Kaohsiung Plant Site Office closes. – 1977 Jul 1, 1977 CSC becomes a state enterprise. Dec 16, 1977 Phase I is completed, with a capacity of 1.5 Mt (in terms of crude steel) per year. – 1978 Jul 1, 1978 Phase II construction commences. 	<ul style="list-style-type: none"> – 1982 Jun 30, 1982 Phase II is completed. Capacity reaches 3.25 Mt per year. – 1984 Jul 1, 1984 Phase III construction commences. – 1988 Apr 30, 1988 Phase III is completed. Capacity reaches 5.652 Mt per year. 	<ul style="list-style-type: none"> – 1993 Jul 15, 1993 Phase IV construction commences. – 1995 Apr 12, 1995 CSC is privatized. – 1997 May 31, 1997 Phase IV is completed. Capacity reaches 8.054 Mt per year. – 1998 Jun 2, 1998 CSC Group's corporate identity system is formally introduced to the public. 	<ul style="list-style-type: none"> – 2006 Apr 15, 2006 Annual production capacity is officially raised to 9.86 Mt owing to success in equipment renovations and improvements carried out over the years. Nov 22, 2006 Groundbreaking for the China Steel Building takes place. – 2008 Oct 6, 2008 Dragon Steel Corporation (DSC) becomes a wholly owned subsidiary of CSC. 	<ul style="list-style-type: none"> – 2010 Jun 30, 2010 DSC's stage II phase 1 expansion project is completed. CSC Group's capacity reaches 13.36 Mt per year. – 2013 Mar 5, 2013 DSC's stage II phase 2 expansion project is completed. CSC Group's capacity reaches 15.86 Mt per year. Oct 22, 2013 China Steel Building is inaugurated. – 2017 Dec 20, 2017 The Board of Directors approves the initiation of the revamp of the coke ovens (phases I and II). – 2018 Dec 31, 2018 CSC Group's operating revenue in 2018 sets the record of exceeding 400 billion TWD for the first time. 	<ul style="list-style-type: none"> – 2020 Jan 16, 2020 CSC positions itself as a steel mill that produces premium products with high value and devotes itself to the development of the green energy industry as the operational and developmental cores in enhancing its competitiveness for the next 50 years. Feb 21, 2020 CSC sets a new milestone in its pricing system by offering monthly and quarterly pricing simultaneously for the first time. Jul 1, 2020 To promote the utilization of BOF Slag, CSC and TIPC jointly submit the Environmental Impact Difference Analysis Report for utilizing BOF Slag as an alternative land reclamation material in Taipei Port, approved by the Environmental Impact Assessment and Review Committee of Taiwan EPA. Nov 11, 2020 The first truck of BOF aggregate is successfully utilized as land reclamation material in Taipei Port, which marks a new milestone in BOF aggregate application. – 2021 February 26, 2021 CSC commits to taking action on environmental protection and climate change by setting up a Task Force on Energy Saving & Carbon Reduction and Carbon Neutrality. – 2023 January 1, 2023 CSC declares the company's new vision of "We aspire to be a sustainable growth enterprise that distinguishes itself through a firm commitment to smart innovation, green energy, carbon reduction, and value co-creation." Based on the new vision, CSC launches its first 10-year operation and development strategy toward its promising prospects. December 22, 2023 CSC acquires 500 metric tons of carbon credits in the inaugural transaction following the Taiwan Carbon Solution Exchange unveiling, marking a new milestone in CSC's history of steel product carbon neutrality. December 23, 2023 CSC undertakes the Kaohsiung Light Rail Phase II project and completes the final segment (C24-C32) with quality and one year ahead of schedule. As the project passes the final inspection and obtains the operating permit, the rail loop is complete, supporting a low-carbon city and enhancing the development of a livable Kaohsiung. – 2024 January 1, 2024, To improve on the Employee Stock Ownership Trust (ESOT) by introducing a new allocation rate of 30% scheme and delivering the incentive bonus to ESOT.

0.2.2 Business and Scale

CSC is a world-class steel corporation with an annual production capacity (in terms of crude steel) around 10 million tonnes. According to the report published by World Steel Association (worldsteel), the crude steel production of CSC was ranked 34th among all worldsteel members in 2023. Moreover, CSC's competitiveness was ranked 9th from 14th in 2023, based on 23 criteria such as pricing and cost-saving abilities, among 35 steel corporations by World Steel Dynamics (WSD) in December 2024.

CSC is classified under the steel manufacturing sector. The major products of CSC are steel plates, bars and rods, hot-rolled and cold-rolled coils, electrogalvanized coils, electrical steel coils, and hot-dip galvanized steel coils, and so on. In 2024, 57.4% of products were sold domestically and 42.6% were sold overseas. The main products accounted for more than 50% of the domestic market and CSC is currently the largest steel company in Taiwan. The main export targets are Southeast Asia, Europe, and Japan.

In order to enhance its operational synergy, CSC has diversified its businesses into five business areas: Steel, Engineering, Industrial Materials, Logistics & Investments, and Green Energy. The core of the value chain is CSC itself, including employees and partners. Upstream includes raw material suppliers such as ore suppliers, and downstream includes customers and local communities.

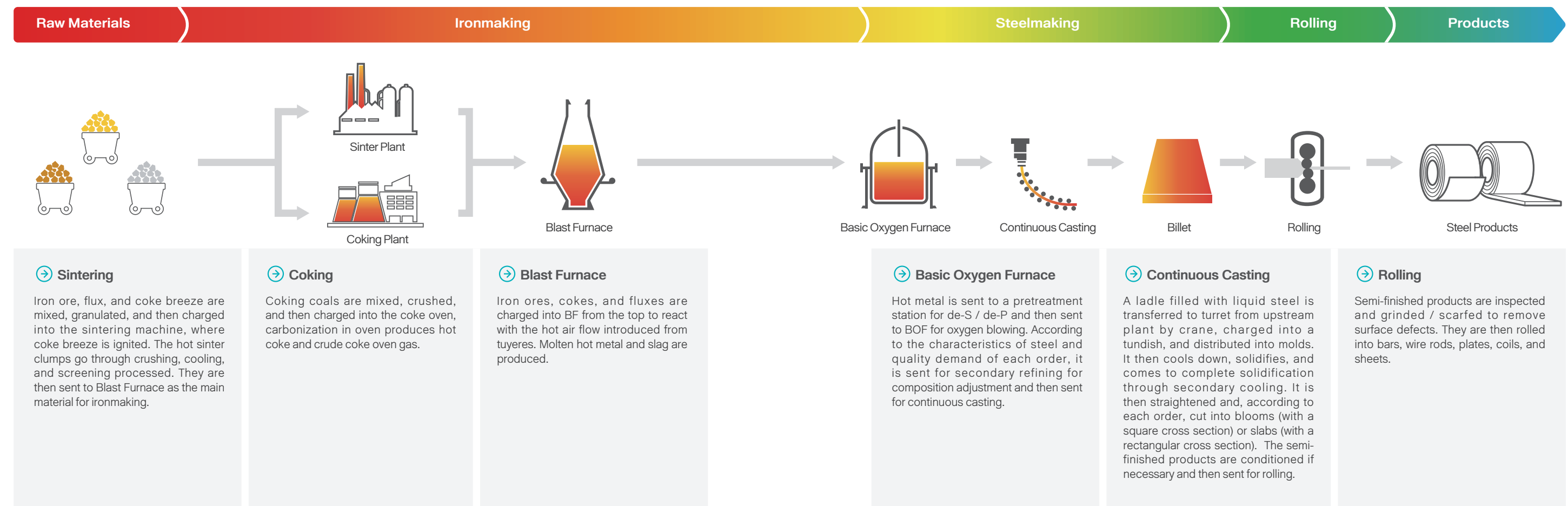


Five Business Areas				
Industrial Materials	Green Energy	Logistics & Investments	Steel	Engineering

Locations



Steel Making Operation



0.3 Sustainability Performance

0.3.1 Sustainability Performance Overview

※To improve the data quality of this report, some historical data has been recompiled with an asterisk (*) to indicate adjustments made to the calculation methods or data sources.

Aspect	Item		Unit	2020	2021	2022	2023	2024
Economic Aspect	Operating Revenues	Parent Company Only	100 million TWD	1,838.42	2,597.82	2,506.01	1,971.49	1,935.46
		Consolidated		3,147.83	4,683.28	4,495.67	3,633.26	3,605.36
	Net Profit	Parent Company Only	100 million TWD	8.86	620.53	177.84	16.82	19.78
		Consolidated		22.58	689.06	179.95	35.31	38.76
	EPS	Parent Company Only	TWD	0.05	4.02	1.15	0.11	0.13
		Consolidated		0.05	4.02	1.15	0.11	0.13
	Income Tax Expense	Parent Company Only	100 million TWD	1.21	89.98	25.83	4.26	8.71
		Consolidated		5.10	155.08	52.64	10.59	7.02
	Effective Tax Rate	Parent Company Only	%	12.06	12.66	12.68	20.19	30.58
		Consolidated		18.42	18.37	22.63	23.07	15.33
Environmental Aspect	R&D Expense	Parent Company Only	100 million TWD	18.81	23.96	21.48	20.33	22.87
		Consolidated		19.48	24.35	21.55	21.32	22.67
	R&D Expense Ratio	Parent Company Only	%	1.03	1.09	0.89	1.03	1.20
		Consolidated		0.62	0.63	0.50	0.59	0.63
	Production		10,000 tCS	823.9938	969.0860	843.7811	776.5234	790.7581
	Investment on Energy and Environment		100 million TWD	53.5	28.9	39.1	80.4	85.6
	Energy Intensity		Mcal/tCS	5,549	5,315	5,485	5,504	5,461
			GJ/tCS	23.23	22.25	22.96	23.04	22.86
	GHG Emissions	Scope 1	tCO ₂ e	18,318,428	20,939,573	18,248,901	16,809,455	17,587,087
		Scope 2*		1,243,430	1,357,456	1,373,673	1,249,102	1,166,325
Social Aspect	NOx Emissions		Tonnes	5,822	6,593	5,603	5,209	4,988
	SOx Emissions		Tonnes	4,943	5,579	4,257	4,163	4,085
	Water Intensity		t/tCS	5.06	4.32	4.86	5.04	5.10
	New Water Intensity		t/tCS	3.58	2.65	2.31	2.16	2.03
	Number of Employees		Person	9,961	9,794	9,668	9,621	9,518
	Training Hours		Hour	350,632	211,045	258,431	265,609	264,685
	Training Expense		Million TWD	59.3	48.8	49.2	46.2	54.5
	Employee Compensation and Welfare Expenses		Million TWD	14,595.32	26,586.02	18,797.96	14,917.68	15,400.86
	Disabled Hires		Person	124	111	89	79	90
	Disability Frequency		Incident(include death)/million working hours	0.14	0.14	0.05	0.10	0.10
	Labor aspect: Any breach of the regulation that causes fines or administrative sanctions		-	No	No	No	No	No
	Social Expense		Million TWD	70.03	129.34	139.3	82.74	76.71
	CSC volunteer hours*		Hour	16,727	16,108	15,194	12,955	14,985

0.3.2 Awards and Recognitions

國家永續發展獎 Sustainable Development Awards



Sustainability Aspect

- Recognized as 2024 Sustainability Champion by the World Steel Association.
- Selected as a member of 2025 S&P Global Sustainability Yearbook, and recognized as “Top 1% S&P Global CSA Score” and “Industry Mover”.
- Selected as a constituent of the 2024 Dow Jones Sustainability “World Index” and “Emerging Markets Index”, and ranked No.1 globally in the steel industry.
- Leadership level (A-) for CDP Climate Change.
- Leadership level (A-) for CDP Water.
- Recipient of the 2024 “National Sustainable Development Awards” from the National Council for Sustainable Development, Executive Yuan.
- Won 1 gold, 2 bronze in the “2024 Taiwan Sustainability Action Awards (TSAA).”
- Received a total of 9 awards in the 2024 Taiwan Corporate Sustainability Awards (TCSA), including the “Taiwan’s Top 10 Sustainable Manufacturing Companies Award,” the Platinum Award in the Corporate Sustainability Reporting Awards – Traditional Manufacturing category, as well as individual sustainability performance awards, including the “Climate Leadership Award,” the “Water Resource Leadership Award,” the “Circular Economy Leadership Award,” the “Growth Through Innovation Leadership Award,” the “Talent Development Leadership Award,” “Supply Chain Leadership Award,” and the “Aging-Friendly Leadership Award.”
- “Sustainability Report Silver Award” in the 2024 Global Corporate Sustainability Awards (GCSA).
- Selected as one of the top 100 large companies in the “2024 Sustainable Citizen Awards” by Common Wealth Magazine.
- Honored with the “2024 ESG Pioneer in Sustainability Award” by the British Standards Institution (BSI).
- Awarded the 2024 “Outstanding Award for Net-Zero Industry Competitiveness” by the 21st Century Foundation.

114年度 TIPS頒證



Economy Aspect

- “Authorized Economic Operator (AEO)” by Customs Administration, Ministry of Finance.
- “2024 Golden Vessel Award - Bulk and Sundry Cargo Terminal Operation” of the Taiwan International Ports Corporation (TIPC).
- “2023 Certification of Excellent Exporters / Importers” of the Bureau of Foreign Trade, Ministry of Economic Affairs (MOEA).
- Selected as a constituent stock of the “TWSE RAFI® Taiwan High Compensation 100 Index” in 2024.
- Selected as a constituent stock of the “FTSE4Good TIP Taiwan ESG Index” in 2024.
- Selected as a constituent stock of the “FTSE4Good Emerging Index” in 2024.
- Granted the Taiwan Intellectual Property Management System (TIPS) certificate.

企業組 奉獻獎



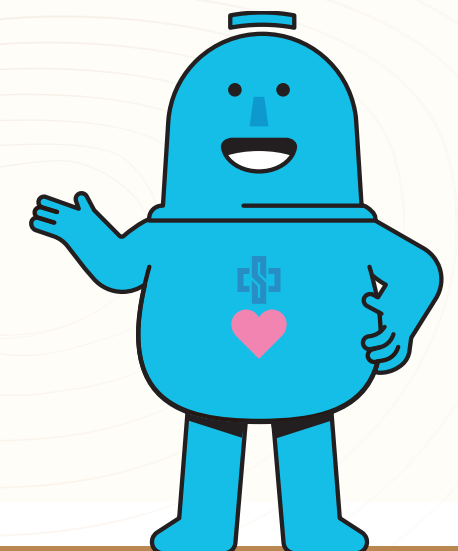
Environment Aspect

- Honored as one of the best performers in all industrial voluntary GHG reductions in 2024 by the Industrial development bureau (IDB), Ministry of Economic Affairs (MOEA).
- Rolling Mill Department III - Cold Rolled Products participated in the “2024 MOEA Energy Saving Leadership Awards” and won the “Group A Gold Award.”
- Won the 2024 HBR Digital Transformation Awards for the “Development of Digital Intelligent Temperature Control System for the Hot Rolling Mill Reheating Furnace.”
- “2024 Water Environment Patrol Team Evaluation - Corporate Contribution Award” from KSEPB.
- CSC's Civil Engineering Department handled the “Miscellaneous Procurement and Overall Installation Engineering of Power Plant TG-9/10” and was recognized by the Environmental Protection Bureau of Kaohsiung City Government as an excellent construction site owner in the “Excellent Construction Sites in 2024.” China Ecotek Corp. was recognized as an excellent contractor.
- “2023 Outstanding Private Enterprise Green Procurement Unit” from KSEPB.
- “2023 Outstanding Private Enterprise Green Procurement Unit” from Ministry of Environment.
- In 2024, CSC obtained a total of five UL 2809 certifications under the Environmental Claim Validation Procedure (ECVP) for Recycled Content developed by UL Solutions. These certifications covered Hot-Rolled Coils RC12 (with a scrap content of 12% and above), Cold-Rolled Coils RC12, Zinc Coated Steel Coils RC12, Zinc Coated Steel Coils RC20 (with a scrap content of 20% and above) and Zinc Coated Steel Coils RC60 (with a scrap content of 60% and above).



Society Aspect

- “Gold Award - Manufacturing Industry” in the “2024 Happy Enterprise Poll” of 1111 Job Bank.
- Ranked 5th in “the most desirable company for office workers to enter - traditional industry” by the job searching website yes123.



1

Sustainable Operation

- 1.1 Message from Top Management
- 1.2 Operation Philosophy
- 1.3 Sustainability Directives
- 1.4 Stakeholder Engagement
- 1.5 Material Topics



1.1 Message from Top Management

In recent years, the global steel industry has entered a period of cyclical downturn. According to a report released by the World Steel Association (worldsteel) in October 2024, global steel demand has declined for three consecutive years, with a projected 0.9% decrease in 2024 to 1.751 billion tonnes. Faced with economic volatility, geopolitical tensions, and carbon-related pressures such as pricing and border adjustment mechanisms, carbon neutral has become not only a trend but also a critical challenge for steelmakers around the world.

At CSC, we remain committed to steady and responsible operations, while actively advancing our dual cores (become a steel mill that produces advanced premium products with high value and develop the green energy industry) and three transformations (digital transformations, low-carbon transformations, and supply chain transformations) as development focus. We continue to strengthen our efforts in R&D, production, and ESG, in pursuit of long-term sustainability and competitiveness.

To become a steel mill that provides premium products & services

Our strategy focuses on eight core advanced premium steel products with high profitability, technical content, and industrial value. In 2024, these products accounted for 11.1% of total steel sales and contributed over 75% of gross profit.

To develop the green energy industry

CSC is actively expanding into solar and offshore wind power markets. In 2024, green power generation reached 436 million kWh, with an associated carbon reduction potential of 185,000 tonnes of CO₂e.

Supply Chain Transformation

On the supply chain side, we promote Early Vendor Involvement (EVI) to offer differentiated products and advanced processing services. This encourages a shift from cost-performance (CP) to value-performance (VP), creating value for customers and reinforcing market positioning, and enabling dual growth in both product value and price.

Digital Transformation

CSC is developing smart equipment technologies such as remote control, hybrid cloud, and digital twins, and has implemented intelligent production methods including defect sensing, precision measurement, and process integration systems. These initiatives aim to build a low-carbon, high-efficiency, intelligent steel mill.

Low-Carbon Transformation

CSC has defined a diversified decarbonization roadmap and developed systems for carbon inventory and carbon credit management. In 2024, CSC introduced "GHG Reduction Incentive Guidelines" to encourage employees to propose and implement feasible decarbonization actions, offering incentives to raise awareness and participation. This fosters a green, low-carbon corporate culture throughout the organization.

In line with global sustainability trends and carbon reduction requirements, the Financial Supervisory



Commission, R.O.C. (FSC) now mandates that annual reports disclose sustainability-related information in accordance with IFRS standards. CSC has undertaken a series of organizational adjustments and strategic planning actions to advance carbon neutral across the group, including identifying material sustainability risks and opportunities, and developing green business opportunities to enhance sustainability disclosures. In addition, the Financial Supervisory Commission has issued the "Taiwan Sustainable Taxonomy" for the steel industry, outlining the criteria of the forward-looking economic activities. In response, CSC will review the alignment of its existing operations with the technical screening criteria and will disclose, in a timely manner, information regarding the extent to which its economic activities comply with the Taxonomy. These disclosures aim to enhance stakeholders' understanding of CSC's progress and achievements in sustainable development.

2024 was a milestone year in CSC's ESG journey. CSC was selected for inclusion in the DJSI World Index and DJSI Emerging Markets Index, ranking first among global steel companies. Additionally, CSC was honored with the "Sustainability Champion" award by worldsteel. Looking ahead, CSC remains committed to agility and innovation in the face of challenges such as geopolitical tensions, regional tariff barriers, and ongoing transformation within the global steel industry. By focusing on quick order response, stable production quality, and precise product R&D, CSC will continue to embrace change, explore bold new approaches, and think with flexibility—deepening its understanding of steel market demands and collaborating with Taiwan's steel-consuming industries to carve out a unique and competitive path for Taiwan on the global stage.



1.2 Operation Philosophy

CSC's new vision is "We aspire to be a sustainable growth enterprise that distinguishes itself through a firm commitment to smart innovation, green energy, carbon reduction, and value co-creation." With the four values "teamwork, entrepreneurial approach, down-to-earthiness and pursuit of innovation" as the foundation of its corporate culture, CSC actively implements its operational concept of "promotion of social well-being, result orientation, implementation of teamwork, and emphasis on employees' self-realization."






1.3 Sustainability Directives

CSC's performance in environment, social, and governance aligns with the 9 principles outlined in the new Sustainability Charter of the World Steel Association, which includes "climate action," "the circular economy," "environmental care," "safety and health," "our people," "local communities," "responsible value chain," "ethics & transparent operations," and "innovation and prosperity." This demonstrates our unwavering commitment to sustainable development. CSC joined as a signing member and is recognized as a leading enterprise in sustainable development within the steel industry worldwide.







Based on the operational philosophy, CSC devised the "Sustainable Development Best Practice Principles", and delineated the "CSC Sustainable Development Policy". CSC is dedicated to achieving goals of sustainable development through increasing contribution to Taiwan's economy, improving quality of life among employees, communities, and society, and enhancing competitive advantage based on sustainable development as a corporate citizen.

For more details [CSC's Sustainable Development Best Practice Principles]
https://www.csc.com.tw/csc_e/cg/pdf/11211CSR.pdf

Cooperated Stakeholders	CSC Sustainable Development Policy	SDGs
Shareholders/Investors	Strengthen competitiveness and create profit for shareholders to ensure corporate sustainability	
Customers	Integrate customer needs and enhance service competence to achieve co-prosperity	
Employees and Contractors	Take care of employee welfare and create quality environment to facilitate workforce development	
Suppliers	Optimize supply chain system and improve communication to share sustainable practices	
Academic researchers	Join professional organizations and provide a solid technology foundation for promoting industry upgrading	
Government agencies	Support government policies and engage in construction to improve comprehensive effectiveness	
Non-governmental organizations (NGOs) or Sustainability associations, Communities, or Local groups	Be devoted to social harmony and promote public welfare to benefit local communities	

Cooperated Stakeholders	CSC Sustainable Development Policy	SDGs
Employees and Contractors	Enhance safety and environmental protection measures to eliminate workplace injuries and improve pollution-reduction performances	   
Customers, Suppliers and Academic researchers	Persist in saving energy, reducing carbon emissions, and adopting renewable resources to build a low-carbon society	    



SDGs	UN SDGs Targets	Performances and Highlights	Track Metrics (2024)	Chapter
	<div>3.d</div> <div>Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks.</div>	<ul style="list-style-type: none">To provide employee health management, occupational disease prevention, health promotion, and other labor health protection matters	<ul style="list-style-type: none">4,663 people participated in health service activities34,654 visits to employee clinic7,631 employee health examinations and 3,950 special health examinationsProvided 493 times of consultation services	4.4 Occupational Safety and Health
	<div>4.2</div> <div>By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education.</div> <div>4.4</div> <div>By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.</div>	<ul style="list-style-type: none">Creating a parent-friendly environmentProvide diverse talent cultivation channels	<ul style="list-style-type: none">383 people enrolled in CSC Kindergarten2,310,000 TWD in childbirth cash gifts17,509 participants in professional training3,999 participants in management training and workshops227 e-Learning materials	4.2 Happy Workplace 4.1 Recruitment and Retention
	<div>5.1</div> <div>End all forms of discrimination against all women and girls everywhere.</div>	<ul style="list-style-type: none">Eliminate discrimination to ensure equal employment opportunity	<ul style="list-style-type: none">Employees are remunerated based on their duties, current market wage standards, the company's financial status, and organizational structure. Pay is determined without gender-based differences, and the basic salary paid to women and men of the same position and seniority is the same	4.2 Happy Workplace 4.3 Employee Rights
	<div>6.4</div> <div>By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.</div>	<ul style="list-style-type: none">Develop diverse water sources and effectively perform water resources management	<ul style="list-style-type: none">Reclaimed water usage accounts for 57.4% of overall water usageThe recycling rate of processed water reached 98.5%	3.2 Green Process
	<div>7.2</div> <div>By 2030, increase substantially the share of renewable energy in the global energy mix.</div> <div>7.3</div> <div>By 2030, double the global rate of improvement in energy efficiency.</div>	<ul style="list-style-type: none">Investment in the renewable energy businessEnhance energy usage efficiency and continue to make improvements	<ul style="list-style-type: none">Total installed capacity of the CSC Group's solar rooftop PV system was 100.6 MW193 energy conservation projects saving 1.408 million GJ	3.5 Green Development 3.2 Green Process
	<div>8.2</div> <div>Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value-added and labour-intensive sectors.</div> <div>8.8</div> <div>Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.</div>	<ul style="list-style-type: none">Enhance product competitiveness through innovationImplement occupational safety and health management and provide a safe working environment	<ul style="list-style-type: none">Completed 30 new product development projects462 safety and health inspections of subcontractorsThe review and improvement rate of false alarms reached 100%	7.2 Product Quality and Innovation 4.4 Occupational Safety and Health 7.4 Supply Chain Management

SDGs	UN SDGs Targets	Performances and Highlights	Track Metrics (2024)	Chapter
	9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.	<ul style="list-style-type: none"> Establish an inter-industry energy and resource sharing and recycling network to improve the business conditions and enhance the competitiveness of industries 	<ul style="list-style-type: none"> A total of 34 companies have joined the CSC-centered Industrial Ecology Network. 	3.3 Circular Economy
	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.	<ul style="list-style-type: none"> Improve air quality through various air pollution reduction projects 	<ul style="list-style-type: none"> Reduce particulates by 140.0 tonnes. Reduce SOx by 956.8 tonnes. Reduce NOx by 13.3 tonnes. Note: Accumulated pollutants reduction per year (since 2020).	3.2 Green Process
	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	<ul style="list-style-type: none"> Recycle and reuse waste based on the concept of product life cycle 	<ul style="list-style-type: none"> Percentage of CSC waste recycled: 94.8%. 	3.3 Circular Economy
	12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	<ul style="list-style-type: none"> Publish an annual sustainability report and update information in a timely manner through the ESG website 	<ul style="list-style-type: none"> Since 2007, CSC has piloted the annual preparation of its sustainability report, and since 2010, the report has been compiled in accordance with the GRI Standards and verified by an independent third party. 	0.1 About This Report
	12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.	<ul style="list-style-type: none"> CSC Group Education Foundation actively promotes various sustainability education activities 	<ul style="list-style-type: none"> Organized activities in steel science education, environmental sustainability, as well as humanities and arts training for 22,147 participants. 	5.3 The CSC Group Education Foundation
	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	<ul style="list-style-type: none"> Set short, medium and long-term carbon reduction targets and identify climate-related risks and opportunities in accordance with the framework recommended by the TCFD 	<ul style="list-style-type: none"> CSC set the base year as 2018, with a total greenhouse gas emission of 22,100,460 tonnes CO₂e. In 2024, the total emissions were 18,753,412 tonnes CO₂e, representing a reduction of approximately 15.2% compared to the base year. Completed 173 carbon reduction action plans in 2024, achieving carbon reduction of 102,000 tonnes of CO₂e/year. 	2 Climate change Adaption and Mitigation
	15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.	<ul style="list-style-type: none"> Conduct biodiversity risk assessments and adopt mitigation measures to avoid, reduce, regenerate, restore and transform 	<ul style="list-style-type: none"> The Water Environment Patrol Team : <ul style="list-style-type: none"> The environmental patrol vessel was on duty for 301 days. The rubber raft was on duty for 289 days. A total of 147 families and 416 species of animals and plants were recorded in the factory area. 	3.4 Biodiversity
	16. b Promote and enforce non-discriminatory laws and policies for sustainable development.	<ul style="list-style-type: none"> Continue the fine tradition of ethical corporate management by passing on the corporate culture, and strictly prevent potential misconduct such as discrimination through organizational regulations and various control mechanisms to ensure clear understanding and commitment to ethical standards, such as establishing the "Ethical Corporate Management Best Practice Principles for CSC", and having new employees and current colleagues sign the "Letter of Declaration and Undertaking with regard to Employees' Code of Conduct" 	<ul style="list-style-type: none"> In 2024, CSC recorded zero major violations. Note: Cases considered as major violations and subject to proactive disclosure include: corruption or bribery, discrimination or harassment, customer privacy data, conflict of interest violations, money laundering, or insider trading.	6.1 Strategies and Targets
	17.16 Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries.	<ul style="list-style-type: none"> Actively participate in domestic and international activities of industry and academic associations, and serve as a core member of the World Steel Association Enhance domestic steel core technical capabilities and assist the technology R&D of the domestic steel industry 	<ul style="list-style-type: none"> Participated in 69 domestic and international conferences. A total of 11 technical seminars were held in 2024, in which 417 manufacturers and 875 industry and academic representatives participated with an average satisfaction rate of 97.3%. 	Appendix 6: Domestic and International Organizations

CSC Sustainability Targets

Economic growth, environmental protection, and social positive force constitute CSC's callings to sustainable development. In order to continuously enhance sustainable operation and management at the Company, fulfill its commitment to sustainable development, and meet the expectations of its stakeholders, the Company has formulated its environmental, social, and governance (hereinafter referred to as ESG) targets for short, mid and long-term targets, aimed at contributing to environmental, social, and governance/economic aspects with concrete actions.

Stakeholders' opinions are collected through various channels each year, and ESG targets of the Company are adjusted in coordination with operation and development strategies in a timely manner.

Aspect	Issue	Targets in 2024	CSC's Achievements	Short-term (2025)	Mid-term (2026~2030)	Long-term (2031~)
Governance/ Economy	Operational Finance	○ Sales of Advanced Premium Steel reaches 9.5%.	○ Achieved	● Sales of Advanced Premium Steel reaches 11.8%.	Target in 2030 : ● Sales of Advanced Premium Steel reaches 20.3%.	Target in 2034: ● Sales of Advanced Premium Steel reaches 26.0%.
	Corporate Governance	○ Promote in setting information security targets among subsidiaries. ○ Link ESG annual targets with the managers' performance evaluation and compensation.	○ Achieved	● Promote publicly listed subsidiaries to sign the TCFD initiative. ● Publicly listed subsidiaries rank in the Top 20% in the Corporate Governance Evaluation. ● Number of suppliers adopting the Supplier Code of Conduct ≥3,700.	Target in 2026: ● In line with the roadmap for aligning with the 2026 IFRS Sustainability Disclosure Standards released by the Financial Supervisory Commission of Taiwan, relevant information will be disclosed in accordance with the executive remuneration metrics specified in IFRS S2 "Climate-related Disclosures". Target in 2030 : ● At least one publicly listed subsidiary of the CSC Group is selected as a constituent of a domestic or overseas ESG or sustainability fund or index by 2030. ● Number of suppliers adopting the Supplier Code of Conduct ≥4,500.	Target in 2031: ● Publicly listed subsidiaries rank in the Top 5% in the Corporate Governance Evaluation. ● Number of suppliers adopting the Supplier Code of Conduct ≥4,700.
Society	Talent Development	○ The completion rate of the first year management training for new supervisors is 90%. ○ The core skills training for new mechanical and electrical maintenance personnel is 88%.	○ Achieved	● The completion rate of the first year management training for new supervisors is 92%. ● The core skills training for new mechanical and electrical maintenance personnel is 90%. ● In response to the digital transformation trend, at least four related seminars will be held annually. ● Keep the 4th-level directors (professional level) and technicians ratio ≥ 60%.	Target in 2030 : ● The completion rate of the first year management training for new supervisors is 95%. ● The core skills training for new mechanical and electrical maintenance personnel is 92%. ● In response to the digital transformation trend, at least four related seminars will be held annually. ● Keep the 4th-level directors (professional level) and technicians ratio ≥ 60%.	Target in 2031: ● The completion rate of the first year management training for new supervisors is 95%. ● The core skills training for new mechanical and electrical maintenance personnel is 92%. ● In response to the digital transformation trend, at least four related seminars will be held annually. ● Keep the 4th-level directors (professional level) and technicians ratio ≥ 60%.
	Employee Care	○ Arrange psychological adaptation seminars. ○ Singles networking events are held with a total of 204 participants each year. △ Hold 2 Lohas lectures for the retiring employees every year, with the number of participants reaching 160 a year.	△ Failed Some targets have been achieved, while the failure to meet other is due to cost reduction.	● Contract-based counselors to provide professional on-site service for employees of CSC and its affiliates, and expand the provision to family members. ● Singles networking events are held with a total of 204 participants each year. ● Ratio of the Lohas lectures participants ≥ 50% of the number of retiring employees in the current year.	Target in 2030 : ● Contract-based counselors to provide professional on-site service for employees of CSC and its affiliates, and expand the provision to Contractor. ● Singles networking events are held with a total of 204 participants each year. ● Ratio of the Lohas lectures participants ≥ 50% of the number of retiring employees in the current year.	Target in 2031: ● Contract-based counselors to provide professional on-site service for employees of CSC and its affiliates, and expand the provision to Contractor. ● Singles networking events are held with a total of 204 participants each year. ● Ratio of the Lohas lectures participants ≥ 50% of the number of retiring employees in the current year.

				○ Achieved △ Failed		
Aspect	Issue	Targets in 2024	CSC's Achievements	Short-term (2025)	Mid-term (2026~2030)	Long-term (2031~)
Society	Occupational Safety	△ Zero major occupational accidents. ○ Employee Disabling Injury Frequency Rate (FR) control value ≤ 0.18. △ Contractor Disabling Injury Frequency Rate (FR) control value ≤ 0.30.	△ Failed A target has been achieved, while the failure to meet others is due to major occupational accidents involving contractors and the contractor disabling injury frequency rate (FR) exceeding the threshold in 2024.	<ul style="list-style-type: none">Zero major occupational accidents.Employee Disabling Injury Frequency Rate (FR) control value ≤ 0.18.Contractor Disabling Injury Frequency Rate (FR) control value ≤ 0.30.	Target in 2026: <ul style="list-style-type: none">Zero major occupational accidents.Employee Disabling Injury Frequency Rate (FR) control value ≤ [0.18 or the average performance value of the previous five years (2021-2025), whichever is lower].Contractor Disabling Injury Frequency Rate (FR) control value ≤ [0.30 or the average performance value of the previous five years (2021-2025), whichever is lower].	Target in 2031: <ul style="list-style-type: none">Zero major occupational accidents.Employee Disabling Injury Frequency Rate (FR) control value ≤ [control value in the previous five years (2026-2030) or the average performance value of the previous five years (2026-2030), whichever is lower].Contractor Disabling Injury Frequency Rate (FR) control value ≤ [control value in the previous five years (2026-2030) or the average performance value of the previous five years (2026-2030), whichever is lower].
		○ Reduce carbon emissions by 6% or cumulative reduction of 1.326 million tonnes CO ₂ e. Note: Based year 2018.	○ Achieved	<ul style="list-style-type: none">Reduce carbon emissions by 7% or cumulative reduction of 1.547 million tonnes CO₂e. Note: Based year 2018.	Target in 2030 : <ul style="list-style-type: none">Reduce carbon emissions by 25% or cumulative reduction of 5.525 million tonnes CO₂e. Note: Based year 2018.	<ul style="list-style-type: none">Aiming to achieve carbon neutral by 2050.
		○ Reduce 136.9 tonnes of Particulates. ○ Reduce 803.6 tonnes of SOx. ○ Reduce 11.5 tonnes of NOx. Note: Accumulated pollutants reduction per year (since 2020).	○ Achieved	<ul style="list-style-type: none">Reduce 157.4 tonnes of Particulates.Reduce 803.6 tonnes of SOx.Reduce 11.5 tonnes of NOx. Note: Accumulated pollutants reduction per year (since 2020).	Target in 2030 : <ul style="list-style-type: none">Reduce 177.9 tonnes of Particulates.Reduce 1,025.6 tonnes of SOx.Reduce 83.5 tonnes of NOx. Note: Accumulated pollutants reduction per year (since 2020).	<ul style="list-style-type: none">Develop CSC's long-term targets based on "Air Pollution Control Act" approved by the government.
		○ 2015-2024 annual average power saving rate > 1%.	○ Achieved	<ul style="list-style-type: none">2015-2025 annual average power saving rate >1.05%.	Target in 2030 : <ul style="list-style-type: none">2015-2030 annual average power saving rate >1.1%.	Target in 2032: <ul style="list-style-type: none">2015-2032 annual average power saving rate >1.5%.
Environment	GHG Management (Scope 1+ 2)					
	Air Pollution					
	Energy Management					
	Resource Circulation Management					

For more details [Completed CSC Sustainability Targets information] https://www.csc.com.tw/csc_e/esg/ov/ov3.html

1.4 Stakeholder Engagement

CSC values the rights and opinions of its stakeholders and sets proper communication channels to promptly understand and address stakeholder expectations and demands. To appropriately respond to the relevant concerned issues of stakeholders, each department of the company divides the work to take responsibility for stakeholder communication. CSC's "Corporate Governance and Sustainability Committee" reported the results of annual stakeholder engagement to the Board of Directors in August 2024. CSC directly communicates with its stakeholders via a variety of channels, such as labor-management meetings, investor conferences, collaborative work safety meetings, production and sales meetings, and visiting each other, in order to collect suggestions and consider incorporating them into relevant goals. Questionnaire surveys are conducted anonymously to protect stakeholders' privacy and reflect their expectations of CSC in the most realistic manner.

Stakeholders	Employees	Contractors	Customers	Government
Meaning for CSC	Employees are an important asset of the company and a partner for growth. Besides working together to create a safe work environment and ensure the employee's human rights, CSC also enhances the employee's skills through career development, education, training, and cultivate talent capital to strengthen the company's competitiveness.			
Communication Channels	<ul style="list-style-type: none">Board representation by Labor Union of China Steel Corporation; collective bargaining, Labor-management meeting (monthly).Departmental communication meeting (participated by union representatives).Safety and Health Committee meeting (every 2 months).Seminar between the managerial departments, directors and supervisors of the union, and the Employee Stock Ownership Trust (ESOT) Committee (every 6 months).	<ul style="list-style-type: none">Contractor job safety meeting, Contractor environment, safety and health meeting, Contractor Safety and Health Committee meeting (monthly).Joint-work negotiation meeting, outsourcing management meeting (annually) and Contractor training (irregular).	<ul style="list-style-type: none">Production-Sales Communication meetings (quarterly).Customer Satisfaction and Focus Group Analysis and Improvement (annually).Steel Product Seminars, R&D Alliances, Steel-related Professional Training, Technical Seminars, High-level Business Management Seminars, Market Research and Customers Visits (irregular).	<ul style="list-style-type: none">Actively visit the competent authority and elected representatives to communicate reasonable regulations and policies.Through research discussions, forums, public hearings, training courses, and informal exchanges regarding a variety of policies and regulations (irregular).Participate in symposiums, seminars, and assessments held by competent authorities (irregular).
Issues of Concern	Reasonable employee salary development and talent retention tools.	Provide long-term and stable job sources, reasonable salary levels, friendly working environment, and prevent and reduce work safety accidents.	Macro-economic policies and steel price trends, customer services and how the EU CBAM regulation and Taiwan Carbon Fee will affect customers.	Carbon fee collection policies and rates for the steel industry in various countries. Pay attention to the progress of legislation and amendments related to climate change, occupational safety and health, and corporate governance regulations.
CSC Response	<ul style="list-style-type: none">In response to market salary trends, the Company reviews its operating conditions and plans annual employee salary adjustments. Employee salaries have been raised for 12 consecutive years (with an average of 3.17%) so far, and the average employee salary increase in 2024 was 4%.In order to increase the appeal for recruiting and retaining talents, CSC continues to optimize the ESOT by adding the "allocation rate of 30% scheme" and "delivering the incentive bonus to ESOT" in 2024, in hopes of increasing employees' sense of participation and engagement in the Company and stabilizing equity.	<ul style="list-style-type: none">Provide contractor personnel with labor safety training and basic skills certification, and use on-site inspection data to guide contractor personnel to develop a good labor safety culture.Promote inherently safe design to reduce equipment risks and reduce the occurrence of labor safety hazards.	<ul style="list-style-type: none">Given the rapidly evolving steel market and increased competitive pressures in the broader environment, customers seek to enhance their responsiveness to fluctuations in international market conditions. CSC shares its market insights during quarterly production and sales meetings, actively engages in communication sessions to understand customer needs, and proactively presents newly developed or promoted steel materials, aiming to incrementally enhance the competitiveness of the steel industry chain.Explains concerned issues to customers through various communication channels without any distortions and explores possible solutions.CSC has established product carbon emission inventory and product classification capabilities in accordance with EU CBAM regulations, and continues to compile GHG inventory and implement carbon reduction projects to reduce carbon emissions. CSC also assists customers in compiling their inventory and carrying out carbon reduction work, jointly enhancing their competitiveness to face the impact of carbon pricing.	<ul style="list-style-type: none">CSC collects and researches international carbon fee regulations and policies, actively participates in relevant meetings of various government departments, shares and communicates with competent authorities. CSC provides suggestions on aligning with international standards while maintaining industrial competitiveness during the policy formulation process.CSC will continue to strengthen contract management, establish an effective risk assessment and hazard notification mechanism, implement regulatory requirements and relevant safety regulations of the Company, and prevent occupational accidents.CSC and affiliated enterprises compile their GHG inventory and plan the verification schedule according to the guidance of the Financial Supervisory Commission's "Sustainable Development Guidemap for TWSE- and TPEX-Listed Companies," and regularly reports the implementation status to the Board of Directors.

Stakeholder Identification

CSC Stakeholder Group or personal which influences CSC or is affected by CSC

Based on previous experience in compiling sustainability reports and the results of stakeholder identification, the Sustainability Reporting Group referred to commonly recognized stakeholder categories outlined in the GRI Standards, as well as those found in sustainability reports of peer companies and domestic enterprises. We consolidated a stakeholder list that includes: employees, contractors, customers, government, shareholders/investors; suppliers; academic researchers, and society (including local communities/groups, journalists, NGOs/sustainability association). Each CSC's department was invited to assess the significance of stakeholders based on the AA1000 Stakeholder Engagement Standard (AA1000SES), considering characteristics such as dependency, responsibility, influence, diverse perspectives, and tension. This ensures that stakeholder viewpoints are fully integrated into the materiality assessment process.

Communication Channels and Effectiveness

For more details [Completed CSC stakeholder communications] https://www.csc.com.tw/csc_e/esg/ov/sus.html



Stakeholders	Suppliers	Shareholders/Investors	Society *	Researchers
Meaning for CSC	Suppliers are an integral part of CSC's normal operations. They must comply with CSC's requirements and abide by relevant codes of conduct.	Shareholders provide the capital necessary for the long-term development of the company, which is an important foundation for CSC to move towards sustainable operation, and look after the company's strategy for sustainable growth and future development. CSC should develop steadily and make profits for shareholders.	Note: Including local communities/groups, journalists, NGOs/sustainability association.	CSC is devoted to being a steel mill that provides high-quality products and services. Collaboration with academics is an indispensable external resource. This helps CSC to enhance its social image as a premium steelworks.
Communication Channels	<ul style="list-style-type: none"> Participate in workshops (averages 20 per month). Communication meetings, pricing meetings (quarterly). Communication meetings for collaborative works of storage and transportation (monthly). Traffic safety and occupational safety and health training, and joint operation negotiation meetings. (annually). Section affairs meeting (monthly). 	<ul style="list-style-type: none"> Toll-free shareholder service hotline (0800-746-006) and email (f1000@mail.csc.com.tw). Visits from shareholders by appointment, conference calls, video conferences, reception of domestic and foreign institutional shareholders and participation in domestic and international investor conferences held by brokers (irregular). Publish digital and hard copy of annual report (annually). CSC holds shareholders meeting in the second quarter annually and the resolutions are voted per item of the agenda. E-ballots is adopted with full shareholder participation in the voting process. The results are announced on Market Observation Post System (MOPS) and corporate website. 	<ul style="list-style-type: none"> Visits and negotiations were conducted by the Public Affairs Department. CSC Group Education Foundation, Labor Union of CSC, and employee clubs (irregular). Press releases and spokesperson interviews (irregular). Participated in seminars and meetings held by the professional association, academic institutes, and unions (regular and irregular). 	<ul style="list-style-type: none"> Progress review of Engineering Research Center and Industry and Academia Alliance (bimonthly). Progress review of Joint Research Laboratory (interim report of outsourced project) and research consultant (semiannually). Proposal and final reports of ERC, JRL, and outsourced project (annually). Keynote speeches (occasionally).
Issues of Concern	Provide reasonable profit margins and a source of work for long-term and stable growth. Comply with EHS regulations and provide a good working environment. Occupational safety hazard identification and risk assessment and prevention	Climate change response, occupational safety and health, corporate governance, operational and financial performance, and sustainable value creation of steel products.	CSC's sustainable development actions and carbon neutral plans and responses Caring for the disadvantaged in local district.	(a)Drone alliance, (b)Electrical steel sheets for electric vehicle motors, (c)Low-carbon blast furnace ironmaking technology, (d)Carbon capture and utilisation.
CSC Response	<ul style="list-style-type: none"> Regularly review contract prices with reference to market conditions and raw material fluctuations, and work with manufacturers to develop localized equipment and spare parts, enhancing local manufacturing capabilities and assisting industry upgrades. Promote important regulations of CSC and the government, minimize waiting berth time, and regularly tidy up the environment. Conduct traffic, occupational safety and health training and advocacy for relevant business contractors (cleaning, gardening, disinfection and laundering work clothes). Inspect the current situation of the fire alarm control panels in the Hsiao Kang factory area and gradually complete the improvement. 	<ul style="list-style-type: none"> Receive domestic and international institutional shareholders and held conference calls for more than 83 times. Participated in 4 domestic and foreign investor conferences. CSC engaged in exchanges with domestic and foreign investors via video conferences or emails for 16 times in 2024 due to their concern about the disclosure of actions in response to climate change and risk assessments. Related information was reported to the Board of Directors. 	<ul style="list-style-type: none"> In February 2024, CSC actively participated as an industry representative in the ICLEI Kaohsiung Capacity Center's net-zero construction and construction-related workshops, engaging in cross-field issue exchange and discussing opportunities and future challenges for carbon reduction in the steel industry. Invited by the Taiwan Association for Net Zero Emission to attend the "2024 Seventh Global Corporate Sustainability Forum (GCSF) - The Third Forum on Carbon Credits, Carbon Tariffs, and Carbon Trading" to share the impact of carbon fees and carbon border taxes on the steel industry. Attended the "Communication Meeting between the Ministry of Economic Affairs and Environmental Protection Groups" in September 2024 to share CSC's short, medium and long-term environmental protection improvement measures. In March 2024, CSC was invited by the Chinese Institute of Environmental Engineering to attend the "Resource Recycling Achievements and Resource Recycling Promotion Act Consultation Meeting" to discuss relevant policy issues. Provided gifts of money during the Chinese New Year, Dragon Boat Festival, and Mid-Autumn Festival to assist low-income households in Hsiao Kang District in 2024, which benefited 1862 individuals. Provided tuition assistance to assist children of low-income households in Hsiao Kang District in 2024, which benefited 403 individuals. 	<ul style="list-style-type: none"> CSC partnered with the EMTRC to jointly develop self-bonding coating motor core molds and actively promote the advancement of domestic drone industry technologies. CSC's technical team has developed thin-gauge top-grade electrical steel. The ES has been adopted by many well-known international automobile manufacturers and motor manufacturers. Development of next generation low-carbon iron-making technologies suitable for Taiwan, for example, injecting hydrogen-rich gas, refining top gas by removing CO₂, through which CO₂ emissions can be reduced further, etc. In combination with waste heat recovery technology, the energy consumption for the flue gas carbon capture can be decreased.

1.5 Material Topics

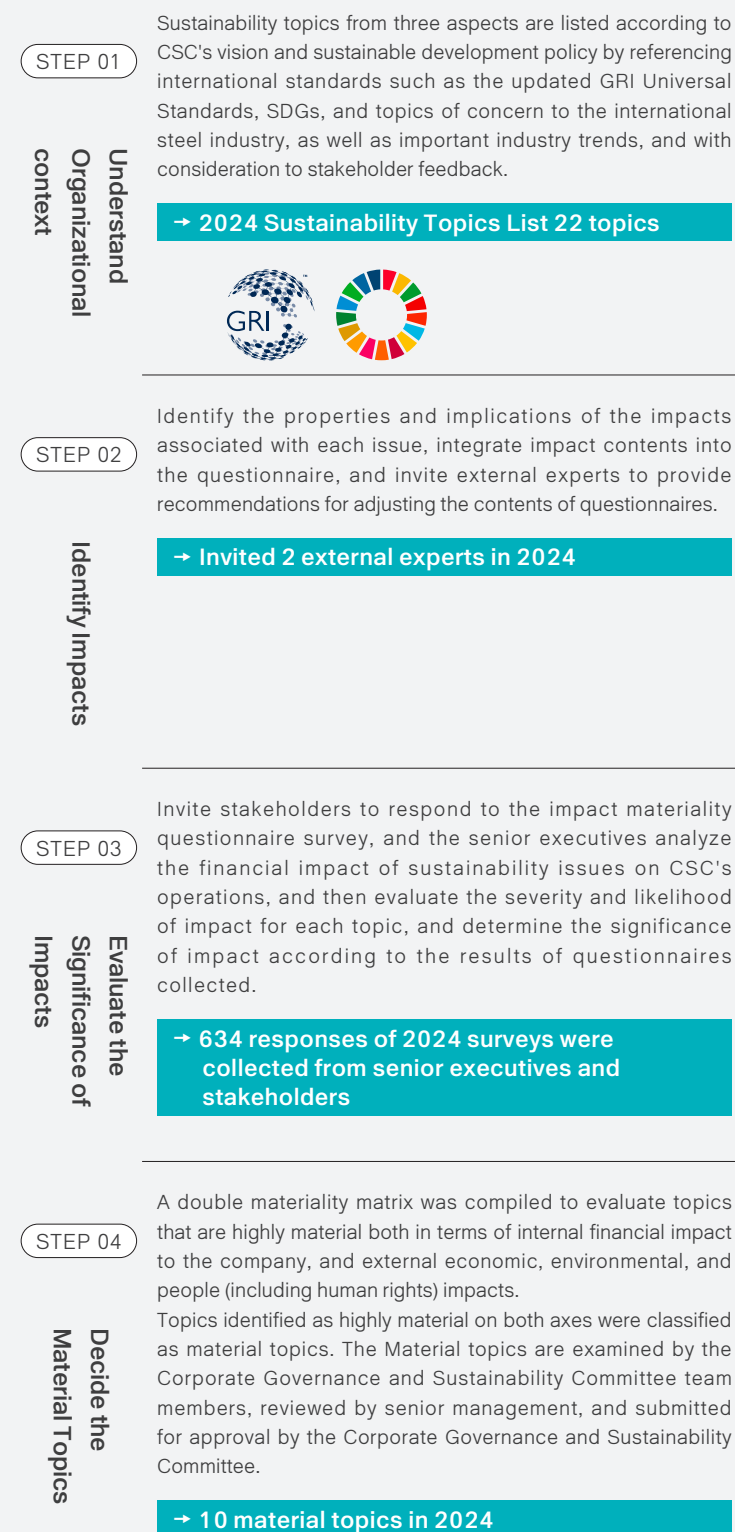
CSC annually establishes material topic analysis procedures in alignment with the GRI Universal Standards 2021 and the AA1000 Stakeholder Engagement Standard (AA1000SES). By referencing the World Steel Association's Sustainability Charter and the international sustainability indices such as Dow Jones Sustainability indices, DJSI, CSC identifies topics that are highly relevant to the steel industry. These topics are assessed for their external impacts and incorporated into the stakeholder questionnaire. External experts are also invited to provide professional input during this process.

Subsequently, CSC adopts the dual materiality principle outlined in the European Union's Corporate Sustainability Reporting Directive (CSRD). The significance of external impacts is assessed through the stakeholder questionnaire, while the financial impacts are analyzed by internal senior executives. This process identifies significant impacts on CSC's operations and external economy, environment, and people (human rights). The identified material topics are first reviewed by members of the Corporate Governance and Sustainability Committee, then submitted to senior management, and finally approved by the Committee.

For high-impact material topics, CSC discloses its management approach and performance in its sustainability report and on its official website, in accordance with the relevant GRI Standards.

CSC ensures that the report content adheres to the principles of stakeholder inclusiveness, materiality, and completeness, while reflecting CSC's role and sustainability influence across the value chain. These efforts serve as a critical foundation for continuously improving our sustainability management and performance.

Process of Materiality Analysis



Material Topics	
Climate Change	Sustainable Value Creation of Steel Products
Energy Efficiency	Occupational Safety and Health
Significant Risk Events	Employee Remuneration and Welfare
Operational and Financial Performance	Circular Economy/Waste and by-products
Air Quality	Research Innovation

Material Topics and Impact Response

A total of 10 material topics were identified through the materiality analysis in 2024, and results were examined. Compared with 2023, 4 new topics were added, including Significant Risk Events, Sustainable Value Creation of Steel Products, Employee Remuneration and Welfare, and Circular Economy/Waste and by-products; 3 topics were excluded, including Information/Cyber Security, Raw Materials and Water Resources. CSC's internal departments identify actual and potential impacts of material topics on the economy, environment, and people (including human rights), and formulate measures for impact prevention, mitigation, and remediation to effectively respond to stakeholder concerns. Most of the identified impacts were concentrated within CSC's

core operations along the value chain. The material topic of Research Innovation was identified as having downstream impacts on customers. The management of these topics stems from CSC Values and Operation Philosophy and is incorporated into the Sustainable Development Policy and risk management strategies. According to the respective attributes of each topic, the economic topics are managed by annual business directives and targets; the environmental topics and the social topic on Occupational Safety and Health are included in the EHS Policy; the other social topics consist of the social participation concepts. The material topics corresponding to GRI Standards can refer to Appendix GRI Standards Index in this report.

● Actual Positive

⦿ Potential Positive

◆ Actual Negative

◇ Potential Negative

Material Topics	Impact Aspect			Impact Management Measures (Meaning for CSC)	Chapter
	Economy	Environment	People (Human Right)		
Operational and Financial Performance	◆		◇	In addition to expanding activities to reduce costs and increase profits, the Company is also actively developing dual cores (become a steel mill that produces advanced premium products with high value and develop the green energy industry) and three transitions (digital transformation, low-carbon transformation, and supply chain transformation. These efforts are intended to strengthen the Company's operational foundation and mitigate the impact of external environmental changes on operational and financial performance. At the same time, by maintaining stable performance, the Company seeks to reduce potential negative impacts on stakeholders such as employees and shareholders.	6.3
Significant Risk Events	◆			Recognizing the diversity and complexity of risk issues, the Company has proactively established an emerging risk management system to identify external, long-term, and significant risks, including policy and legislation, changes in the natural environment, and geopolitical influences. Following evaluation by the management level, the relevant units will measure and propose response measures for the top three significant emerging risks, aiming to mitigate their impact on the Company.	6.4
Research Innovation	●	●	⦿	Research Innovation is a fundamental strategy for improving product quality and has a positive impact on the economy and environment. CSC invests resources in establishing and operating research innovation teams, enabling on-site production units to effectively reduce costs, improve production efficiency, and overcome production bottlenecks. CSC's close integration of R&D and production places it at the innovative forefront of the steel industry.	7.2.1
Climate Change	◇	◆		To address the challenges posed by extreme weather and high greenhouse gas emissions intensity in the steel industry, CSC has developed carbon reduction paths and transition strategies. In addition, with the goal of becoming carbon neutral by 2050, CSC has improved the energy efficiency of its own processes, actively proposing its own carbon reduction plans through collaborative R&D of carbon reduction technologies with industry peers and academic research institutions. Moreover, to maintain industry competitiveness, CSC proactively tries to apply specified reduction rates to reduce the impact of carbon fees.	2.1
Energy Efficiency	⦿	●	⦿	CSC continues to improve energy performance with the ISO 50001 energy management system PDCA spirit, enhance energy efficiency (such as upgrading reheating furnaces to regenerative furnaces, installing CDQ1/2 dry quenching waste heat recovery systems; Rolling Mill Department III, Intelligent combustion monitoring system), and promote District Energy Integration and development of green energy to reduce environmental impacts.	3.2.1
Air Quality	◇	●		In coordination with the Executive Yuan's Air Pollution Control Action Plan, the Company will invest 31.709 billion TWD in 3 air pollution improvement projects in 2024-2026, which will reduce and prevent impact on the environment by reducing par. by 41.0 tonnes/year, SOx by 154 tonnes/year, NOx by 56 tonnes/year, and VOCs by 73 tonnes/year.	3.2.2
Circular Economy/Waste and by-products	●	●	⦿	CSC implements comprehensive Group-wide initiatives for by-product application promotion, waste recycling, and cross-industry energy resource integration. In doing so, it creates long-term, high-value applications for by-products, improving overall environmental resource utilization efficiency. Moreover, this drives upstream, downstream, and related industries, creating employment opportunities across the industry chain, which maximizes the synergy of economic development and generates a positive impact on both the environment and the economy.	3.3.1
Sustainable Value Creation of Steel Products	⦿	●	⦿	Although short-term product costs may increase, investing in the sustainable value of steel products is a strategic industry trend that will drive future competitiveness and yield potential positive impacts. In response, CSC has worked closely with downstream customers to form industry alliances, promote industry upgrade, and provide customers with high VP (Value Performance) products.	3.5
Employee Remuneration and Welfare			●	CSC provides competitive talent retention measures, continually pays attention to the reasonableness of employee remuneration development, plans annual salary adjustments, and provides an employee stock ownership trust (ESOT). Within the scope of available resources, CSC provided appropriate welfare measures for employees. A satisfaction survey on welfare facilities and services is conducted at the end of each year to continuously improve and enhance various welfare-related services.	4.2
Occupational Safety and Health	●	◇	●	CSC places a high priority on safety and health, strictly complying with legal regulations and requiring affiliated contractors and employers to do the same. CSC has established relevant indicators internally, and if the indicators are not met, it requires an analysis of the reasons and proposes improvement measures. CSC also sets safety and health performance standards for its contractors and requires those with poor performance to provide improvement reports and track the effectiveness of their improvements through a rolling review process.	4.4

Supplementary Explanation for Report Arrangement

Sustainability topics for non-material topics are mainly disclosed on the ESG websites of CSC. If there is a high relevance to the company's operation, the summary is explained in this report. The following websites are provided to stakeholders who care about all kinds of topics about CSC.

Sustainability Topics	CSC ESG official websites
Tax policy	https://www.csc.com.tw/csc_e/esg/cg/cg5_1.html
Customer Services	https://www.csc.com.tw/csc_e/esg/soc/soc4.html
Information/Cyber Security	https://www.csc.com.tw/csc_e/esg/cg/is/is_pol.html
Biodiversity	https://www.csc.com.tw/csc_e/esg/env/env4.html
Human Rights	https://www.csc.com.tw/csc_e/esg/soc/soc2_ibh.html

2

Climate Change Adaptation and Mitigation

- 2.1 Respond to Climate Change
- 2.2 Climate-related Risks and Opportunities
- 2.3 Actions on Climate Change Adaptation

Material Topic

2.1 Respond to Climate Change



★ 2024 Highlights

- CSC participated in the Carbon Disclosure Project (CDP) Climate Change Questionnaire in 2024 and was given A- (Leadership level) in the “Climate Change” module.
- CSC participated in the Industrial Development Administration's Selection of Top-performing Manufacturers in Greenhouse Gas Voluntary Reduction in 2024, and was awarded for 14th consecutive year.

+ Policy or Commitment

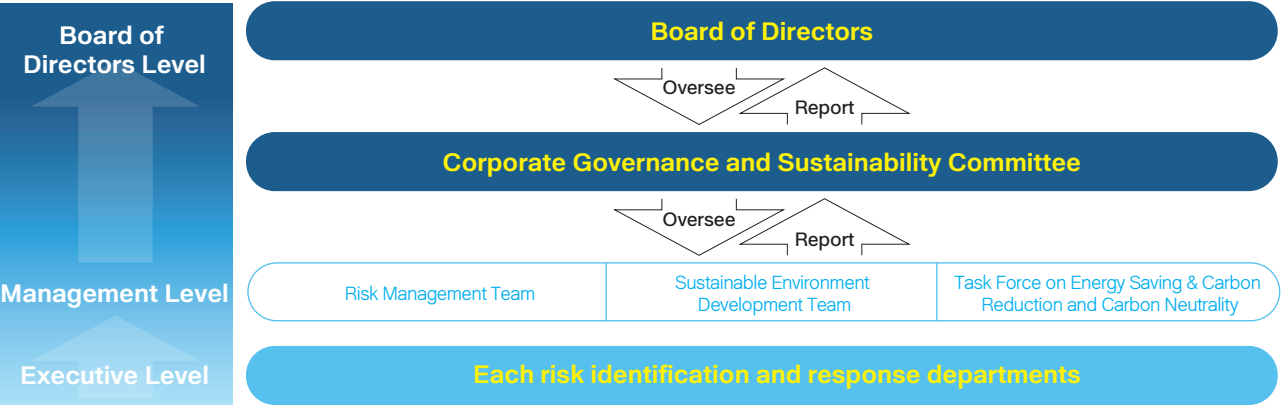
In the 2024 Global Risks Report published by the World Economic Forum, extreme weather events are ranked among the top two short- and long-term risks in terms of severity. With the World Steel Association expressing full support for the Paris Agreement, and Taiwan setting a net-zero carbon emission target by 2050, the shared goal of addressing climate change is evident for both Taiwan and the world. However, the steel industry faces significant limitations in reducing carbon emissions at the current stage. These limitations include process characteristics, low-carbon raw material shortages, technology transformation bottlenecks due to economic feasibility, and substantial funding challenges for green energy, R&D, and equipment replacements. As a global citizen and part of the Taiwanese industry, CSC aligns with domestic and international carbon reduction targets by reviewing its operational performance and setting short-, medium-, and long-term carbon reduction goals. Aiming to become carbon neutral by 2050, CSC is developing initial strategies and plans for carbon emission reduction. Facing risks and opportunities on the path of low-carbon transition, CSC discloses climate-related information based on the TCFD framework.



Climate Governance Hierarchy

As the highest governance body, the Board of Directors directly oversees the structure of climate governance. The Corporate Governance and Sustainability Committee consists of the Sustainable Environment Development Team and the Risk Management Team, with vice presidents of each department as the conveners, which oversee climate-related issues faced by CSC. Each team periodically reports its progress to the Corporate Governance and Sustainability Committee regarding its implementation results. In response to net-zero emissions related issues, CSC has established the Task Force on Energy Saving & Carbon Reduction and Carbon Neutrality. The Chairman of the Board is in charge of the task force with regards to company-wide carbon reduction response policies and short-, medium- and long-term carbon reduction strategies.

Climate Governance Hierarchy



Board of Directors level	Meeting frequency	Description
Board of Directors	At least once each quarter	Supervise CSC's achievement of carbon neutrality management results and goals
Corporate Governance and Sustainability Committee	Once every six months	Review and approve periodic reports on climate risk management Confirm climate risk tracking indicators and goal achievement status
Management level	Reporting frequency	Description
Sustainable Environment Development Team	Once every six months	Review climate-related issues, discuss with the responsible department for each risk issue, and implement risk identifications Gather climate-related risk response measures
Task Force on Energy Saving & Carbon Reduction and Carbon Neutrality	Once every six months	Plan carbon reduction strategies and carbon neutrality pathways in response to carbon management and carbon neutrality issues Convene quarterly meetings to manage the achievement of CSC's carbon reduction goals and regularly report the progress to the Board of Directors
Risk Management Team	Once every six months	Integrate the climate-related risks submitted by each department into CSC's overall risk management process. The implementation results of risk management are presented in business reports to the Corporate Governance and Sustainability Committee and the Board of Directors.

* Implementation results: Chronicle of the Task Force on Energy Saving & Carbon Reduction and Carbon Neutrality

https://www.csc.com.tw/csc_e/esg/env/env1.html

Internal Carbon Pricing

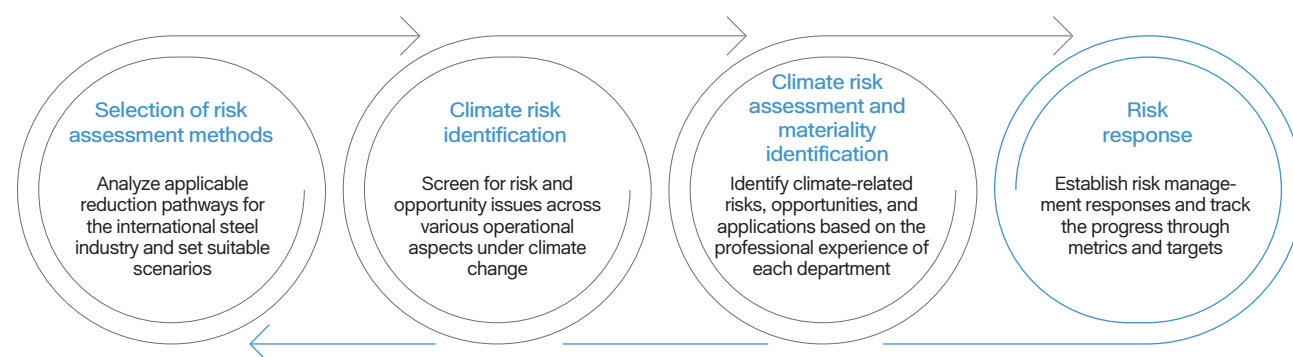
Beginning in 2024, CSC adopted an internal carbon price (ICP) of TWD 300 per tonne of CO₂e emissions, in alignment with the Carbon Fee Collection Regulations issued by the Ministry of Environment. This ICP serves as a corporate governance tool to drive carbon reduction efforts and is applied by relevant departments to calculate carbon-related costs, assess the cost-effectiveness of low-carbon capital expenditures or R&D investments, and manage the Company's overall carbon emissions. By internalizing the cost of emissions, the ICP encourages the development and implementation of lower-carbon production processes and technologies, thereby enhancing internal carbon reduction performance and contributing to the Company's long-term goals of energy conservation, emissions reduction, and sustainable development.

2.2 Climate-related Risks and Opportunities

Assessment of Climate Change Risks and Opportunities

CSC identifies the risks and opportunities brought by climate change to all business units, thereby CSC is able to effectively respond to a wide range of issues arising from climate change. We also integrated climate-related risks into the company's overall risk management framework, please refer to the "Risk Management" for more details.

CSC continually monitors climate risks that may impact its operations, informed by its climate-related risk and opportunity assessment process, and stays informed of opportunities that could benefit climate change. For specific measures for each procedure, please refer to the following process:



To effectively understand the impact of climate change on its strategies and business goals, CSC conducts quantitative analysis and discussions under multiple climate scenarios. CSC's core business encompasses the upstream and downstream value chain of the steel industry. To further assess resilience and develop response measures, the following are details of CSC's scenario analysis approach:

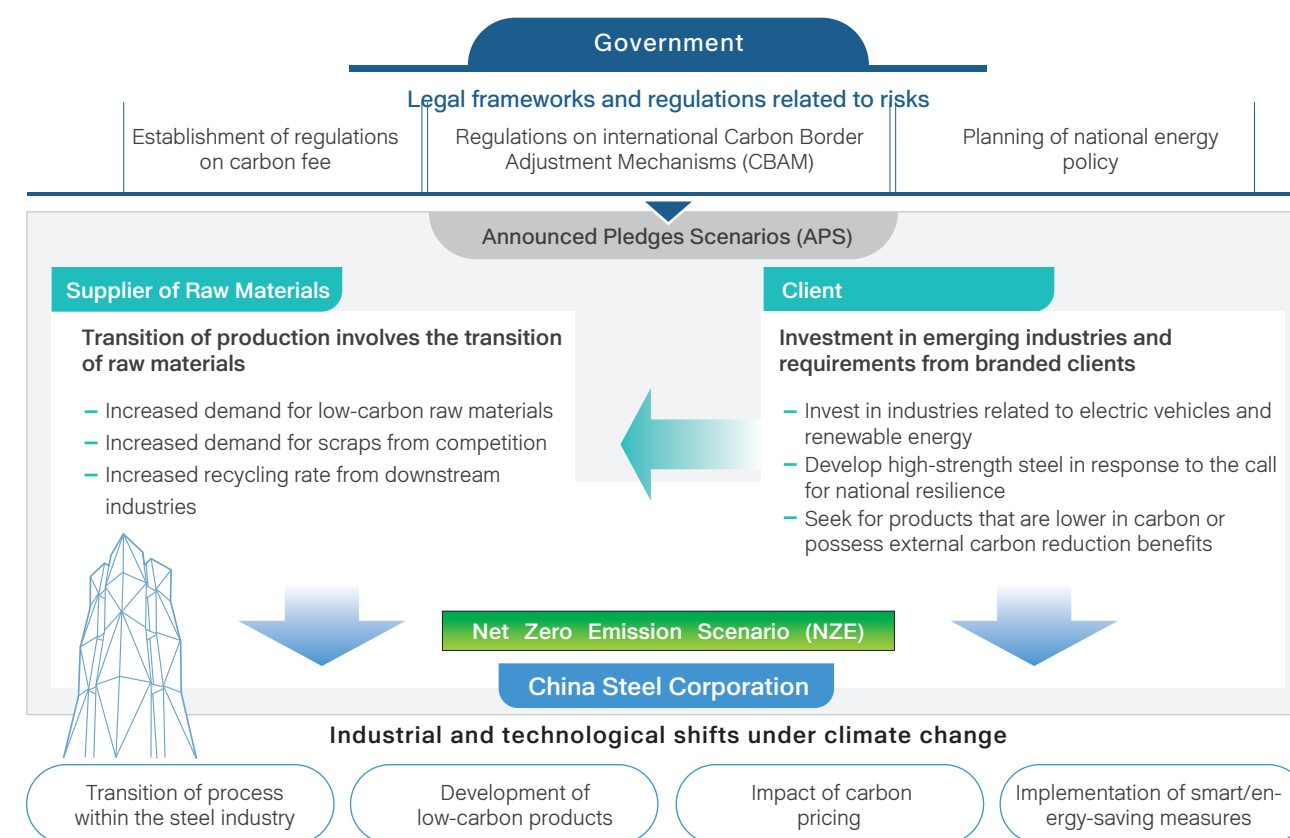
Coverage of the value chain	Risk category	Scenario selected	Time horizon	Scope of analysis
Major raw material suppliers	Transition risks-Market	IEA APS	2025-2050	Global
	Physical risks-Acute	SSP2-4.5		Specific countries
		SSP5-8.5		
Government	Transition risks-Policy and regulation	IEA APS		Taiwan
CSC	Transition risks-Technology	IEA NZE		
	Physical risks-Acute	SSP2-4.5		
Customers	Physical risks-Chronic	SSP5-8.5		Global
	Transition risks-Market	IEA APS		

Note *The Net Zero Emissions (NZE) and Announced Pledges Scenarios (APS) assumptions of the International Energy Agency (IEA) are based on the World Energy Outlook 2023 (WEO) 2023.

Note *The Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report (AR6 WG1) provides the basis for the extremely high emission (SSP5-8.5) and medium emission (SSP2-4.5) scenario assumptions. For some physical risk parameters, local scenario analysis parameters are used.

Transition Risk Scenario Analysis

We referenced the World Energy Outlook 2023 (WEO 2023) research report published by the International Energy Agency (IEA) to discuss our transition plan based on the evolving technological pathways within the global steel industry and potential external market changes. We examine the parameters of the Net Zero Emissions (NZE) and Announced Pledges Scenarios (APS) separately. Continuing the previous framework for transition risk scenario analysis, CSC considers the perspectives of various stakeholders, taking into account their potential actions in different scenarios. This approach aims to proactively address potential risks or seize emerging market opportunities. A detailed framework for transition risk scenario analysis by CSC is depicted in the figure below :



Physical Risk Scenario Analysis

CSC conducts scenario analysis of future occurrences of more frequent physical risks in the value chain, utilizing scenarios outlined by the Intergovernmental Panel on Climate Change (IPCC), specifically the high emissions scenario (SSP5-8.5) and the medium emissions scenario (SSP2-4.5). Leveraging the climate impact driver framework employed by the IPCC Working Group I, CSC identifies physical risks that the value chain may encounter. Based on climate scenario data and information on hazard risks, combined with assessment results from various locations, these values are consolidated into a climate risk matrix. CSC's analysis process of physical risks is as follows:

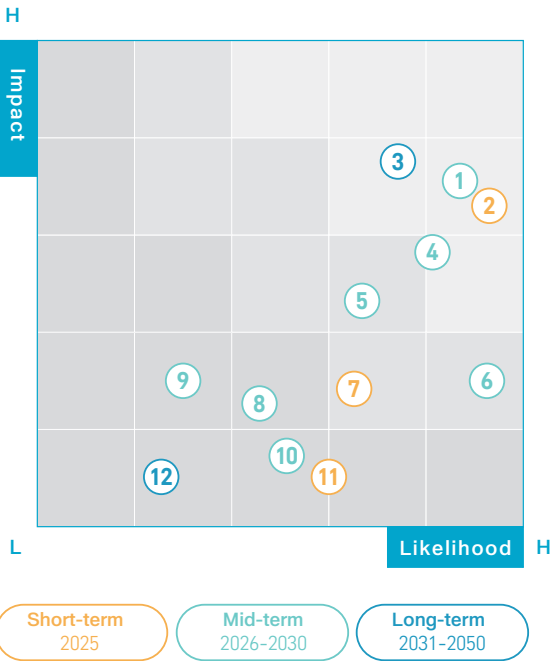
Select Climate Impact Drivers	Reference Data from Climate Scenarios	Identify Process of Analysis Based on Climate Risks
We reference IPCC WGI report and TCCIP, and select material climate impact drivers based on the country where each site is located.	We reference the SSP5-8.5 and SSP2-4.5 scenarios to analyze the changes of observed parameters of climate impact drivers in different scenarios.	By examining the business characteristics of each unit, we analyze the impact on CSC under the external pressure of physical risks.

Climate-related Risks and Opportunities Matrix

Based on the TCFD scenario analysis framework, CSC has summarized 7 transition risks, 5 physical risks, and 6 opportunity issues. Assessed by each risk identification department, the results are based on factors such as the time of occurrence, likelihood of occurrence, and degree of impact, which are then mapped into the climate-related risks and opportunities matrix; issues that surpassed the materiality threshold will be managed by CSC. Time horizons are defined as follows:

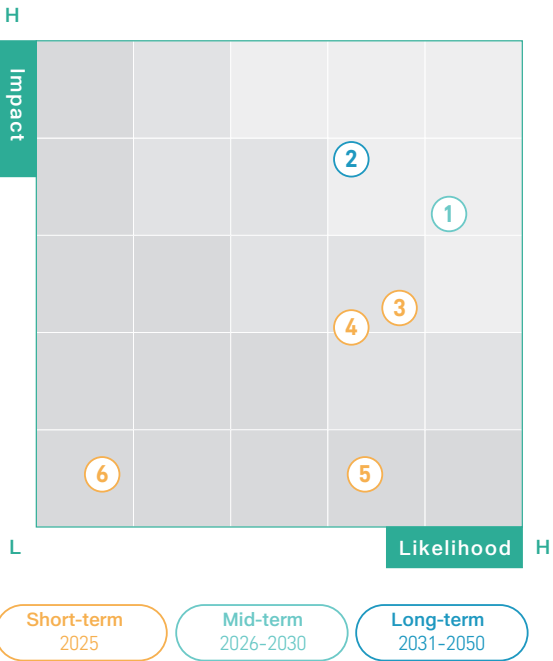
Short-term (2025)	Mid-term (2026-2030)	Long-term (2031-2050)
Considering that climate change issues that are mostly linked to CSC's carbon reduction and ESG targets, the short-term interval is set at one year	Based on the government's and CSC's mid-term carbon reduction targets, the mid-term interval is set at 2-6 years	Actively aligning CSC's long-term carbon emission reduction goal with the government's net zero emission path, by setting a long-term goal for 2050

Climate-related risk matrix



Order of Priority	Category	Risk Factor
1	Market	Transition of raw materials
2	Policy & Regulation	Implementation of carbon fee mechanism
3	Policy & Regulation	Planning of low-carbon energy policy
4	Technology	R&D of carbon neutral technology of the steel industry
5	Market	Changes in steel demand from downstream customers
6	Policy & Regulation	Implementation of the Carbon Border Adjustment Mechanism (CBAM)
7	Acute	Extreme weather events, such as typhoons and floods (Raw materials)
8	Acute	Extreme weather events, such as typhoons and floods (Operations)
9	Chronic	Water shortages caused by changing climate patterns
10	Reputation	Investors/Financial institutions' willingness to invest in and provide loans to CSC
11	Acute	Extreme heat/dry wildfire events (Raw materials)
12	Chronic	Rising sea levels causes the flooding of low-lying areas

Climate-related opportunities matrix



Order of Priority	Category	Opportunity Factor
1	Market	Entry to renewable energy/automotive related supply chains
2	Products and Services	Provision of high-strength steel to enhance climate resilience
3	Resource Efficiency	Reduction of crude steel energy consumption through smart manufacturing energy saving
4	Products and Services	Provision of low-carbon steel products to downstream industries
5	Market	Compliance with requirements of financial institutions to obtain low interest rates
6	Energy Sources	Expansion of energy storage-related facilities

Mitigate Risks During Low-carbon Transition and Seize Corresponding Opportunities

Transition Risks/Opportunities	Scenario	Scenario Analysis	Impact on CSC Operations	CSC's Responses	Metrics and Targets
<div>Risk</div> <div>Transition of raw materials</div>	Temperature rises 1.7°C (IEA APS)	In the low-carbon emission scenario, scraps and reduced iron may become critical sources of raw materials. Furthermore, the demand of high-quality iron ore is expected to increase, causing the prices of raw materials to fluctuate	<ul style="list-style-type: none">The increase of demand from the industry would stimulate the prices of emerging new raw materials, leading to the rise of operating costs	<ul style="list-style-type: none">Examine various alternative low-carbon iron sources and include them in the scope of assessmentDeploy and develop low-carbon iron sources	Carbon emission targets of CSC: <ul style="list-style-type: none">Reduce carbon emissions by 7% in 2025Reduce carbon emissions by 25% in 2030Achieve carbon neutral in 2050
<div>Risk</div> <div>Implementation of carbon fee mechanism</div>		CSC evaluates the impact of Carbon fees based on not only Fee-charging Rates of Carbon Fees by Taiwan's Ministry of Environment, but also international cases of carbon tax and carbon emission trading.	<ul style="list-style-type: none">Products need to bear the cost of carbon emissions, resulting in the increase of operating costs	<ul style="list-style-type: none">Plan and propose Self-determined Reduction Plans to seek suitable designated reduction ratesAdvance the development of emerging steelmaking technologies to reduce CSC's carbon emissions and the carbon cost of its products	
<div>Risk</div> <div>Planning of low-carbon energy policy</div>	Temperature rises 1.4°C (IEA NZE, in line with the Paris Agreement))	In the low-carbon emission scenario, the demand for renewable energy may continue to grow in response to the long-term development of net-zero technologies in the steel industry	<ul style="list-style-type: none">If CSC continued to reduce purchased electricity through low-carbon energy, operational costs would increase	<ul style="list-style-type: none">Installed solar power system in plants to meet the short-term and mid-term demand for renewable energyJointly establish an energy trading platform with major domestic companies to ensure renewable electricity sources and control costsContinue to review long-term carbon reduction strategies for low-carbon energy demand	
<div>Risk</div> <div>R&D of carbon neutral technology of the steel industry</div>		In the low-carbon emission scenario, the steel industry may continue to invest in the research and application of low-carbon steelmaking technologies	<ul style="list-style-type: none">Investment in the R&D of new steelmaking technologies would lead to the increase of R&D cost	<ul style="list-style-type: none">Continue to conduct the coupling analyses of energy flow, carbon flow, material flow, and cost to advance carbon neutral pathwaysContinue to conduct tests for low-carbon emerging steelmaking technologies, with operability, safety, and functionalityActively engage in industry-academia collaboration projects and focus on emerging low-carbon steelmaking technologies, including: charging low carbon ferrous burden into BF, replacing coal injection with hydrogen injection, as well as implementing carbon capture and other applications	Note: *The baseline year is 2018*

Transition Risks/Opportunities	Scenario	Scenario Analysis	Impact on CSC Operations	CSC's Responses	Metrics and Targets
<div>Opportunity</div> <div>Entry to renewable energy/ automotive related supply chains</div>	<div>Temperature rises</div> <div>1.7°C</div> <div>(IEA APS)</div>	<div>The installed capacity of global wind power generation is expected to increase by 220%, and electric vehicles are projected to constitute 40% of the automobile market in 2030</div>	<div><div>● The renewable energy and electric vehicle markets are flourishing, and if CSC developed products that are aligned with market trends, the revenue may increase</div></div>	<div><div>● Continue promoting electrical steel and advanced high-strength steel for electric vehicles to major automakers, including the development of corresponding product application technologies, and actively conduct product-related tests and verifications</div><div>● Optimize the performance of ultra-high efficiency electrical steel, as well as production adjustments and process development, based on the specific motor structures and functional requirements of domestic and international automakers</div><div>● Continue to develop high-strength, weldable, and highly resilient wind power structural steel plates needed for underwater foundations and wind turbine towers, to support the domestic production goals of wind power facilities</div></div>	<div><div>● Sales ratio of premium steel ≧ 50.3% in 2025</div><div>● Sales ratio of premium steel ≧ 51.6% in 2030</div></div>
<div>Opportunity</div> <div>Provision of high-strength steel to enhance climate resilience</div>		<div>In order to adapt to recurring climate hazards, governments worldwide would continue to strengthen the resilience of public infrastructure</div>	<div><div>● Strengthens public infrastructure and national resilience projects in line with policies, leading to the increase of steel demand CSC's revenue</div></div>	<div><div>● Provide high-strength structural engineering steel to meet construction safety requirements in extreme weather</div><div>● Continue to develop and promote high-strength structural steel products to assist in the planning of the country's medium- to long-term urban renewal and bridge reconstruction projects</div></div>	

Note: Each scenario considers the maximum rise of temperature with 50% confidence level at the end of the 21st century.

Climate Change Adaptation Strategies

Physical Risks	Scenario ^{Note I}	Scenario Analysis	Impact on CSC Operations	CSC's Responses	Metrics and Targets
<div>Extreme weather events such as typhoons and floods (Raw materials)</div>	<div>Temperature rises</div> <div>2.7°C</div> <div>(SSP 2-4.5)</div> <div>/</div> <div>Temperature rises</div> <div>4.4°C</div> <div>(SSP5-8.5)</div>	<div>IPCC AR6 ^{Note II} pointed out that the frequency and intensity of extreme weather events will increase at the place of origin for some raw materials (e.g. Australia)</div>	<div><div>● Issues regarding the supply of raw materials caused by extreme weather events may result in interrupted supply chains or production</div></div>	<div><div>● Considering the transportation risks of the supply chain, locations that are less likely to be impacted by the weather are selected as transfer points during transportation of raw materials</div><div>● Weather monitoring and continuous supply chain management are conducted regularly based on the concept of business continuity, to immediately respond to any potential risks; the climate of the origins of raw materials is evaluated and material preparation and scheduling is conducted beforehand</div></div>	<div><div>● Goals for maintaining uninterrupted operations</div><div>● Maintain diverse raw material sources and distribute supply across multiple regions</div></div>
<div>Water shortages caused by changing climate patterns</div>		<div>According to the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP), from medium- to long-term period, it is projected that the maximum consecutive days without rainfall in the watershed area of CSC's main industrial water sources will increase by 19.5% to 27.1%</div>	<div><div>● Extreme weather increases the risk of water shortage, therefore affects production processes of factories</div></div>	<div><div>● Continue to increase the percentage of wastewater being recycled in processes, strive to diversify water sources, and increase the percentage of reclaimed water used</div></div>	<div><div>● In 2027, CSC plans to increase the recovery rate of the wastewater purification plant, and reduce new water consumption by 58.4%</div><div>● In 2031, progress towards the goal of diversifying water sources by continuously evaluating the recycling and the reuse of wastewater within the factory, with the expectation of reducing new water consumption by 60.4%</div></div> <div>Note: * The baseline year is 2017</div>

Note I: Each scenario considers the rise of temperature at the end of the 21st century.

Note II: The Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC)

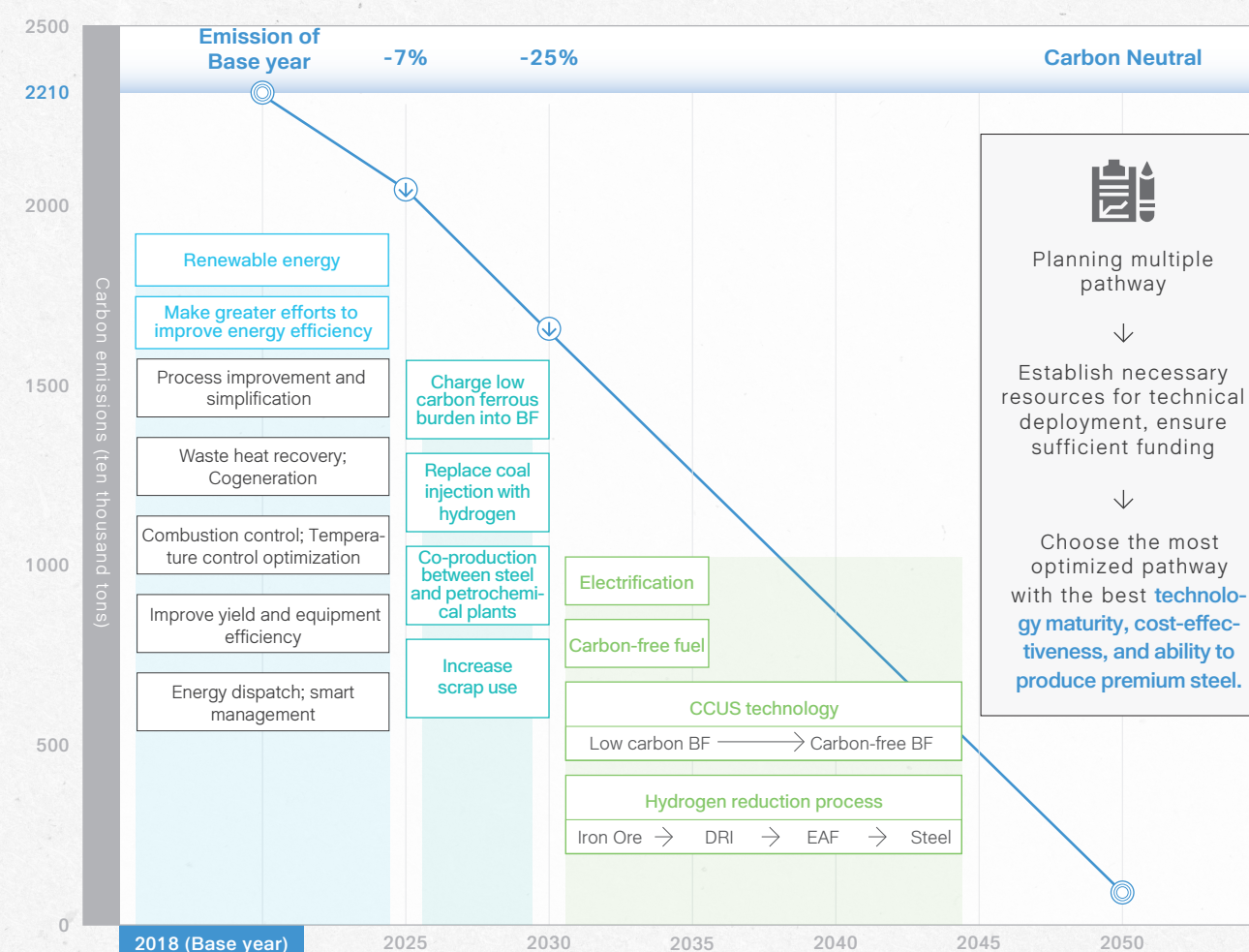
2.3 Actions on Climate Change Adaptation

Low-carbon Transition Plan

CSC has set short-term, mid-term, and long-term carbon reduction targets. With the long-term target of achieving carbon neutral by 2050, CSC has preliminarily formulated a number of strategies and mapped its pathway towards carbon neutral. In the short-term, we mainly plan to increase the use of renewable energy and step up efforts to improve energy efficiency. We completed 223 carbon reduction action plans in 2023 and reduced carbon emissions by 1.6% compared to the base year of 2018 or 358,000 tonnes/year (scope 1 + scope 2). We completed 173 carbon reduction action plans in 2024 and reduced carbon emissions by 0.46% compared to the base year or 101,600 tonnes/year (scope 1 + scope 2). Between 2018 and 2024, a total of 1,281 carbon reduction action plans were executed, achieving an accumulated annual reduction of 1.5157 million tonnes of CO₂e, corresponding to a 6.86% decrease from the baseline year.

As for the mid-term and long-term pathway towards carbon neutral, CSC has adopted a phased approach of "low-carbon transition" followed by "net-zero transformation." We will reach the target of reducing carbon emissions in 2030 by 25% compared to 2018 (scope 1 and 2) by "Charge low carbon ferrous burden into BF," "replacing coal injection with hydrogen," "co-production between steel and petrochemical plants," and "increasing scrap use." There are 4 pathways towards carbon neutral after 2030, namely electrification, carbon-free fuels, CCUS, and hydrogen reduction process, with carbon reduction tasks in 10 aspects. CSC will achieve its carbon neutral target by 2050, demonstrating its commitment to environmental protection and sustainable development.

→ Short-Term Carbon Reduction and Mid-to-long Term Carbon Neutral Path Planning

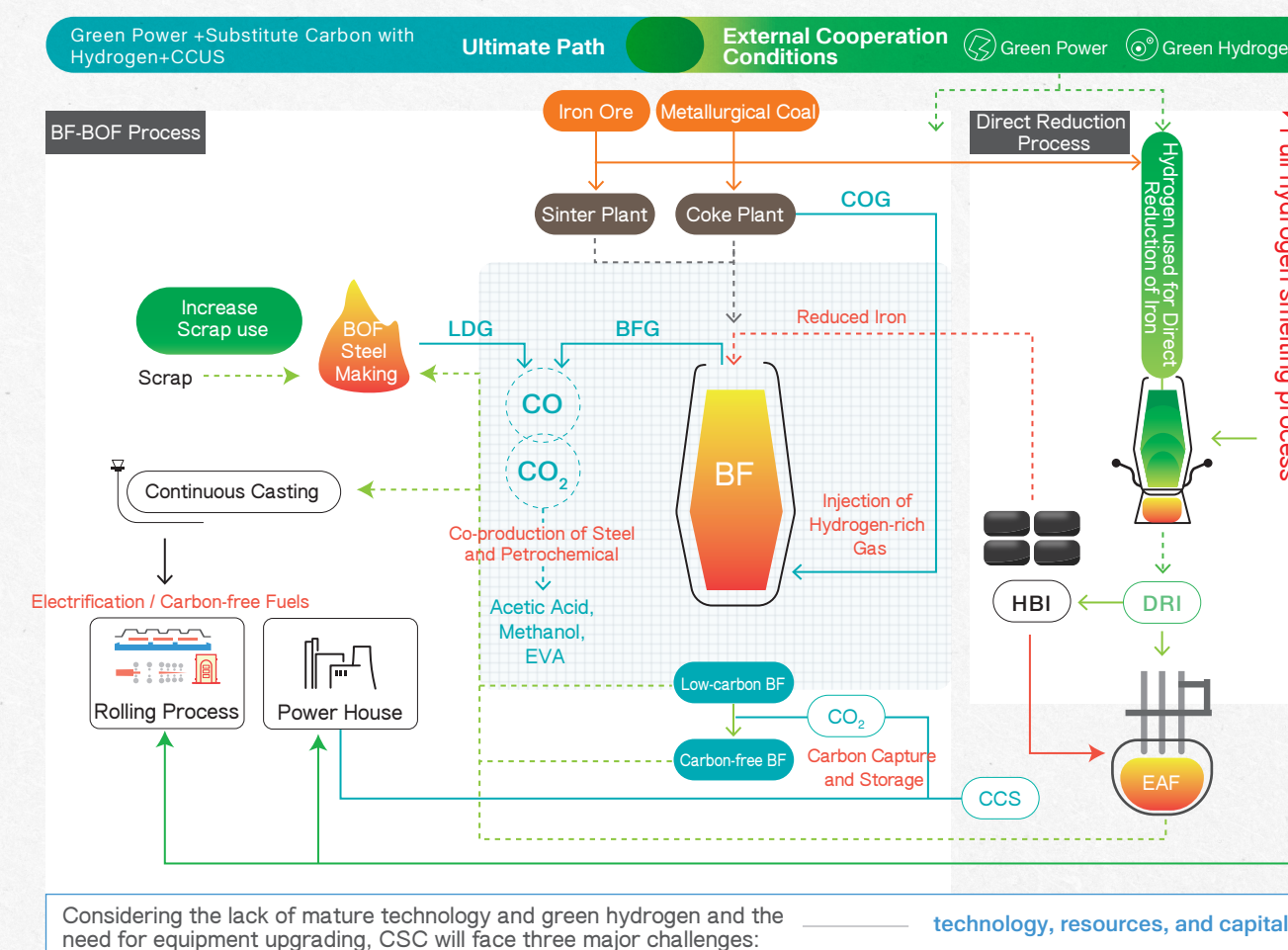


A Action Plan

1. Pathway to Carbon Neutrality and Carbon Reduction Strategy Planning

To achieve carbon neutrality, CSC has established a two-phase medium- and long-term roadmap. As an integrated steel producer, CSC relies on coke as both a reducing agent and energy source, resulting in significantly higher carbon intensity compared to electric arc furnace operations. Economic and resource limitations, such as large equipment investments, high transition costs, and limited access to mature technology and green energy, constrain the widespread short-term application of hydrogen metallurgy and carbon capture technologies, despite their carbon reduction potential. In addition, raw material supply restrictions and market competition have compounded existing challenges. Therefore, similar to other steel mills worldwide, CSC currently encounters a number of problems in some of its strategies, such as a lack of mature technology and hydrogen resources and the need for equipment revamp, and will eventually face challenges in three areas-technology, resources, and capitals. Through active investment in R&D and ongoing cross-departmental collaboration, CSC will research, evaluate, and implement the most feasible carbon reduction strategies for the steel industry, with adjustments made on a rolling basis based on reviews.

→ Mid- to-Long Term Two-Stage Carbon Neutral Path Planning



Mid-term Strategy Highlight (2025 – 2030):

Steel Scrap Reuse

CSC has increased the use of scrap materials in steelmaking processes, promoting resource recycling and achieving carbon reduction benefits. In order to strengthen the use of scrap materials (crude steel with non-conforming quality, the head and tail cut when crude steel is produced, coils with non-conforming quality, head and tail cut from plates, and scraps) and residual liquid steel (basic oxygen furnace, ladle, and dispenser residual liquid steel), the Steelmaking Department has adopted strategies such as thermal and mass balance in the furnace, torpedo car low-weight production models, and adding covers. CSC primarily uses its scrap internally, with any surplus sold to the Group's companies, implementing a circular economy. According to research by the World Steel Association (2021), recycling one tonne of steel scrap can reduce CO₂ emissions by approximately 1.5 tonnes. By 2030, CSC anticipates that increased scrap utilization will lead to a reduction of over 400,000 tonnes of CO₂ emissions compared to 2021.

Year	2022	2023	2024
Scrap ratio	4.11%	4.37%	4.40%

To meet customer's demands for increased recycled material usage, CSC has been actively developing high recycled content steel products since 2022, with many of these products successively obtaining the UL 2809 certification under the Environmental Claim Validation Procedure (ECVP) for Recycled Content. In September 2024, CSC successfully developed the Zinc Coated Steel Coils RC60 (with a scrap content of 60% and above) and obtained the corresponding UL 2809 certification. The total order volume of recycled steel products in 2024 reached approximately 47,700 tonnes.

CSC's GHG Reduction Results

The Environmental Protection Dept. consolidates the GHG reduction projects implemented in the previous year and verification by second-party from IDB; the verification results are registered and recorded on the Bureau's voluntary reduction platform. When engaging with MOENV regarding the national GHG Cap system, the records can be used as evidence that shows CSC's efforts before new policies enter, easing the pressure from GHG reduction. Since 2005, CSC has been cooperating with IDB and as of 2024 a total of 1,725 reduction projects were implemented and the cumulative reduction reached 1.933 million tCO₂e/year. CSC has been awarded by IDB over the years and was honored as one of the best performers in all industrial voluntary GHG reductions in 2024.



Participated in the Kaohsiung City Government's Greenhouse Gas Reduction Project Across Departments

In recent years, CSC has continued to cooperate with Environmental Protection Bureau Kaohsiung City Government in handling the "Greenhouse Gas Reduction Project Across Departments", assisting rural area and underprivileged groups to replace energy-saving equipments. The number of projects, the amount of subsidy, and benefit of carbon reduction in the past 5 years are as follows:

Year	2020	2021	2022	2023	2024	Total
Number of Projects	5	7	6	6	5	29
Amount of Subsidies (TWD)	625,900	692,684	788,459	544,040	510,537	3,161,620
Carbon Reduction (kg CO ₂ e)	16,331	6,767	145,251	2,663	8,526	179,538

Action Plan

2. Product Carbon Emission Inventory

To enhance its carbon management and respond to the EU's Carbon Border Adjustment Mechanism (CBAM), CSC has proactively conducted a carbon footprint inventory of 23 major products, achieved third-party verification, and implemented the "Product Carbon Emission Intensity Calculation System" within its existing system framework and data. To comply with CBAM reporting requirements and facilitate smooth product exports, CSC has also calculated process summaries, average ingredients, and carbon emissions for CN code product categories, and prepared CBAM information documents for customers and importers. Furthermore, CSC has established the "Standard Product Carbon Emission Intensity System" to rapidly assess the carbon intensity of different production routes for the same product, supporting flexible production scheduling. This system enables CSC to implement a carbon pricing mechanism for comprehensive product cost calculation, providing a valuable management decision-making reference and facilitating analysis of carbon emission intensity variations across production pathways to identify opportunities for carbon reduction.

At the same time, in response to the gradual implementation of carbon tariffs and the trend of net-zero emissions, CSC continues to enhance greenhouse gas inventory and verification measures to identify emission sources, actively promote carbon reduction plans, and assist customers with their inventory and carbon reduction efforts. By continuously implementing carbon reduction strategies and supplying low-carbon steel products, coupled with integrating technical service resources and carbon management guidance models, CSC strives to strengthen the low-carbon and green competitiveness of the entire industry chain.

Action Plan

3. Carbon Credits Management and GHG Offset Inventory

CSC has formulated the "Carbon Trading and Management Regulations" in accordance with MOENV's rules and regulations as well as international practices, with the relevant operations incorporated into ISO 14001 Environmental Management Systems. Meanwhile, applications for GHG offset credits are submitted by the Environmental Protection Department at CSC to the competent authority. As of the end of 2024, CSC has 4.488 million tonnes of CO₂e in GHG offset credit balance.

Greenhouse Gas Inventory (Scope 1~3)

Every year, CSC entrusts a third-party agency certificated by the MOENV to verify CSC's annual GHGs emission inventory, and obtains statement documents. GHG information of 2023⁽ⁱ⁾ is shown below.

Unit: tCO₂e

GHG Emissions	2022	2023	2024 ^(iv)
Direct GHG Emissions (Scope 1)	18,248,901	16,809,455	17,587,087
Indirect GHG Emissions from Imported Energy (Scope 2)	1,373,673 ⁽ⁱⁱ⁾	1,249,102	1,166,325
Total Emission ^{(iii)(iv)}	19,622,574	18,058,557	18,753,412
Other Indirect Emissions (Scope 3)	11,216,225	11,317,609	11,036,798

Note I: The boundary of CSC's GHG emissions refers to the Operation Control Approach, including critical operating sites such as Head Office and China Steel Building. The scope of inventory is consistent with the scope of CSC's Sustainability Report. The emissions are calculated using Emission Factors Methodology, and the GHG considered include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and nitrogen trifluoride. After the completion of CSC China Steel Building in October 2013, we adjusted our GHG inventory boundary in accordance with ISO 14064-1 and reset our base year to 2014. The GHG emissions of 2014 was 20,629,824 tCO₂e, based on the GWP value from the IPCC's Fourth Assessment Report. The source of the coefficient includes the emission coefficient management table announced by the MOENV, the World Steel Association coefficient, and the estimated emission coefficient of the carbon content measured by the plant.

Note II: The data of scope 2 is recalculated based on the electricity emission factor of 2022.

Note III: Since 2021, CSC has conducted its GHG inventory in accordance with ISO 14064-1:2018. CSC's GHG report is verified by third party verification agency, DNV, with a reasonable level of assurance.

Note IV: Emission calculations are based on the 2024 electricity emission factor announced by the Ministry of Economic Affairs.

For more details [The Scope 3 Emission] https://www.csc.com.tw/csc_e/esg/env/env1.html

Action Plan

4. Participate in domestic and international climate initiatives

CSC continues to advance energy conservation and carbon reduction efforts while actively engaging in domestic and international climate-related initiatives. Apart from continuously participating in international initiatives such as CA100+ and the Carbon Disclosure Project (CDP), and various climate action programs organized by the World Steel Association, CSC also engage in the "Taiwan Alliance for Net Zero Emission," "Industry Net Zero Alliance" by Kaohsiung City Government and "1.5° C Climate Action Declaration" by the Chinese National Association of Industry and Commerce. These initiatives demonstrate CSC's commitment to supporting domestic climate initiatives with action.

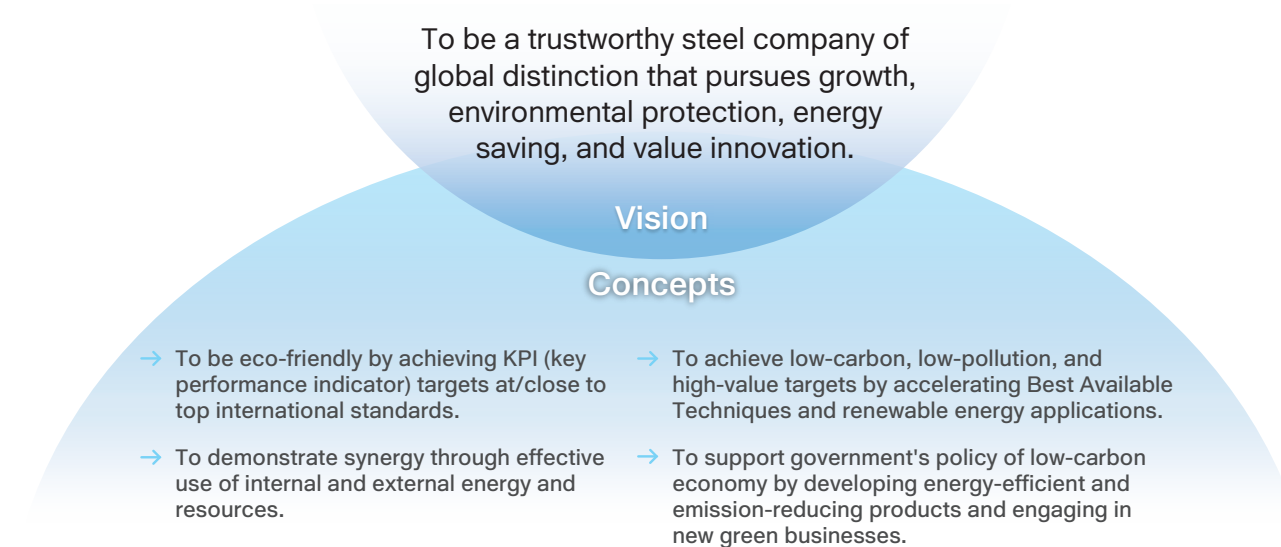
3

Environmental Protection

- 3.1 Environmental Concepts and Management
- 3.2 Green Process
- 3.3 Circular Economy
- 3.4 Biodiversity
- 3.5 Sustainable Value Creation of Steel Productst



3.1 Environmental Concepts and Management



Environmental, Health and Safety (EHS) Management System

In 1997, CSC obtained ISO 14001-Environmental Management System (EMS) verification and received the approval of ISO 14001: 2015 certification in 2018. This system was integrated with ISO 45001 Occupational Safety and Health Management System into the EHS Management System. CSC also established an EHS Management Committee chaired by the executive vice president, and is responsible for making decisions related to EHS management. The assistant vice president of the Production Division serves as the EHS management representative and is responsible for supervising and coordinating EHS management work of related units. EHS policies are approved by the Chairman of the Board before implementation and subject to annual external audit.



EHS Policy

Care for Life	Respect life, carry out environmental protection, safety, and health management, prevent occupational injury and illness, and promote employee health.
Risk Management	Assess risks and environmental aspects for activities, products and services, conduct environment-related risk assessment as a key element of due diligence prior to mergers and acquisitions. Strengthen risk control and pollution prevention to eliminate potential hazard.
Training and Communication	Educate employees with ESH concepts to help them understand the impacts of their work activities on the environment, establish a self-motivation culture, strengthen communication with employees, subsidiaries, contractors and other stakeholders to enhance awareness, roles and responsibility of ESH policy and impacts, and to build a harmonious relationship with communities.
Legal Compliance	Reinforce the identification and execution of legal requirements and regulations, strengthen correction and prevention actions, and fully fulfill corporate social responsibility.
Continuous Improvement	Set the goals of ESH, promote zero accident, green energy, energy conservation and carbon reduction, management of waste and pollution prevention. Enhance performances of ESH and circular economy to pursue sustainable operations.

EHS Management Committee

The EHS Management Committee holds two meetings every year, convening the first-level units of the production division and first-level supervisors from relevant units to discuss EHS relevant management issues, and review tracked projects. The relative units include the Iron and Steel R&D Dept., Metallurgical Dept., Intellectual Property & Testing Technology Dept., New Materials R&D Dept., Green Energy and System Integration R&D Dept., Transportation Dept., General Affairs Dept., Smelting Engineering Dept., Rolling & Utilities Engineering Dept., and Civil Engineering Dept., By tracking and examining discussion and resolutions during each meeting, the goal of continuous improvement can be met.

Environmental Loading Reduction and Commitment

CSC has established a stringent environmental load assessment system aimed at effectively controlling the environmental load of investment projects. Based on this system, the environmental load of investment projects is assessed through division of labor among various units at the company, where these projects are either scaled up or scaled down based on the environmental load arising from the production capacity of existing equipment. At the same time, an energy boundary map is defined to calculate energy changes in investment projects and thus estimate CO₂ emissions from these projects, so that the environmental load of investment projects can be assessed in a comprehensive manner. The review of 4 project-based environmental load analyses, including the replacement project of the turbine rotor for the No. 5 steam turbine generator at the Power Plant of the Utilities Department, was completed in 2024.

Environmental Accounting

By the end of 2024, CSC has invested 99.7 billion TWD in various environmental protection facilities. Amongst them, air pollution control accounted for 68%, water pollution control accounted for 13%, and energy saving and GHGs accounted for 10%, waste pollution control accounted for 6%, and others accounted for 3%.

● Energy and Environmental Investments

Unit:100 million TWD

Items	2022	2023	2024
Capital Expenditure ● Energy and Environmental Investments	39.1	80.4	85.6
● Government Charges and Fees	2.2	1.9	1.7
Recurrent Expenses ● R&D	2.2	2.4	2.5
● Depreciation	12.5	11.5	10.3
● Operation and Maintenance	32.6	54.5	61.1

Environmental Appeal

If there is any concern about an environmental pollution incident suspected to be connected to CSC, a complaint can be filed with the company through the available grievance channels by calling the environmental complaint hotline (0800-746-008) during normal working hours or the following number (+886-7-802-1111 Ext: 2110) during non-working hours (i.e., Saturdays, Sundays, and public holidays). CSC will report and process the complaint according to its administrative system after learning about the complaint. At the same time, the unit involved in the complaint will also be asked to conduct inspections and investigations into the pollution incident and report their findings to managers at the relevant units and all divisions in accordance with the “Administrative Rules for Environmental, Safety and Health Communication, Participation, and Consultation Management.” If the pollution incident is found to have been caused by CSC, the complaint shall be processed in accordance with the “Administrative Rules for Environmental, Safety, and Health Incident Investigation, Non-compliance, and Corrective and Preventive Measures.”

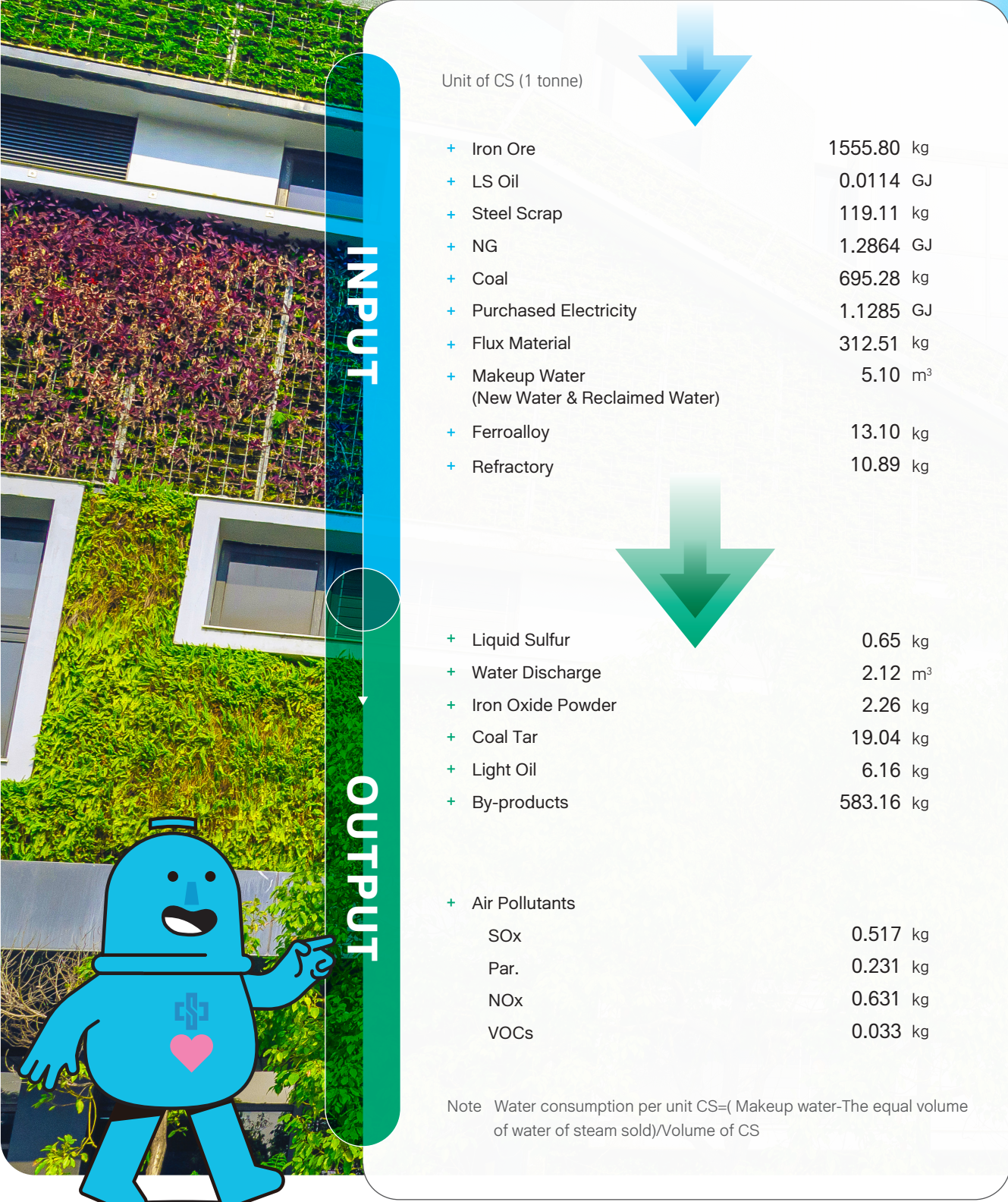
Legal Compliance

CSC received one environmental violation fine in 2024. CSC not only requires on-site units to reinforce operational control and maintenance management, but also steps up monitoring and surveillance by adding surveillance cameras in areas prone to environmental anomalies. On top of that, the Company also assigns dedicated personnel to conduct inspections on equipment at its plants from time to time and implements “self-management and control” at on-site units in a bid to reduce the number of violation notices received by the Company.

Year	2022	2023	2024
Target	≦ 5 counts/year		
Pollution	-	-	Air pollution
Issuer	-	-	KSEPB
Counts / Fine (TWD)	0/0	0/0	1 ^(Note) /1 million

Note: On July 8, 2024, an abnormal valve opening at the coke oven facility resulted in an excessive amount of fuel gas entering the system, leading to incomplete combustion and the temporary emission of black smoke. CSC immediately ceased coking furnace operations and resolved the abnormal discharge within three minutes. Comprehensive corrective and preventive measures have since been implemented to avoid recurrence.

3.2 Green Process



Material Topic

3.2.1 Energy



★ 2024 Highlights

→ Rolling Mill Department III - Cold Rolled Products participated in the "2024 MOEA Energy Saving Leadership Awards" and won the "Group A Gold Award"

→ According to regulatory requirements, energy users are required to save at least 1% of electricity on average between 2015 and 2024. CSC has currently saved up to 2.14 % of electricity on average from 2015 to 2024, which is higher than required by law.

→ In line with the government's green energy policy, CSC installed a total of 529 kW of solar power generation systems for self-use. In 2024, 394,936 kWh was generated for self-use in the plants, and CSC obtained 23 renewable energy certificates. Furthermore, CSC initiated renewable-energy direct supply and wheeling in 2023, resulting in 33.86 GWh of green energy and 33,861 renewable energy certificates in 2024.

→ With the continuous promotion of District Energy Integration in Linhai Industrial Park, CSC sold 1.380 million tonnes of steam produced from district energy integration in 2024, which can reduce approximately 331,000 tonnes of CO₂e in greenhouse gas emissions.

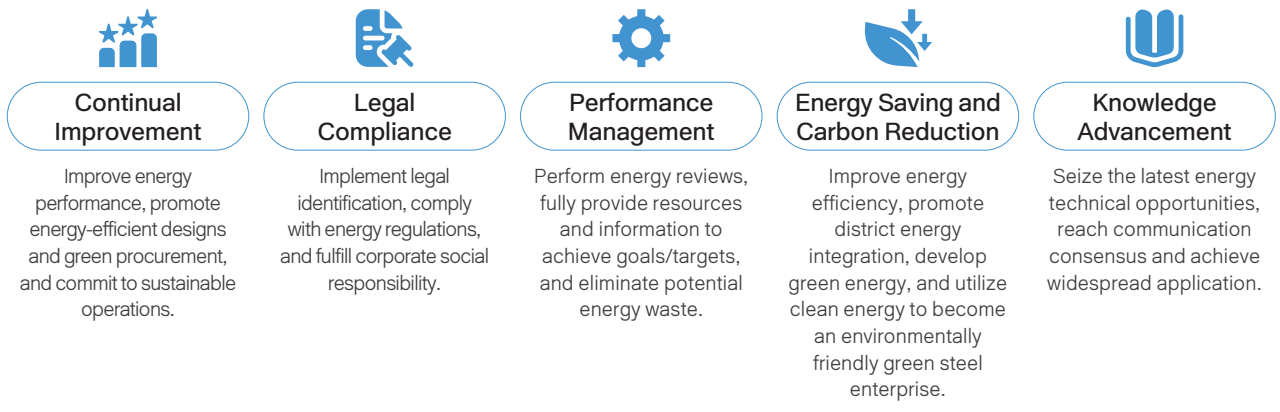
→ In 2024, CSC's energy target was set at 22.92 GJ/tCS (5,475 MCal/tCS). The actual energy consumption was 22.86 GJ/tCS (5,461 MCal/tCS), meeting the target.

→ The fourth Energy Saving Action Plan (2021 to 2025) has a target of saving 2.64 million GJ. From 2021 to 2024, CSC has saved up to 6.839 million GJ of energy, which accounted for 259% of the aforesaid target, thereby achieving its target for the year. The amount of energy saved was equivalent to a reduction of 660,000 tonnes of CO₂e in carbon emissions.

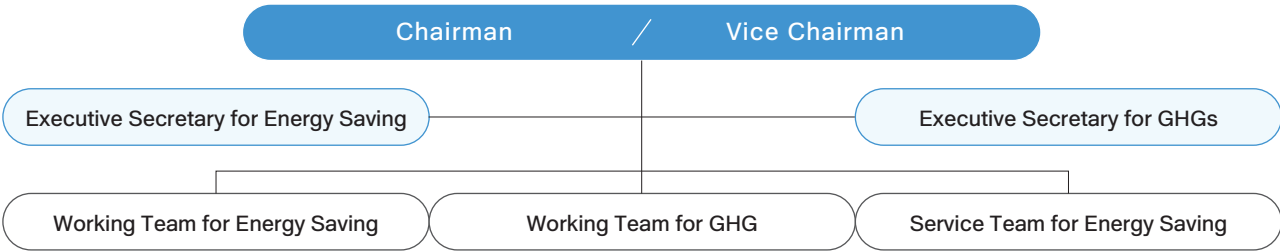
+ Policy or Commitment

CSC mainly implements energy management through the Energy Conservation Committee and control of the energy management system (ISO 50001) to achieve the goals of energy conservation, carbon reduction and continual improvement. The Committee was formed and chaired by VP of Production Division. The Committee has three teams be responsible for energy saving and emission reduction in CSC's plants. The Committee also regularly holds meetings to review the achievement of current targets, share information on energy conservation projects, communicate relevant important topics, bring up appeals or consultations, propose interim motions, and publicize the records of the meeting. The energy policies are approved by the Chairman of the Board and updated when necessary. The latest version of the Energy Policy is committed to continual improvement, compliance with regulations, performance management, energy conservation, carbon reduction, and knowledge advancement.

Energy Policy



The Energy Conservation Committee



In order to improve energy efficiency and achieve continuous improvement, CSC sets the energy intensity target (Mcal/tCS) according to the annual production plan and energy saving goals every year, as the energy performance indicator. The energy intensity target for 2025 is $\leq 5,466$ Mcal/tCS (22.89 GJ/tCS).

● Energy Intensity Target

Item	Unit	2022	2023	2024	2025
Energy Intensity Target	(Mcal/tCS)	$\leq 5,522$	$\leq 5,436$ ^{Note}	$\leq 5,475$	$\leq 5,466$
Energy Intensity Target	(GJ/tCS)	≤ 23.12	≤ 22.76	≤ 22.92	≤ 22.89
Actual Energy Intensity	(Mcal/tCS)	5,485	5,504	5,461	
Actual Energy Intensity	(GJ/tCS)	22.96	23.04	22.86	
Accomplishment		Yes	No ^{Note}	Yes	

Note: The target of Energy Intensity is set based on production capacity and equipment maintenance that year. In 2023, the target was not met due to actual crude steel production being lower than the production volume planned in the business budget.

A Action Plan

CSC received the certificate of ISO 50001 from BSI on December 1st 2011. CSC is the first steel company to implement ISO 50001 in Taiwan, and obtained ISO 50001:2018 certification in 2019. CSC continues to pass verifications by third-party institutions each year, and achieves the purpose of energy conservation, carbon reduction, and continuous improvement goals through the control by management system and the implementation of the Energy Conservation Committee.



Five-year Energy Saving Action Plan and Targets

In order to achieve energy conservation and carbon reduction and respond to mandatory Greenhouse Gas (GHG) reductions in advance, CSC started the “Five-year Energy Saving Action Plan” in 2005, and has successively promoted three phases and every phase has reached the targets of the action plan. 1,104 energy-saving projects were completed in 2021-2024, contributing to 259% of the “Energy Saving Action Plan-Phase IV” target, which is equivalent to a reduction in carbon emissions of 660,000 tonnes CO₂e^{Note}. At the same time, CSC adheres to the government's energy saving targets and regulations “The average annual power-saving rate of energy user shall reach 1% or more from 2015 to 2024”. Currently, CSC has achieved a power-saving rate of 2.14% from 2015 to 2024.

Note: The calculation coefficients are partially quoted from the CO₂ emission factors of the GHG inventory in the previous year, and the rest are calculated based on CSC's energy equipment efficiency coefficient in 2014 x previous year's electricity emission coefficient from the Energy Administration, Ministry of Economic Affairs.

Phase	I Energy Saving Action Plan	II Energy Saving Action Plan	III Energy Saving Action Plan ^{Note}	IV Energy Saving Action Plan
Schedule	2005 - 2010	2011 - 2015	2016 - 2020	2021 - 2025
Energy-saving Target (GJ)	8,666,676	9,043,488	3,784,624	2,637,684
Number of Projects	372	658	662	1,104
Performances (GJ)	8,930,444	12,623,202	6,253,473	6,839,767
Achieving Rate	103%	139%	165%	259%

Note: Due to the diminishing energy-saving potential, the targets of Phase III and IV Energy Saving Action Plans are less than previous years. The number of projects, energy-saving performances and achieving rate are calculated until 2024.

On-plant Energy Saving

Set up Utilities Dispatching Center (UDC)

CSC established the UDC since factory completed and put into production. The UDC centrally monitors all energy sources, such as gas, electricity, steam, O₂, N₂, Ar, H₂, plant air, compressed air, etc., and also production plans. The center integrates production planning and scheduling information, and is supported by an integrated-Energy Management System (iEMS) and a self-developed AI-powered electricity demand forecasting module. By combining these with a cogeneration boiler load optimization algorithm, dynamic energy dispatch is achieved, which effectively improves overall power usage efficiency across the plant, reduces energy costs, and minimizes the emission of by-product gases. UDC also manages the electricity load in CSC to avoid violating the contract with Taiwan Power Corp. (Taipower), and actively participates in the Taipower Demand Bidding Program. Furthermore, it compares the power generation cost of different fuels with Taipower tariff to adjust the self-generation amount to minimize the usage of high-priced fuels, such as low-sulfur oil and natural gas.

Best Available Techniques (BAT)

In order to improve energy-saving performance, CSC has intensively contacted with steel-making companies in Japan, South Korea and China in recent years. We had collected BAT for energy-saving from other companies and completed the “Best Available Technical Manual for Energy Saving and Emission Reduction of Steel Plants” in July 2011.

Guidelines of Energy Conservation

Energy-saving begins with design. CSC adds the “Guidelines of Energy Conservation” section to CSC Design Standard and indicates energy efficiency requirements of air conditioning, lighting, shifting mechanisms, water supply systems, etc. New plants should follow the design standard to choose equipment that is high efficiency, energy saving with long-term benefits. To promote energy conservation design standards, energy conservation examples are periodically shared during energy and environment meetings of the Energy Conservation Committee and CSC Group, in hopes of further improving energy conservation results.

Enhancing Energy Resilience and Installing Energy Storage Systems

CSC completed its first 1.8 MWh energy storage system to participate in Taipower's Energy Trading Platform, providing frequency stabilization through Taipower's mechanical dispatch. The second 2.2 MWh and third 7.0 MWh energy storage systems are used for load shifting, peak cutting, and strengthening the power system resilience of important processes.

For more details [Key Achievements in External Energy Conservation] https://www.csc.com.tw/csc_e/esg/env/env2.html

For more details [District Energy Integration] please refer to Ch 3.3.3

Utilization of Renewable Energy

Since 2011, CSC has started to install solar power generation systems adhering to governmental policies. By the end of 2024, the total installed capacity has reached 62.0 MW (including self-installed and locations provided). CSC has installed a total of 529 kW of its own solar power generation systems, generated a total of 394,936 kWh of self-owned green electricity in 2024, and obtained 23 renewable energy certificates. Furthermore, CSC initiated renewable-energy direct supply and wheeling in 2023, resulting in 33.86 GWh of green energy and 33,861 renewable energy certificates.

In 2024, renewable energy accounted for 1.3% of CSC's purchased electricity. In alignment with national policies, the company will continue to expand its use of renewable energy to enhance energy conservation, reduce carbon emissions, and lower costs.

Implementation Results

Energy Consumption

The coking coal in the steelmaking process transforms into by-product gases which can be used as fuel in steelmaking and in cogeneration power plants to generate steam and power. Oil and natural gas can also be used in power plants while the excess power demand is met by purchased electricity from Taipower.

Category ^(I)	Item	2022 Usage (GJ) ^(II)	2023 Usage (GJ)	2024 Usage (GJ)
Primary Energy(A)	● Coal ^(III)	191,854,995	172,104,025	177,098,607
	● NG	9,556,139	11,159,359	10,172,297
	● Diesel Oil	104,779	94,302	94,706
	● Gasoline	4,997	4,776	4,282
	● Low-sulfur Oil	373,631	134,060	89,958
	● Other	39,822	27,193	30,460
Secondary Energy(B)	● Purchased Electricity (Excluding renewable energy)	9,991,953	9,104,411	8,923,840
Self-Produced secondary energy for sell (C)	● Steam for sell	4,400,078	3,939,561	4,103,071
	● Coke breeze for sell	6,551,030	3,064,259	3,088,990
	● Coke Oven Gas (COG) for sell	-	5,122	-
	● Light Oil	2,315,266	2,239,344	2,156,510
	● Tar	5,882,005	5,361,089	5,579,608
Non-renewable Energy	● (A)+(B)-(C)	192,777,937	178,018,751	181,485,971
Renewable Energy	● Solar Energy	89	103,944	123,344
			(purchased 103,733 + self- generated 211)	(purchased 121,922 + self- generated 1,422)

- Note I: Primary Energy consumption and Secondary Energy consumption were verified by DNV in CSC's annual GHG inventory. Energy consumption for each type of energy source each year is determined by calculating the product of annual consumption and average heating value in CSC's annual test each year.
- Note II: Consumptions of natural gas, low-sulfur oil, and purchased electricity were higher in 2023 and 2022 than in 2021 due chiefly to the cessation of coal combustion in boilers at CSC's power houses in August 2021, which eventually led to higher consumption of purchased electricity within the company and increased use of natural gas and low-sulfur oil at the company's power houses.
- Note III: Coal in 2021 includes metallurgical coal and steam coal; coal in 2022 and 2023 only includes metallurgical coal.
- Note IV: The scope of the aforementioned energy data includes CSC's Hsiao Kang Plant (including Cold-Rolling Plant III), Fengbitou Plant (Billet Surface Treatment Plant II, coal ash and sludge mixing plant, headquarters building, Taipei office, Hualien Quarry, Osaka office in Japan, and the Linhai/Yongguang/Lianhua storage yard).
- Note V: In 2024, direct energy accounted for 95.5% of total energy consumption, while indirect energy made up 4.5%.

Performance of Energy-saving and Carbon Reduction

In 2024, CSC completed a total of 193 energy-saving projects, which saved a total of 1.408 million GJ, reduced carbon emissions by 118,000 tonnes CO₂e, and saved energy cost by 487 million TWD, main projects include Rolling Mill Department III "The development of Intelligent combustion monitoring system " and so on.

Energy Saving Category	2022		2023		2024	
	Items	Energy Saved (GJ)	Items	Energy Saved (GJ)	Items	Energy Saved (GJ)
Electricity	169	486,750	151	734,192	129	290,839
Fuel Gas	17	664,063	25	258,237	21	555,707

Energy Saving Category	2022		2023		2024	
	Items	Energy Saved (GJ)	Items	Energy Saved (GJ)	Items	Energy Saved (GJ)
Industrial Gas	2	3,865	7	19,508	8	38,287
Steam	6	107,150	11	250,005	2	24,033
Water Systems	25	2,162	139	24,833	20	1,438
Others	15	52,853	25	1,976,739	13	498,041
Total	234	1,316,843	358	3,263,514	193	1,408,345
Carbon Reduction (Unit: tonnes CO ₂ e)	-	85,993	-	367,603	-	118,804

Highlight Case

Intelligent Monitoring System for Annealing Furnace Combustion won the 2024 Energy Saving Leadership Award by the MOEA

CSC's Rolling Mill Department III - Cold Rolled Products won the "2024 Energy Saving Leadership Award and Energy Education Promotion Award" in Group A, the highest honorary Gold Award, receiving praise for its outstanding energy conservation and carbon reduction performance. Rolling Mill Department III - Cold Rolled Products has promoted AI smart factories and replaced traditional manual measurement with a self-developed Intelligent Monitoring System for Annealing Furnace Combustion. We installed 300 self-developed smart sensors on all burners of furnace in the No.2 continuous annealing line, transmitting burner data to an "IoT platform" for combustion efficiency analysis and integrating with on-site process and process control computer information. This has significantly improved the operation efficiency of annealing furnaces, resulting in annual savings of 8.03 million TWD in gas costs and reduction of 1,077 tonnes CO₂e each year.

CSC's Intelligent Monitoring System for Annealing Furnace Combustion is a successful example of digital transformation that systematically utilizes AI, big data, cloud computing and expert experience. In the future, CSC will continue to promote smart and innovative technologies to realize CSC's goal of becoming a "smart steel mill that produces premium products."



Material Topic

3.2.2 Air Pollutants



★ 2024 Highlights

→ Achieved 2024 emission intensity targets.

Emission Intensity (kg/tCS)	Target value	Actual Value	Accomplishment
Sulfur Oxides (SOx)	0.530	0.516	Yes
Nitrogen Oxides (NOx)	0.690	0.630	Yes
Particulates (Par.)	0.292	0.231	Yes

In line with Kaohsiung City Government's policy for fall and winter, CSC proactively scheduled load curtailment for major manufacturing processes and annual maintenance of production equipment from September 2024 to March 2025, which can reduce 81.2 tonnes of Particulates (Par.), 219.0 tonnes of Sulfur Oxides (SOx), 241.9 tonnes of Nitrogen Oxides (NOx), and 24.1 tonnes of Volatile Organic Compounds (VOCs).

→ In 2024, the actual reduction in the sale of particulate pollutants was 55.498 tonnes, providing Taipower with emission offset demand for new investment projects in the Kaohsiung-Pingtung air pollution control zone.

→ Starting from 2023, CSC proactively participated in the Kaohsiung City Environmental Protection Bureau's enterprise adoption program for air quality purification zones, selecting the nearby Fuxing Elementary School to adopt a green space. In 2024, CSC continued to adopt and maintain 390 m² of green space on the school campus.

+ Policy or Commitment

Air Pollution Management

- Strengthen to manage the air pollution control regulations, meet the requirements of various laws and regulations, and reduce the occurrence of air pollution anomalies.
- Cooperate with the government's air quality improvement policy, plan the response measures for air quality during fall and winter as well as the medium and long-term air pollution improvement plan.

In accordance with the ISO 14001 environmental management system, CSC aims to promote air pollution reduction, introduce the most advanced and feasible control technology, carry out continuous annual review, promote reduction programs, and reduce air pollution emissions and air pollution fees in order to achieve lower pollution, green energy and sustainability.

In terms of air pollution regulations management, the job is to ensure the normal operation of environmental monitoring equipment (CEMS, CCTV, AAQMS), complete the testing and reporting of particulates (Par.), sulfur oxides (SOx), nitrogen

oxides (NOx), volatile organic compounds (VOCs), dioxins (DXNs), etc., and apply for the permit of the establishment, changes, operation, and extension of pollution source in accordance with the law. Continue to strengthen in-plant inspections and review of pollution prevention efforts, and coordinate with the Executive Yuan's "Air Pollution Prevention Action Plan" and the MOENV's Air Pollution Control Act to plan improvement measures.

Action Plan

Air Pollution Improvement Plan

In order to actively improve air quality, CSC expanded its investment of 44.709 billion TWD and planned an air pollution improvement plan for 2020-2026. In addition, CSC cooperates with the "Air Pollution Control Action Plan" promoted by the Executive Yuan, and participates in the semiannual state business air pollution control meeting.

Year of Completion	Improvement Project	Projected Reduction Results (Unit: tonnes/year)			
		Par.	SOx	NOx	VOCs
2020	#2 slab reheating furnace revamping for No.1 hot strip mill	-	3.6	11.5	-
	#2 dedusting system revamping for BOF plant I	100	-	-	-
2021	Flue-gas desulfurization equipment to #1 sinter	5.3	800	-	-
	1 st phase of enclosed coal storage construction	14.9	-	-	-
2024	2 nd phase of enclosed coal storage construction	16.7	-	-	-
2025	1 st phase of coke oven and coke dry quenching construction	20.5	-	-	36.5
2026	2 nd phase of coke oven and coke dry quenching construction	20.5	-	-	36.5
2026	Overhaul of Power Plant I (BTG-9/10)	-	154.0	56.0	-
Total		177.9	957.6	67.5	73.0

Actively Cooperate with Emission Reduction Policies

CSC not only obeys the regulatory emission standard for all processes, but also sets emission target (emission intensity) based on air pollution control plans for next year and includes it in the environmental management system for tracking and inspection. CSC has complied with the policy of the Kaohsiung City Government for emission reduction in fall and winter, arranged the production reduction to reduce emission, and reduced Par. emission by 81.2 tonnes, SOx emission by 219.0 tonnes, NOx emission by 241.9 tonnes, and VOCs by 24.1 tonnes from September 2024 to March 2025.

Countermeasures for Various Regulated Items

Regulated items	Countermeasures
SOx	CSC has finished a number of air pollution improvement projects, such as FGD of #6~8 & #11 boiler and #1~4 sinter, #1 reheating furnace revamping for plate mill, and using low-sulfur content raw materials (anthracite and environmental coal etc.) to reduce SOx emission dramatically.
NOx	CSC has finished a number of air pollution improvement projects, such as De-NOx equipment of #6~8 boiler and #1~4 sinter, and low-NOx burners to reduce NOx emission dramatically.
Par.	CSC has set up air pollution control equipment, such as bag filters and electrostatic precipitators, and budgets annually to maintain the efficiency of control equipment. In order to reduce fugitive particulates emissions of raw material yards, a 20-meter high dust screen and automatic sprinkler equipment have been installed around the raw material yards and a chemical stabilizer spray is used. CSC has completed the construction of an automatic enclosed building at its sinter plant, the revamp of #2 Dust Collector at BOF plant I, the installation of desulfurization equipment at #1 sinter, and 1st phase construction of a new enclosed building at the coking coal storage yard, which can substantially reduce particulates emissions.

Regulated items	Countermeasures
Dioxin	<ul style="list-style-type: none">Activated carbon injection equipment was added to the rotary hearth furnace and by-product treatment plants, while dual-function De-NOx and De-DXNS selective catalyst was added to the sinter plants to reduce Dioxin emissions.
PM2.5	<ul style="list-style-type: none">Bag filters, electrostatic precipitators, wet scrubbers, and dust screens, and water and chemical stabilizers spraying equipment were installed to reduce PM2.5 emissions. De-SOx, De-NOx equipment are planned for sinter and power plants, and low-VOCs coatings are used in rolling mill department III to reduce PM2.5 precursor (SOx, NOx, VOCs) emissions.
Ozone Depleting Substances	<ul style="list-style-type: none">To control ozone-depleting substances, CSC integrates air condition, improves equipment maintenance, develops high-efficiency models, uses eco-friendly coolants, and reuses recycled coolants.

Environmental Monitoring and Testing

CSC Environmental Monitoring Center oversees 6 air quality monitoring stations and has 2 digital boards that display real-time air quality data for citizens. For stationary emission sources, 31 continuous emission monitoring systems (CEMS) serve to monitor traditional pollutants emission intensity and quantity, and 30 of them are connected to KSEPB for government supervision. The current average monthly effective monitoring rate of each instrument can reach 95% and above, which complies with regulatory standards.

If an abnormality is found, you can directly reach CSC by phone	Business hours	+886-7-8021111 # 3826
	Outside business hours or during holiday	+886-7-8021111 #2110

Implementation Results

Through various air pollution improvement measures, CSC uses continuous automatic monitoring systems (CEMS) to report air pollution emissions every quarter in accordance with the relevant provisions of the Air Pollution Control Act.

Emissions		2022	2023	2024	EIA Commitment Limit
SOx	(tonnes/year)	4,257	4,163	4,080	34.9 tonnes/day
NOx	(tonnes/year)	5,603	5,209	4,982	34.6 tonnes/day
Par.	(tonnes/year)	1,921	1,776	1,830	19.5 tonnes/day
VOCs	(tonnes/year)	356	306	264	–
Dioxin	(g-TEQ/year)	3.50	3.11	3.15	–
Ozone Depletion Potential Values ^(I)	Total (tonnes, CFC-11 equivalent)	8.07 X 10 ⁻²	7.03 X 10 ⁻²	5.84 X 10 ⁻²	–

Note I: The refrigerants used by Sinosteel, which are subject to the Montreal Protocol, include R-124 (2-chloro-1,1,1,2-tetrafluoroethane) and R-22 (chlorodifluoromethane) The Ozone Depletion Potential (ODP) has been calculated based on this principle since 2015. The coefficients are referenced from the Annex of the Montreal Protocol.

Note II: The data scope for SOx, NOx, particulate matter, and VOx includes CSC's Hsiao Kang Plant (including Cold-Rolling Plant III), Hualien Quarry, Yongguang Plant, and the Kwang Yang storage yard.

For more details [Air Pollution] https://www.csc.com.tw/csc_e/esg/env/env5.html

Adoption of Air Quality Purification Zone

The Environmental Protection Bureau of Kaohsiung City Government implemented the Air Quality Purification Zone Adoption Project to improve the issue with dust from exposed areas, and improve environment and air quality. To create the trend of greening and making the environment more aesthetic for sustainability, CSC has actively participated in the Air Quality Purification Zone corporate adoption activity of the Environmental Protection Bureau of Kaohsiung City Government since 2023, and continues to adopt 390 m² of campus green space in the nearby Fuxing Elementary School in 2024, creating a better campus environment for students by effectively improving the air quality on campus.

3.2.3 Water

Confirming the water use strategy of diversifying its water resources, CSC is continuously making efforts to move on from its reliance on a single source of tap water. CSC is currently working hard towards the development of new water resources aimed at mitigating the risk of water cuts or water rationing. The Utilities Department is responsible for risk assessment of water resources and the formulation and implementation of strategies to respond to such risks are mainly supervised by the vice president of the production department, and are included in the company's risk management procedures.

Management Approach

CSC actively develops diversified water sources by building its own RO water purification plant to recycle internal industrial wastewater and by cooperating with the government to use reclaimed municipal wastewater. In 2018, CSC became the first in the nation to use reclaimed water on a large scale, and on December 9, 2021, further introduced reclaimed water from the Linhai Reclaimed Water Plant, achieving a milestone of 50% reclaimed water usage in its total water consumption. To support the implementation of the “Replacement Fulfillment Plan for Reclaimed Water in Hofa Industrial Park” promoted by the Kaohsiung Economic Development Bureau, CSC officially increased its use of reclaimed water from the Fengshan Water Resources Center by 9.7 million liters per day starting in May 2024, further enhancing reclaimed water dispatch capacity.

Year		2022	2023	2024	2025
Water Intensity ^(I) (t/tCS)	• Target value	4.60	4.90	4.90	5.10
	• Actual Value	4.86 ^(III)	5.04	5.10 ^(III)	
New Water Intensity (t/tCS)	• Target value	2.50	2.50	2.10	2.10
	• Actual Value	2.31	2.16	2.03	

Note I: Calculation of water intensity = (new water + reclaimed water-sold steam) ÷ annual output of crude steel. Calculation of new water intensity = (new water-sold steam) ÷ annual output of crude steel.

Note II: In October 2021, the reclaimed water from Linhai Industrial Park was introduced.

Note III: Due to poor market conditions from the second half of 2023 to 2024, adjustments to production volume led to the increase of water consumption per unit crude steel.

Diverse Water Sources - Urban Sewage Recycling

The main source of reclaimed water is Kaohsiung City's domestic sewage, which is deaminated with nitrogen, and treated with UF and RO. In 2024, CSC collected approximately 17,371 million liters of reclaimed water from Fengshan Creek (including replacement fulfillment for the Hofa Industrial Park reclaimed water), and 6,857 million liters of reclaimed water from Linhai Industrial Park. In 2024, the average daily new water consumption of CSC has decreased by about 49.1 million liters, and the new water consumption per unit of steel slab is 2.03 tonnes/tCS, which is lower than the last year value of 2.16 tonnes/tCS.

Unit : Million liters

Year	2022	2023	2024
Production Process Water Recirculation	2,821,318	2,802,252	2,735,849
Processing Water Recycling Rate ^(I)	98.5%	98.5%	98.5%
New Water Withdrawal	21,562	18,623	17,978
Urban Reclaimed Water ^(II) Usage	21,514	22,339	24,228
Water Discharge	16,234	14,527	16,789
Water Consumption ^(III)	26,842	26,435	25,417

Note I: Processing water recycling rate = production process water recirculation ÷ total water use in process x100%, total water use in process do not include admin area raw water.

Total water use in process = production process water recirculation + (raw water (new water) use + urban reclaimed water usage - admin area raw water).

Note II: CSC has 4 original water pools with a total water storage capacity of 177 million liters, which has been maintained at a high water level throughout the year. The Fengshan Creek Reclaimed Water was implemented in 2018, and the supply of reclaimed water reached 41 million liters per day. During the Taiwan Water Corporation's water outage, the flexibility of the water supply in the plant can be improved to reduce the risk of water limitation/stoppage.

Note III: Water Consumption=Total Water Withdrawal-Water Discharge, the Total Water Withdrawal=New Water Withdrawal+ Urban Reclaimed Water Usage.

Note IV: The scope of the above water consumption data covers CSC's Hsiao Kang Plant (including Cold-Rolling Plant III).

For more details [Water Conservation Projects] https://www.csc.com.tw/csc_e/esg/env/env3.html

Water Pollution Prevention

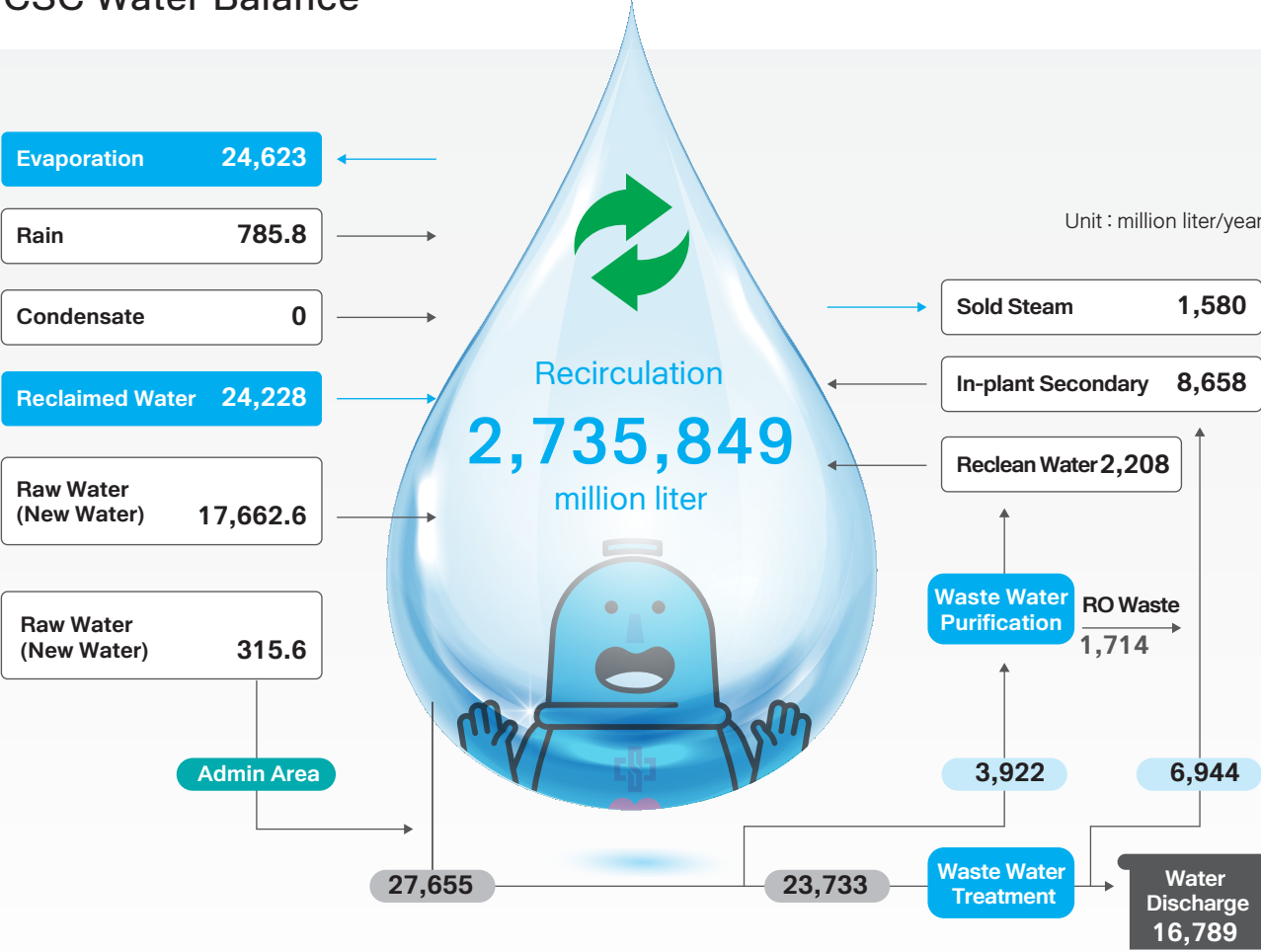
CSC's main tasks of water pollution control are managing existing equipment and building backup facilities to improve water quality, and improving rainwater drainage performance by monitoring and managing.

Aside from installing a wastewater treatment facility with a total capacity of 147 million liters per day, CSC has also built a runoff wastewater retention pond with a total capacity of 42 million liters for runoff wastewater from the raw material storage yard and a treatment plant capable of processing 36 million liters per day to ensure the quality of treated wastewater meets the effluent standards before discharging them to the sea via Yanshuigang River, and thus effectively minimizing wastewater pollution.

In 2024, the total discharge was 16,789 million liters, the average Chemical Oxygen Demand (COD) and Suspended Solids (SS) were 30.9 mg/L and 7.5 mg/L respectively, which are superior to statutory effluent standards.

Year	2022	2023	2024	Statutory Standards
COD (mg/L)	44.2	33.2	30.9	<100 mg/L
SS (mg/L)	7.3	6.3	7.5	<30 mg/L
Ammonia (mg/L)	5.5	2.8	2.6	<20 mg/L

CSC Water Balance



Note : The reclaimed water and tap water mentioned above are both fresh water.

3.3 Circular Economy

Material Topic

3.3.1 Waste and Byproduct Management



★ 2024 Highlights

→ Waste reuse rate is 94.8%

→ Continue to achieve the goal of “zero solidification landfill”

→ 96.2% of waste is treated within the factory to reduce the carbon footprint of transportatio

+ Policy or Commitment

Before CSC plans a production process, it conducts a feasibility study on the process, applications of by-products, waste recycling design, and potential impact on the natural environment, which are included in evaluations, and also completes risk identification. To reduce the burden of operations on the environment, CSC endeavors to develop a range of resource recycling application technologies for waste generated from production processes based on the concept of steel life cycle. These technologies are integrated in resource recycling in Linhai Industrial Park to help include usable resources in production planning. Besides properly recycling industrial by-products and waste, it also lowers the risk of outsourcing and reduces production costs, thereby realizing the benefits of circular economy.

CSC conducts internal audits each year in accordance with the Waste Disposal Act and related regulations promulgated by the MOENV. The qualifications of cleaning companies are assessed before commissioning waste disposal to them. After signing a contract with a cleaning company, a joint industrial waste clearance and disposal report is submitted in triplicate to the MOENV's Industrial Waste Reporting and Management System. In order to recycle and reuse all available resources, CSC legally applies for the relevant permits to receive waste from companies under the CSC Group for recycling and reuse in accordance with the Waste Disposal Act and other recycling-related regulations. With an eye on ensuring the quality of sources of waste, supporting subsidiary companies in waste management and providing professional guidance, CSC inspects and investigates the sources of industrial waste at companies under the CSC Group for the purpose of enhancing its management system.

A Action Plan

I Resource Recycling and Reuse

Aside from developing and producing low-carbon steel, CSC has also engaged in a substantial amount of research on whether the raw materials used in manufacturing processes or waste generated from manufacturing processes can be recycled and reused effectively. In recent years, the cases of CSC in resource recycling are described below:

I Recovery of waste pickling acid

Cold rolled steel coils are one of CSC's main products. The various oxide layers, rust, and other impurities on the surfaces of hot rolled steel coils need to be completely removed by an acid pickling process prior to the cold rolling process. However, the pickling liquid contains acidic rinse water, waste acid, dissolved metal salts of iron, iron chloride, and various alloy elements, which may potentially lead to environmental concerns due to improper handling. In order to adhere to the government's circular economy policy and to comply with national environmental regulations, CSC has established an acid regeneration plant (ARP) to purify and recycle the waste acid following the examples of advanced countries, such as Japan, European countries, and the United States. The products from the ARP are mainly regenerated hydrochloric acid (HCl) and iron oxide powder (Fe₂O₃). The regenerated hydrochloric acid is reintroduced into the pickling process, while iron oxide powder serves as an industrial raw material for soft and hard ferrite used in various electronic and electrical applications, including inductor components, transformers, motors, and so on. This successful example of resource reutilization can be considered as a good model of circular economy.

I Recycling of sludge

More than 98% of industrial water used in CSC is re-cooled, filtered, dispersed, and coagulated to produce “sludge.” Sludge has great economic value because it contains various types of raw materials such as rust, iron ore, coke, and fluxes. Therefore, CSC recycles and reuses sludge upon dehydration to reduce the use of natural minerals, as well as sells the remaining iron-containing sludge to cement plants after processing and mixing them, thereby reducing the need for cement plants to purchase imported iron slags from abroad. In 2024, CSC sold 58,000 tonnes of sludge-coal fly ash mixture in total.

I Recycling of used refractory materials

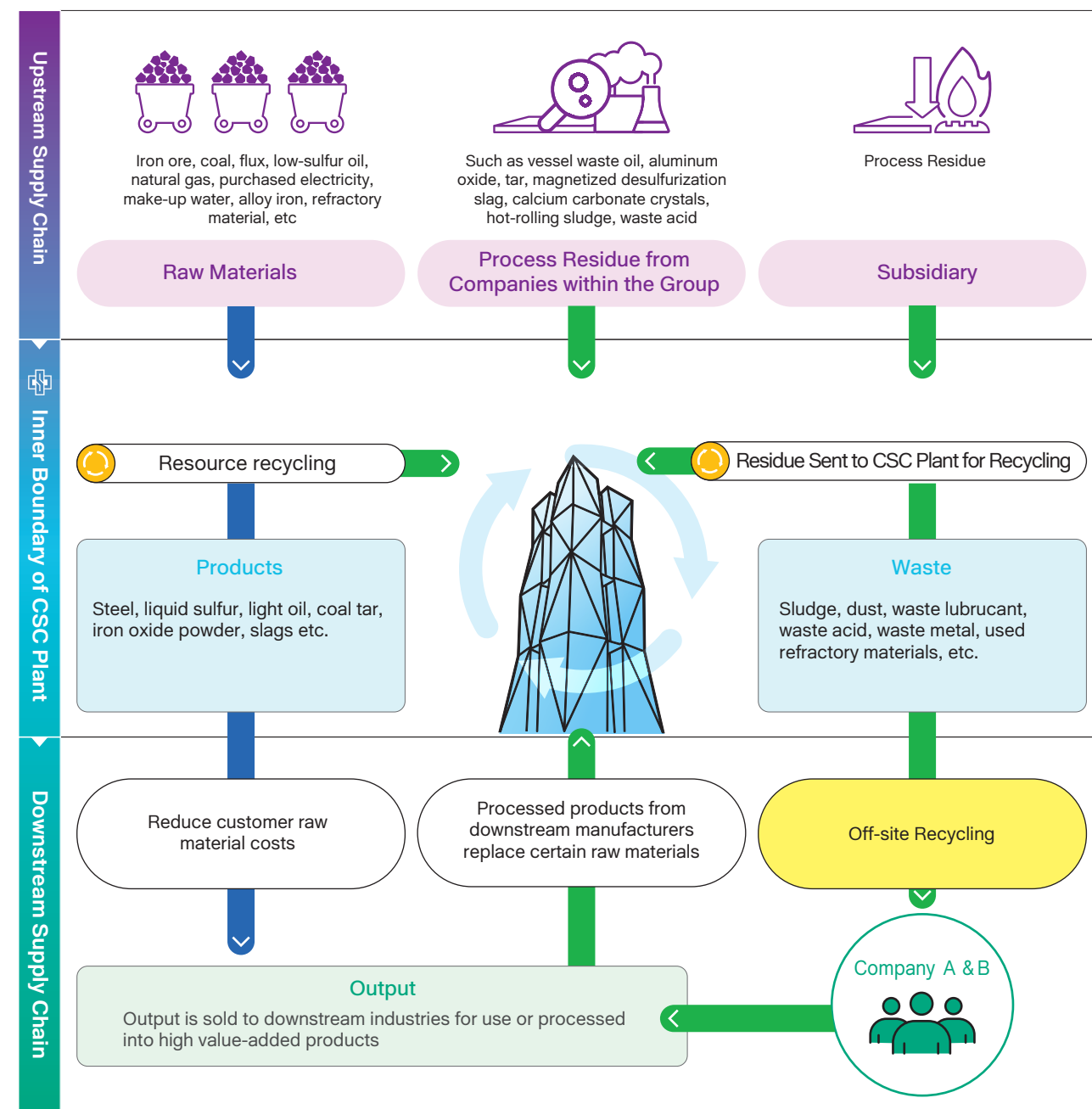
In order to protect high-temperature equipment in steel smelting and rolling processes (such as blast furnaces, basic oxygen furnaces, hot stoves, and reheating furnaces), CSC regularly replaces refractory materials in such equipment during the production process. Since refractory materials are mainly composed of aluminum, silicon, carbon, and magnesium, and meet the requirements of additional materials to be added to the smelting process, CSC sorts and processes used refractory materials based on their characteristics before recycling them into excipients for steelmaking and ironmaking at its plants. Used refractory materials are also recycled by suppliers or used as raw materials for cement outside CSC plants. In 2024, CSC recycled about 88,000 tonnes of used refractory materials, of which 84% were recycled within its plants and 16% were used outside its plants, thereby minimizing the impact of these materials on the environment.

By-product Recycling Management

By-products from CSC productions include coal tar, light oil, BF slag, desulfurization slag, sludge-coal fly ash mixture, mill scale, liquid sulfur, and burnt lime. On the basis of the off-site recycling network built in the past, except for Granulated BF slag which is sold to domestic businesses, all others are recycled and processed by affiliate companies and then provided to chemical, construction, civil engineering, electrical, commodity, and other industries. The resources can be effectively reused, and the industrial ecosystem both inside and outside of the Kaohsiung Linhai Industrial Park is expanded. While improving the recycling rate, it also reduces the environmental burden caused by long-distance transport, thereby achieving carbon reduction.

Material Management Process

Raw Material Flow Recycled Resource Flow



Implementation Results

- CSC has demonstrated outstanding performance in waste reduction as well as in-plant and off-site recycling. After years of hard work and close cooperation with the academia and other industries, CSC has reached the “zero-solidification landfill” milestone for the first time in July 2001.
- With the implementation of the aforesaid management policies, CSC disposed of 505,170.72 tonnes of waste generated in total and produced 63.88 kg of waste per metric ton of crude steel in 2024. The resource utilization rate of waste reached 94.8%, with 96% of waste being internally reused, reducing the burden on the environment. The company entrusted external vendors to carry out waste resource utilization operations. The recycled products

produced by these vendors were also used in CSC's processes. The main source of hazardous industrial waste was chromium-containing sludges produced from the steel rolling process. Chromium-containing sludge was recycled and reused in manufacturing processes at CSC plants. Furthermore, legally registered disposal companies in Taiwan are commissioned to use lead-containing sludge to produce lead ingots and lead alloy, which are sold to domestic manufacturers of lead products, properly reusing recycled resources.

- In 2024, CSC produced 4.611 million tonnes of by-products from manufacturing processes (wet basis).

Statistics of CSC waste

Unit: tonnes

Item	Type of Waste	Quantity of Waste		
		2022	2023	2024
General Industrial Waste	• Waste refractory	70,460.53	88,073.39	87,801.59
	• Sludge	236,562.38	192,726.15	185,096.31
	• Fly ash	227,849.00	215,988.05	216,389.68
	• Other	24,876.47	20,343.07	15,870.1
Total of General Industrial Waste		559,748.4	517,130.7	505,157.68
Hazardous Industrial Waste	• Lead dross	14.69	0	0
	• Chromic sludge	43.65	33.5	13.04
Total of Hazardous Industrial Waste		58.3	33.5	13.04
Total Waste		559,806.72	517,164.16	505,170.72

Note I: Lead dross is the lead bath slag in the steel strip surface treatment process, which is only produced during equipment maintenance about every 3 years.

Note II: The scope of the above waste statistics table includes CSC's Hsiao Kang Plant (including Cold-Rolling Plant III), the coal ash and sludge mixing plant, and the Yongguang Plant.

Statistics of CSC recycled waste and byproduct

Unit: tonnes

Item	2022		2023		2024	
	Onsite	Offsite	Onsite	Offsite	Onsite	Offsite
Recycled General Industrial Waste	519,439.41	10,892.89	468,358.86	22,248.01	459,785.088	19,163.4
Recycled Hazardous Industrial Waste	43.65	14.69	33.5	0	13.04	0
Total Recycled Industrial Waste (A)		530,390.64	490,640.37		478,961.53	
Total Recycled Byproduct (B)		4,847,326.42	4,953,363.05		4,888,070.58	
Total Recycled material (A)+(B)		5,377,717.06	5,444,003.42		5,367,032.11	
Waste diversion rate from landfill		94.7%	94.9%		94.8%	
Percentage of Waste Recycled Onsite		97.9%	95.5%		96%	
Percentage of Waste Recycled Offsite		2.1%	4.5%		4%	

Note: Waste diversion rate from landfill = Recycled Industrial Waste / Total Waste;

Percentage of Waste Recycled Onsite = (Onsite Recycled General Industrial Waste + Onsite Recycled Hazardous Industrial Waste) / Total Recycled Industrial Waste;

Percentage of Waste Recycled Offsite = (Offsite Recycled General Industrial Waste + Offsite Recycled Hazardous Industrial Waste) / Total Recycled Industrial Waste.

Statistics of waste directly disposed by CSC

Unit: tonnes

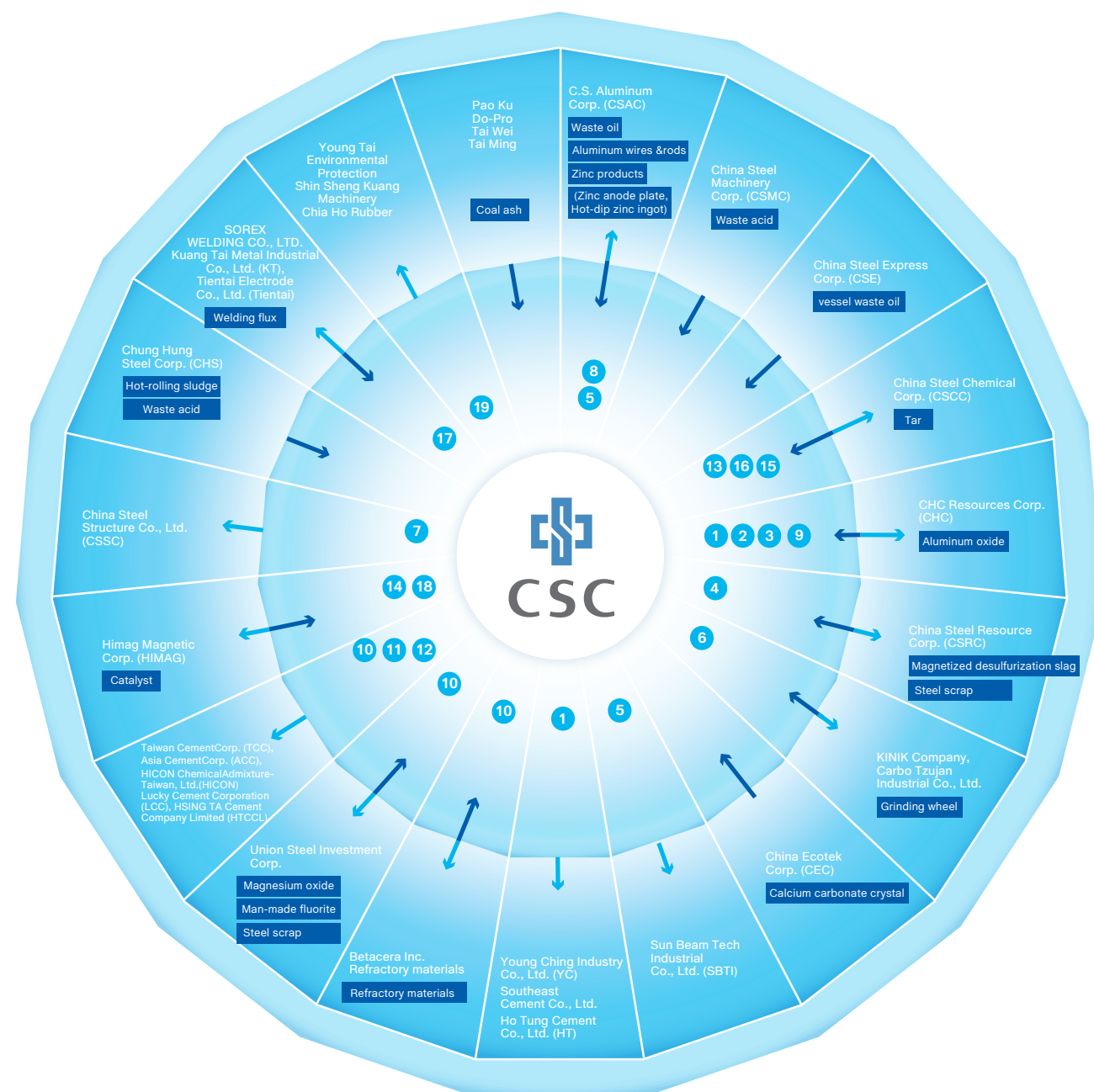
General Industrial Waste	2022		2023		2024	
	Onsite	Offsite	Onsite	Offsite	Onsite	Offsite
Incineration (with energy recovery)	28,310.4	1,105.7	26,221.9	301.9	26,024.82	184.38
Total of waste directly disposed	29,416.1		26,523.8		26,209.2	

Note: The direct disposal of general industrial waste is all incineration (with energy recovery), incineration (without energy recovery), landfill and other disposal operations.

For more details [Circular Economy] https://www.csc.com.tw/csc_e/esg/env/env7.html

3.3.2 Industrial Ecology Network

In 2024, the industrial ecology network centered around CSC contained 34 companies, and the majority of them were in the traditional industry. The recycling network included water quenched BF slag, air-cooled BF slag, desulfurization slag, BOF slag, sludge-coal fly ash mixture, coal tar, waste acid, used refractory materials, etc. CSC will continue promoting the “Industrial Resource Integration Plan” in accordance with the government policy and expand the waste recycling operations in collaboration with the manufacturers of Linhai Industrial Park so as to construct a resource sharing and recycling network among industries in the industrial park, improve the operating conditions and competitiveness, and keep in line with the global trend of sustainable development.



- Output from CSC

Input to CSC
- 1 Granulated BF slag

2 Air-cooled BF slag

3 BOF slag

4 Desulfurization slag

5 Zinc dross

6 Waste grinding wheel

7 Steel scrap

8 Aluminum scrap

9 Crude ZnO

10 Used refractory materials

11 Limestone cake

12 Sludge-coal fly ash mixture

13 Liquid Sulfur

14 Iron oxide powder

15 Coal tar

16 Light oil

17 Welding slag

18 Catalyst

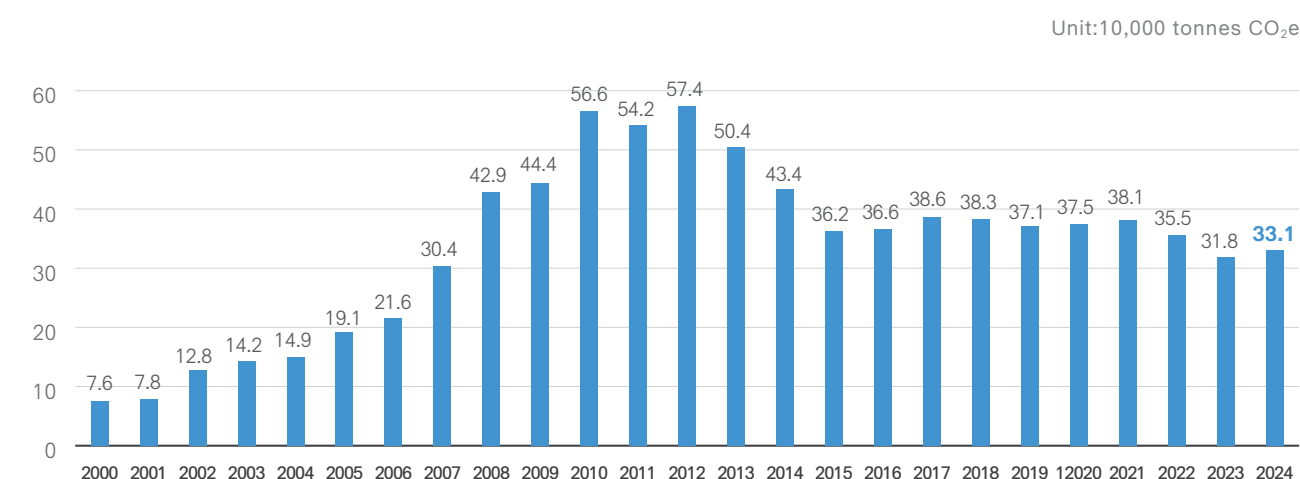
19 Waste rubber

3.3.3 District Energy Integration

CSC is situated in Kaohsiung LinHai Industrial Park, a major industrial cluster comprising numerous petrochemical and steel manufacturing plants. For many years, CSC has utilized steam produced from combined heat and power (CHP) and waste heat recovery as well as industrial gases produced from oxygen plants to share excess energy with neighboring plants. By leveraging complementary uses of steam, oxygen, nitrogen, argon, plant air, coke oven gas, etc., energy and resources in the district has been efficiently integrated. Participating facilities can shut down less efficient units with higher GHG emissions or avoid redundant investments in low-efficiency. This enables improvements in energy utilization efficiency, reductions in resource consumption, and significant decreases in pollutant and GHG emissions—ultimately mitigating environmental impact and improve environmental quality.

As of 2024, a total of 14 manufacturers, including CSC, have participated in the District Energy Integration. The energy that CSC sells includes steam and oxygen, nitrogen and argon produced by the Oxygen Plant. Among them, steam is the main item. The amount of steam sold in 2024 was 1.38 million tonnes, saving 4.20 million GJ (equivalent to 106,000 kL of low-sulphur oil). In terms of reducing GHG emissions and improving air pollution, it reduced 331,000 tCO₂e of GHG, 1,009 tonnes of SO_x, 700 tonnes of NO_x, and 99 tonnes of particles^{Note}, creating a multi-win situation for CSC, customers, and the environment.

External GHG Reduction from Steam Sales



Note I. GJ = 1 billion joules

Note II. With an estimated efficiency of 94% for the newly installed boilers, 1 kL fuel oil can produce 13 tonnes of steam. Thus, the 1.380 million tonnes of steam sold in 2024 is equivalent to the use of 106,000 kL of low-sulfur oil.

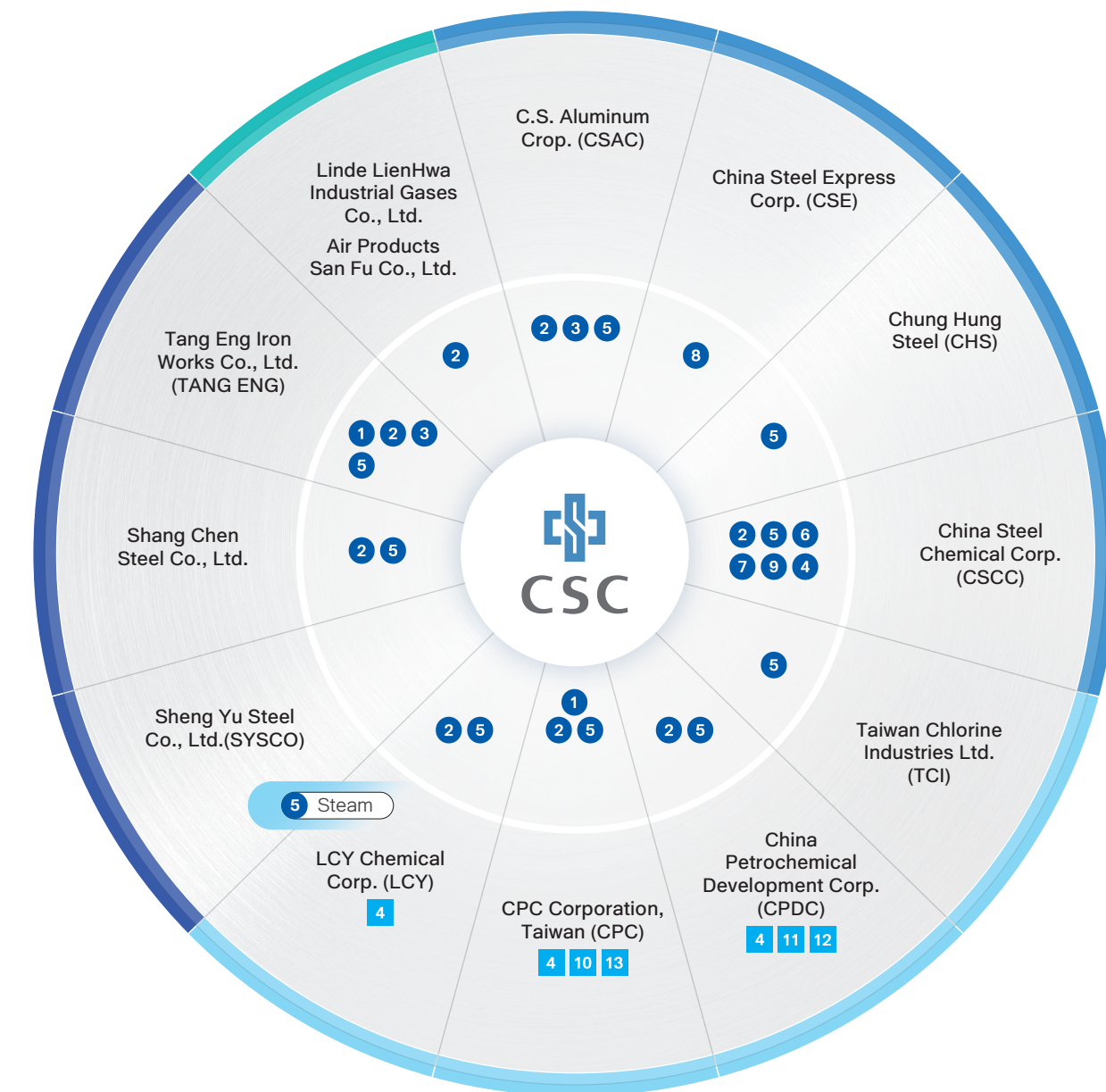
Note III. The calculations of environmental benefits are as follows:

- Energy saving: The heat value of low-sulfur oil conversion is cited from the average detected heat value of CSC in 2024, which was 9,449 Mcal/kL.
- Air pollutant reduction: The calculation and coefficients were in line with the calculation of emission amount for the air pollution control fee of stationary sources by MOENV.

Note GHG emission reduction: The reduction only covered CO₂ emission before 2018, with the factors cited from the IPCC 2006 National Greenhouse Gas Inventory Guide-CO₂ emission coefficient of fuel oil. From 2019, N₂O and CH₄ were also involved in the calculation coverage, using the factors cited from the GHG emission coefficient list (version 6.0.4) announced by MOENV.

● Output from CSC ■ Input to CSC

○ CSC Group ○ Petrochemical Industry ○ Steel Industry ○ Industrial Gas Industry



- | | | | | |
|------------------|------------------|---------------------|---------------------|----------------|
| 1 O ₂ | 4 H ₂ | 7 Coke oven gas | 10 Fuel oil | 13 Natural gas |
| 2 N ₂ | 5 Steam | 8 Shore electricity | 11 Waste fuel gas | |
| 3 Ar | 6 Plant air | 9 DM water | 12 Condensate water | |

3.4 Biodiversity

CSC Biodiversity and No Deforestation Policy

https://www.csc.com.tw/csc_e/esg/pdf/env4.pdf

Biodiversity Risk Management

CSC referenced the TNFD's recommended Locate, Evaluate, Assess, Prepare (LEAP) methodology and adopted a location-specific approach to identify priority locations for the value chain of the steel industry. The scope of evaluation included its head office, China Steel Building, Hualien Stone Handling Unit, CSC Steel Sdn. Bhd., China Steel and Nippon Steel Vietnam Joint Stock Company (CSVN), and Kaohsiung Park, a location near to operations. CSC also applied the Biodiversity Risk Filter and Water Risk Filter developed by the World Wide Fund for Nature (WWF) to identify potential impacts and dependency risks on biodiversity and nature-related priority places, further proceeding to identify nature-related risks and opportunities, and formulating strategies and targets accordingly.

Based on the analysis results, CSC identified its head office as a priority location in the value chain. Utilizing the ENCORE tool, CSC conducted questionnaire surveys to analyze the severity of nature-related dependencies and impacts. The results showed that operating activities are highly dependent on water flow regulation, and greenhouse gas emissions have a higher impact on the natural ecosystem. In addition, through collaborative workshops with relevant departments, CSC identified major nature-related risks and opportunities, and formulated corresponding strategies, targets, and action plans.



Biodiversity Assessment

To fulfill our commitment to biodiversity, we periodically conduct biodiversity assessments and commissioned the Department of Biological Sciences, National Sun Yat-sen University to help plan ecological investigation for plant areas and establish the baseline for species. The period is 2 years (November 2022 to October 2024), and the contents include land animals (mammals, birds, amphibians, reptiles, and butterflies) and plants. In addition, data from bird investigations conducted by CSC Birdwatching Club from 1987 to 2019 and plant species recorded have also been compiled. Endemic species, critically endangered, endangered, and near-threatened species are primarily birds and plants. For full results, please refer to the Biodiversity section of the CSC website.

The complete survey results from this project will be used to establish a baseline dataset of ecological species in the plant area. This baseline data will be utilized to provide subsequent ecological assessment items and guidance on implementing environmentally friendly measures. The aim is to maintain ecological balance and achieve the goal of no net loss (NNL) on biodiversity.

For more details [Biodiversity] https://www.csc.com.tw/csc_e/esg/env/env4.html



Material Topic

3.5 Sustainable Value Creation of Steel Productst



★ 2024 Highlights

- In September 2024, CSC successfully developed the Zinc Coated Steel Coils RC60 (with a scrap content of 60% and above) and obtained the UL 2809 certification
- By 2024, CSC Solar Corp.'s solar photovoltaic system capacity will reach 2.7 MW (cumulative installed capacity of 100.6 MW)
- CSC Solar Corp. contributed 111 million kWh of green power in 2024
- CSC's chromium-free depleted coating hot-dip galvanized steel coils obtained the first Type 2 Green Mark for domestic cold-rolled galvanized steel products

★ Target	Short-term targets (2025)	Mid-term targets (2026-2029)	Long-term targets (2030)
	<ul style="list-style-type: none"> CSC Solar Corp. set a target of 103.3 MW of cumulative installed solar photovoltaic system capacity, which can contribute approximately 112 million kWh of green power per year 	<ul style="list-style-type: none"> CSC Solar Corp. set a target of 105.5-112 MW of installed solar photovoltaic system capacity, which can contribute approximately 113-120 million kWh of green power per year 	<ul style="list-style-type: none"> CSC Solar Corp. set a target of 114 MW of installed solar photovoltaic system capacity, which can contribute approximately 121 million kWh of green power per year

+ Policy or Commitment

With the vision of "green growth," CSC adheres to the low-carbon strategy of "green manufacturing and green operations." To proactively adapt to increasingly stringent energy and environmental regulations and evolving energy structures, CSC aligns with government policies to promote energy conservation, carbon reduction, and green businesses, mitigating policy impacts and maintaining international competitiveness.

3.5.1 Green Products

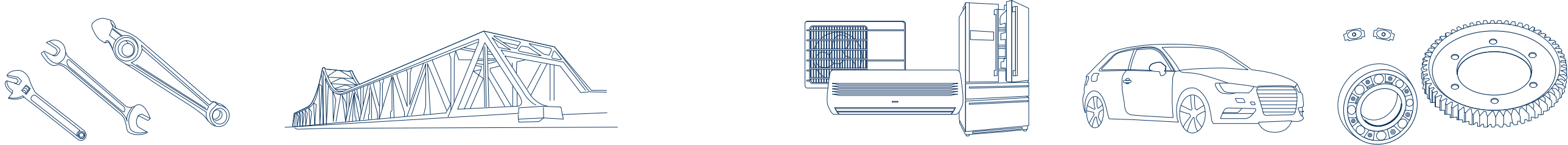
Steel has a high durability and is fully recyclable. The energy required to produce steel is relatively low compared to other materials. CSC is committed to both reducing energy consumption and conserving resources through innovative lightweight steel (such as that used in automobiles and buildings) and minimizing environmental pollution from steel manufacturing through environmentally friendly production methods.

CSC actively invests in the R&D of green steel products and has achieved outstanding results in the market. In 2023, CSC used the electric furnace process to produce 150 tonnes of wire rods, reducing carbon by 25%. CSC also conducted a carbon footprint inventory and offsetting in accordance with the PAS 2060 Standard, and was the first in Taiwan to receive the BSI certification for its carbon-neutral steel. In addition to carbon reduction through manufacturing processes, CSC is also committed to developing steel products with a high content of recycled materials. For example, by using molten metal technology in electric furnaces, CSC was able to surpass the 30% scrap limit for basic oxygen furnaces. From RC12, RC20, and RC40 to the latest RC60, CSC has increased the proportion of scrap to 60% and obtained the UL2809 Recycled Content Validation.

In response to global low-carbon demand, CSC aims to continually improve low-carbon technologies, assist downstream companies in establishing carbon inventory capabilities, and deepen scrap recycling. CSC is driving the domestic steel industry towards carbon reduction targets and increasing the availability of green steel, supporting customers in obtaining premium orders and generating mutual value.

A Action Plan

■ Developing products that offer high energy efficiency and sustainability benefits



Product name	Superior hand tool steels	High performance structural steel	Steels for green energy and home appliances	Cross-generational automotive steel	Ultra-high efficiency electrical steel
Product introduction and description of sustainability benefits	<div>Product introduction</div> <p>Used in steel tools such as spanners and screwdrivers, and microalloy technology to enhance torque resistance and fatigue resistance.</p>	<div>Product introduction</div> <p>Featuring low-carbon components and excellent, reliable welding, the bridge is lightweight and exhibits high strength and resilience.</p>	<div>Product introduction</div> <p>Used in server chassis, green energy, and galvanized steel products for home appliances with a high content of recycled materials.</p>	<div>Product introduction</div> <p>Used in vehicles with lightweight and high intensity safety requirements.</p>	<div>Product introduction</div> <p>Used in electric carrier (EC) traction motors with high intensity and low loss of electrical steel.</p>
	<div>Sustainability benefits</div> <p>Improve production efficiency and extend product life, reducing carbon emissions.</p>	<div>Sustainability benefits</div> <p>Lightweight building materials improved construction efficiency.</p>	<div>Sustainability benefits</div> <p>RC60 products with more than 60% recycled materials promote the recycling of scrap.</p>	<div>Sustainability benefits</div> <p>Lighter car bodies with more efficient energy use.</p>	<div>Sustainability benefits</div> <p>By implementing this product within the EC supply chain, carbon emissions in the transportation industry can be reduced.</p>



■ Chromium-free coating steel products

Galvanized steel sheets have excellent corrosion resistance and good forming and coating performance. They are widely used in home appliances, consumer electronics, and construction industries. However, the chromium plating anti-corrosion process generates chromic acid treatment liquid containing chromium VI, a carcinogen that can negatively impact the environment and human health. Therefore, in 2002, the EU successively implemented the Waste Electrical and Electronic Equipment Directive (ECWEEE Directive), the Restriction of Hazardous Substances Directive (EU RoHS), and other environmental regulations to restrict chromium VI and other hazardous substances. To ensure home appliances and consumer electronics comply with these regulations, CSC has developed various environmentally friendly coating products to meet market demand since 2000.

Because construction materials do not typically involve direct or prolonged human contact, many countries have not restricted the use of chromium VI in them. However, in recent years, the Japanese government revised the "Standard Specifications for Public Building Construction (Buildings)," requiring construction materials to be chromium-free. In addition, the 2022 revision of the JIS G3302 Standard prohibited chromating treatment for hot-dip galvanized materials. As a result, Japanese construction materials companies have accelerated their proactive shift to "chromium-free" steel. This has also spurred CSC's R&D team to focus on developing proprietary chromium-free anti-corrosion technologies, eco-friendly water-based coatings, and chromium-free coating galvanized construction products. By taking these actions, CSC has successfully helped minimize chromic acid use and waste acid treatment, enhance the quality of coating products, and broaden the use of eco-friendly chromium-free building materials.

Implementation results

Development of eco-friendly chromium-free coating galvanized steel for building materials: CSC has established key technologies for mass production of coating materials, chromium-free coating hot-dip galvanized steel (GI), and chromium-free coating hot-dip galvanized steel (GA) coils. In addition, it has filed 4 patents/trade secrets and published 5 papers. In 2024, new products received the Type 2 Green Mark and were finalists for the Green Chemistry Application and Innovation Awards.

The production line began trial production in 2021 and formally received external orders in 2023. Following the launch of eco-friendly products, CSC successfully retained existing chromium-containing orders and expanded into new markets, securing 97 million TWD and generating an additional 158 million TWD in revenue. Conversely, eco-friendly, non-toxic coatings replaced chromium acid coatings, lessening the environmental impact of hazardous industrial waste. Additionally, process improvements reduced chromium-containing wastewater by approximately 4.8 tonnes annually, minimizing personnel exposure to poisonous substances.

Highlight case

「Chromium-free depleted coating hot-dip galvanized steel coils」

received the Type 2 Green Mark from the Ministry of Environment

CSC has continually developed high-quality, eco-friendly steel materials to comply with EU regulations restricting or prohibiting chromium VI in products like consumer electronics and home appliances, as outlined in the "WEEE Directive" and "EU RoHS". In 2023, CSC successfully developed eco-friendly coatings for chromium-free surface depletion treatment. By using chromium-free depleted hot-dip galvanized steel coils, CSC not only passed relevant inspections, validating the absence of chromium VI and other hazardous substances, but also met low environmental pollution product requirements. Through testing, CSC confirmed that chromium-free depleted hot-dip galvanized steel coils provided improved corrosion resistance relative to regular chromium acid hot-dip galvanized steel coils, implying a service life extension of at least twofold. Thanks to its two excellent properties, namely low pollution and extended service life, this product passed the Ministry of Environment's review and successfully obtained the first Type 2 Green Mark for domestic cold-rolled galvanized steel products on April 1, 2024.

Image of chromium-free depleted coating hot-dip galvanized steel coils



3.5.2 Green Industry Development



Rooftop Solar PV on Finished Goods Warehouse



European-style Light Rail Photo

Solar Photovoltaics (PV)

CSC actively responded to the renewable energy policy. In October 2016, CSC combined companies within the group to establish the CSC Solar Corp., which is responsible for promoting the development of CSC's solar power generation business.

At present, CSC Solar has established a professional solar photovoltaic team as a project system supplier with EPC technical and engineering capabilities. As of the end of 2024, CSC Solar has installed a capacity of approximately 61 MW on the roof of CSC's plant, which is currently the largest rooftop solar photovoltaic project site of a single company in Taiwan. Since September 15th 2017, the cumulative installed capacity of the solar photovoltaic system by CSC Solar at the CSC Group (17 companies including CSC, Dragon Steel, Chung Hung Steel, C.S. Aluminium Corporation, China Steel Machinery Corporation, CHC Resources Corporation, China Steel Chemical Corporation etc.) had reached 100.6 MW, and the cumulative power generation had reached about 650 million kWh. In the future, CSC Group can contribute at least 110 million kWh of green electricity and 54,000 tonnes of CO₂ reduction annually.

Note: Calculated based on the 2023 power emission factor of 0.494 kg CO₂e/kWh, as announced by the Ministry of Economic Affairs on April 26, 2024.

Green Transportation with Low-carbon Light Rail Transit

"Rail transit" is one of the best transportation solutions for energy saving and carbon reduction. CSC participates in public construction, upholds corporate responsibility, and carefully evaluates the participation in rail projects in accordance with policies. CSC cooperates with local governments to provide citizens with a light rail transit system that is safe, comfortable, convenient, and environmentally friendly. For example, Ankeng light rail began operations in February, 2023, and the entire Kaohsiung Light Rail system was completed and opened to traffic on New Year's Day of 2024, which adopts a catenary-free power supply technology, preserving an unobstructed skyline. Danhai/Ankeng light rail transits are designed and manufactured by Taiwan Rolling Stock Co., Ltd in cooperation with foreign manufacturers. With a gradual increase in the proportion of localization and the establishment of light rail transit procurement guidelines led by the Railway Bureau, these projects create new opportunities for the future design and manufacture of light rail rolling stock.

For more details [Green Industry Development]

https://www.csc.com.tw/csc_e/esg/env/env2_1.html

For more details [Green Buildings]

https://www.csc.com.tw/csc_e/esg/env/env14.html

For more details [Green Living]

https://www.csc.com.tw/csc_e/esg/env/env11.html

4

Corporate Commitment

- 4.1 Recruitment and Retention
- 4.2 Happy Workplace
- 4.3 Employee Rights
- 4.4 Occupational Safety and Health



4.1 Recruitment and Retention

Human resources are the foundation of business operations. CSC creates a happy workplace, ensures a safe working environment, and protects employee rights with a sound system to attract and retain talents. The employees are allowed to give full scope to their talents in the right positions to keep the competitiveness of the company. CSC strictly follows the Labor Standards Act and never hires underage employees. To ensure the basic human rights of employment equality, employees are hired only based on expertise and experience. Discrimination based on ethnic origin, thought, religion, political affiliation, place of origin, place of birth, gender, sexual orientation, marital status, appearance, disability, or past labor union membership is prohibited.

The management approach to talent recruitment and retention is mainly for the purpose of meeting the approved manpower requirements on time, on budget, and on spec. The operating strategy is reviewed on a quarterly basis. At present, in addition to public recruitment, there are also several channels for professionals such as expert recruitment (PhDs or legal counsels), recruitment from foreign trade associations (business students), and recruitment from funded master's programs of industry-academia collaboration (engineering students). Same as professionals, entry-level employees are not only sought from public recruitment, but also from the special recruitment scheme for indigenous people. The current important goals and objectives are: Full usage, the right person in the right place, in-service training, further research and diversified development.

By the end of 2024, the CSC workforce consisted of 17,049 people, of whom 9,518 were regular employees (9,166 males and 352 females), 7,490 were contractors (6,081 males and 1,409 females; mainly maintenance and operations contractors), and 41 were dispatched workers (1 male and 40 females, mainly for paperwork and general affairs). The contractors account for a large proportion of the CSC workforce, mainly because CSC's industrial structure has many short-term outsourcing projects.

The average age of employees was 42.65 and the average tenure was 14.54 years. All of the regular employees are from Taiwan, no foreign employees were hired. CSC is an integrated steel plant. There are more male employees than female employees due to the industrial characteristic, resulting in an unbalanced gender ratio. However, CSC remains steadfast in building a diverse workplace. In the department other than production functions, such as administration, finance, and planning, female employees account for 29.77%.

Event	Category	2022		2023		2024	
		Employee	Percentage	Employee	Percentage	Employee	Percentage
Total ^{Note}		9,668	100%	9,621	100%	9,518	100%
Gender	- Male	9,324	96.44%	9,262	96.27%	9,166	96.30%
	- Female	344	3.56%	359	3.73%	352	3.70%
Region	- Kaohsiung	9,559	98.87%	9,524	98.99%	9,449	99.27%
	- Taipei	14	0.15%	14	0.15%	12	0.13%
	- New Taipei	39	0.4%	32	0.33%	6	0.06%
	- Hualien	15	0.16%	15	0.16%	15	0.16%
	- Overseas	41	0.42%	36	0.37%	36	0.38%
	- Others						
Age	- 18-29	1,472	15.22%	1,393	14.48%	1,199	12.60%
	- 30-39	2,956	30.58%	2,940	30.56%	2,947	30.96%
	- 40-49	2,777	28.72%	3,020	31.39%	3,225	33.88%
	- 50-59	1,071	11.08%	904	9.39%	865	9.09%
	- ≥ 60	1,392	14.40%	1,364	14.18%	1,282	13.47%
	- Others						

Event	Category	2022		2023		2024	
		Employee	Percentage	Employee	Percentage	Employee	Percentage
Education	- Doctorate	191	1.97%	204	2.12%	201	2.11%
	- Master	1,977	20.45%	2,039	21.19%	2,038	21.41%
	- Bachelor	4,749	49.12%	4,871	50.63%	4,894	51.42%
	- Junior college	811	8.39%	761	7.91%	729	7.66%
	- Senior high/ Vocational and below	1,940	20.07%	1,746	18.15%	1,656	17.40%

Note: All the employees at CSC are permanent (full-time) employees. Hence, there are no temporary, non-guaranteed hours or part-time employees at the company. The numbers are calculated based on the figures available on December 31 of the current year.

Item	Category	Contractors			Dispatched workers		
		2022	2023	2024	2022	2023	2024
Total number of non-employees		7,721	7,725	7,490	45	44	41
Gender	- Male	6,333	6,297	6,081	2	2	1
	- Female	1,388	1,428	1,409	43	42	40
Contractual relationship with CSC		Indirectly employed via contractors			Dispatched via dispatch work agencies		
Type of work		In-plant projects or labor work			Administrative affairs		

Note: The numbers are calculated based on the figures available on December 31 of the current year.

4.1.1 Workforce

The total number of new employees in 2024 was 260, mainly in the 20 to 30-years-old age group from the southern region of Taiwan, which helped increase local youth employment opportunities. Since 2011, an average of 497 people have been employed each year, and the new hire turnover rate was 6.92% in 2024.

Year		2022		2023		2024	
New Hires Distribution		Employees	Percentage	Employees	Percentage	Employees	Percentage
Total		527	5.45%	365	3.79%	260	2.73%
Gender	- Male	512	5.28%	340	3.53%	244	2.56%
	- Female	15	0.15%	25	0.26%	16	0.17%
Region	- Northern	16	0.16%	4	0.04%	6	0.06%
	- Central	22	0.23%	21	0.22%	12	0.13%
	- Southern	488	5.05%	340	3.53%	241	2.53%
	- Eastern	1	0.01%	0	0.00%	1	0.01%
	- Others	0	0.00%	0	0.00%	0	0%
	- Others						
Age	- 19-29	298	3.08%	202	2.10%	137	1.44%
	- 30-39	199	2.06%	135	1.40%	109	1.15%
	- ≥ 40	30	0.31%	28	0.29%	14	0.15%

Note: New hires distribution ratio = number of new hires ÷ total regular employees x100%.

Recruitment with a focus on diversity

CSC has consistently promoted diverse recruitment channels and integrated diverse manpower. In addition to recruiting management personnel with mental and physical disabilities, CSC has also partnered with the "Sunflower Massage Center" to employ visually impaired masseurs to help enhance employee physical and mental health.

4.1.2 Workforce Structure

Employee Position Distribution

Position	Year	Female employees percentage	Male employees percentage	Local employees percentage ^(II)	Total
Share of all employees	2024	3.70%	96.30%	79.87%	9,518
	2023	3.73%	96.27%	79.73%	9,621
	2022	3.56%	96.44%	79.52%	9,668
Share of management positions	2024	1.78%	98.22%	80.53%	1,238
	2023	1.82%	98.18%	81.50%	1,265
	2022	1.66%	98.34%	81.88%	1,264
Share of junior management positions	2024	1.23%	98.77%	77.76%	652
	2023	1.20%	98.80%	78.48%	669
	2022	1.08%	98.92%	79.44%	647
Share of senior management positions (two levels away from the CEO)	2024	2.53%	97.47%	87.34%	79
	2023	2.44%	97.56%	87.80%	82
	2022	1.22%	98.78%	84.15%	82
Share of management positions in revenue-generating functions	2024	1.10%	98.90%	80.51%	1,180
	2023	1.08%	98.92%	81.37%	1,208
	2022	0.92%	99.08%	81.83%	1,200
Share of STEM (Science, Technology, Engineering, Mathematics) related positions	2024	5.54%	94.46%	74.55%	1,155
	2023	5.34%	94.66%	74.51%	1,236
	2022	5.22%	94.78%	73.71%	1,206

Note I: The revenue-generating functions refer to the company's Commercial Division, Production Division, Technology Division, and Engineering Division.

Note II: Local employees refers to the number of employees whose permanent address is in Kaohsiung.

4.1.3 Training Framework

CSC has placed special emphasis on talent cultivation and development in response to a large number of senior employees retiring, the employment of younger generations, and the digital transformation in plants. The talent cultivation and development focus on four main principles: common training, professional skills inheritance, nurturing AI talent, and shaping an organic learning organization. In 2024, the education and training programs mainly included AI training, management, language, professional studies (technical, quality management), computer, environmental health and safety, new employee training, supervisor management training, and general education training. The training expenses for talent cultivation in 2024 amounted to 54,545,000 TWD, with an average annual training time of 27.8 hours per person. Not only will the employees be educated and trained immediately after onboarding, but it also continuously explores organizational and individual needs in the talent development process. It constantly reviews and gradually implements various essential trainings to enhance the knowledge and skills required for personal career development.

In order to strengthen the cultivation of AI talent, CSC plans diverse and comprehensive AI training, organizing a series of AI talent training courses tailored to different professional skill sets, such as specific-field experts, data scientists, and sales supervisors. These courses aim to boost knowledge in basic digital transformation among field specialists, train data engineers to apply Python for practical machine and deep learning, facilitate supervisor appointment for participation in relevant forums, and



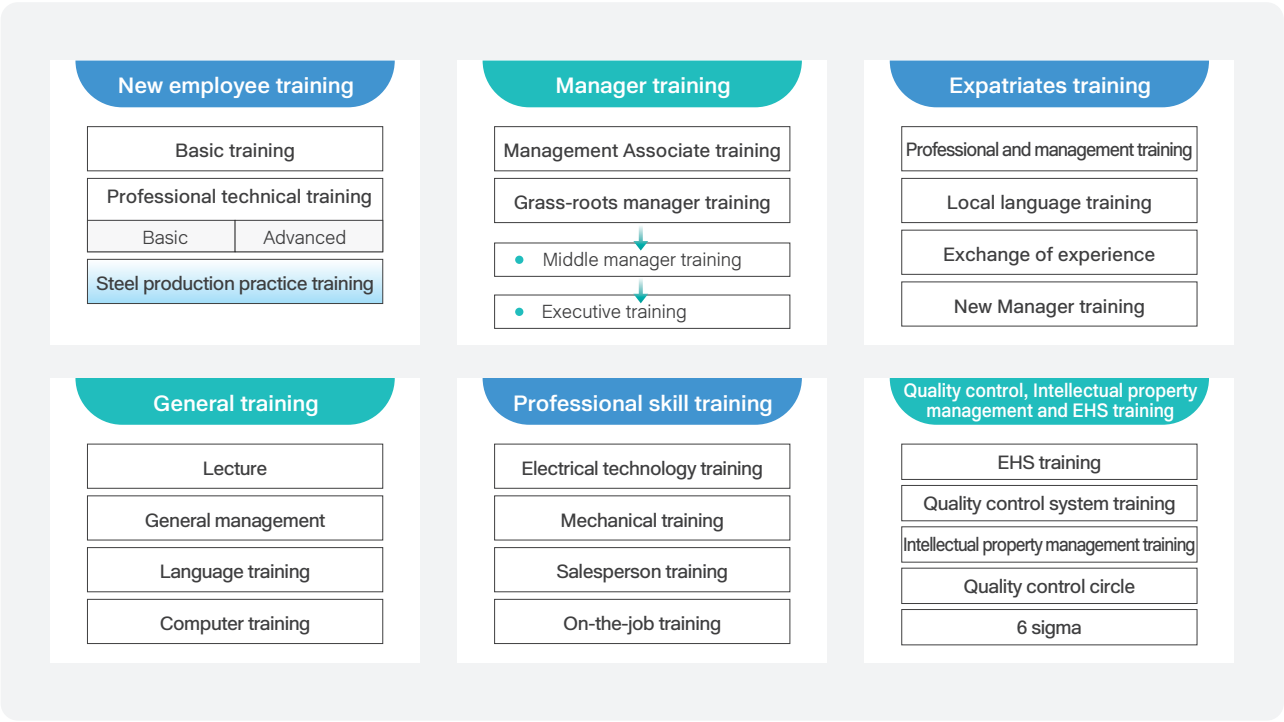
offer online learning platforms for employees to gain insights into the latest AI trends. A total of 597 employees received AI-related training in 2024. In addition, digital transformation seminars are also held regularly to enhance the digital know-how of supervisors and employees. AI talent training results were collected and assessed through questionnaires from trainees and supervisors, with high satisfaction levels recorded in 2024. In addition, most trainees were able to apply their learning to work. In 2024, a total of 140 projects of AI digital transformation were promoted, with a benefit of approximately 41 4,670 thousand TWD. CSC also organized the AI Achievement Award to encourage employees to apply AI in practical scenarios and further promote smart technology projects, realizing CSC's determination to engage in digital transformation and laying the foundation for sustainable operations.

4.1.4 Career Development

Talent lifelong learning development framework

In accordance with the "CSC Talent Cultivation and Development Framework," CSC organizes general training for all levels, providing diverse training channels, including internal training, commissioned training, knowledge management, and e-Learning. In response to the retirement trend, CSC has consistently recruited and hired new employees in recent years. To facilitate new employee integration, CSC has not only adopted a "Mentorship System" and implemented knowledge management to guide new employees to better understand CSC, but also arranged different training courses to cultivate employees' professional skills and promote exchanges through activities. CSC established the Knowledge Management Committee in 2003, and has continually promoted knowledge management and process documentation, and the development of in-house e-Learning materials, fostering employee knowledge sharing, learning, and technological legacy.

CSC talent cultivation and development structure



Talent retention incentive mechanism

Salary adjustments are based on annual evaluation results. Approximately 7 to 12 years after entering CSC (depending on rank and individual performance), employees are eligible for annual salary adjustments. Salary increases are highly correlated with performance, ranging from 1% to 8%. In addition, CSC also makes annual salary adjustments based on market salary trends and business conditions. In fact, employee salaries have been raised for 12 consecutive years (with an average of 3.1 7%).

4.1.5 Turnover

The personnel change, resignation, and retirement of employees are handled according to relevant CSC regulations. Regular employees can apply for retirement at the age of 65 or for voluntary retirement at an earlier age with reference to the Labor Standards Act. Personnel change is discussed by the line manager with the employee before the change and will be announced only after and with employee consent. In the case of difficulties in labor service performance arising from a personnel change, employees may request for termination of employment contract or file a grievance within 30 calendar days of personnel change. If grievance is rejected, employees can request for termination of employment contract within 10 calendar days of grievance rejection.

CSC has established the “Directions for Handling Employee Voluntary Resignation and Retirement” and the “Directions for Handling Compensations for Retirement, Relief, Occupational Accidents, and Layoffs” to institutionalize applications for voluntary resignation and retirement. In 2024, a total of 369 people left the company, representing a turnover rate of 3.88%, 251 of them, who were 60 years old or above, exited the company mainly because they had reached the retirement age.

General Employees Turnover Rate in 2022-2024

Category	Event	2022		2023		2024	
		Employees	Rate (%)	Employees	Rate (%)	Employees	Rate (%)
General employee turnover number and rate		621	6.42%	414	4.30%	369	3.88%
Voluntary turnover number and rate		619	6.40%	411	4.27%	366	3.85%
Gender	- Male	604	6.25%	403	4.19%	353	3.71%
	- Female	17	0.17%	11	0.11%	16	0.17%
Region	- Northern	7	0.07%	5	0.05%	5	0.05%
	- Central	1	0.01%	6	0.06%	9	0.09%
	- Southern	611	6.32%	403	4.19%	353	3.71%
	- Eastern	2	0.02%	0	0.00%	2	0.02%
	- Others	0	0.00%	0	0.00%	0	0.00%
Age	- 18-29	27	0.28%	26	0.27%	47	0.49%
	- 30-39	37	0.38%	48	0.50%	48	0.50%
	- 40-49	19	0.20%	25	0.26%	17	0.18%
	- 50-59	6	0.06%	9	0.09%	6	0.06%
	- ≥ 60	532	5.50%	306	3.18%	251	2.64%

Note I : Employee turnover rate = number of turnover ÷ number of total regular employee x 100%.

Note II: General employee turnover excluding retirement, death and removal in 2024 was 101 people. (the turnover rate was 1.06%)

Parental Leave

CSC policies regarding parental leave comply with government regulations. The rate of employees returning to work after parental leave is 96.8% in 2024 which shows the friendliness and the adaptability of colleagues when they return to the workplace.

Material Topic

4.2 Happy Workplace



★ 2024 Highlights

→ A survey was conducted in 2024 to better understand employee engagement in 2023, and improvement strategies were planned based on the results.

→ Established a system that links 10% of senior executives’ variable remuneration (employee remuneration) to ESG performance.

→ Added a new trust system with a shareholding trust allocation rate of 30% starting in 2024.

→ Organizing the 53rd anniversary celebration event.

+ Policy or Commitment

CSC aims to become a happiness benchmark enterprise, and considers its employees to be an important asset for sustainable operations. In addition to raising employee salaries (with an average of 3.17%) for 12 consecutive years to date, CSC also takes into consideration its sustainable development and continually protects employees' rights and interests. CSC signed the sixth collective bargaining agreement with the Labor Union of China Steel Corporation on March 15, 2024. The agreement's terms were up-to-date and provided labor rights and benefits exceeding those mandated by law. In addition, an employee engagement survey is held every two years to value the voices of employees, and the results of the survey are discussed and improvement strategies are proposed.

4.2.1 Compensation Management

Action Plan

Employee remuneration includes basic salary (base salary, meal allowance, and allowance for special work environments or special maintenance), year-end bonus, and production/sales profit bonus. Employees are remunerated based on their duty, current market wage standards, the company's financial status, and organizational structure. Pay is determined without gender-based differences, and the basic salary paid to women and men of the same position and level is the same.

The remuneration of CSC's senior executives (including the President) is linked to CSC's business management performance, and the remuneration of senior executives (employee remuneration) is linked 10% to ESG performance. Remuneration includes both fixed and variable elements. Among them, variable elements are determined by comprehensively considering ROE, ROA, ESG, risk management, and other performance indicators. The remuneration of CSC's senior executives is paid in cash. To maintain a sound corporate image and effective internal control, employees (including senior executives) who violate company regulations will be required to return any disbursed and approved year-end bonus, in accordance with CSC's reward and punishment regulations.

Implementation Results

The pay grade of the same position may vary due to differences in seniority because of the link between salary and tenure. For employees of the same position and the same tenure, pay is the same regardless of gender. The average remuneration of regular employees in non-managerial positions is 1.288 million TWD, and median is 1.215 million TWD.

Item	Year		
	2022	2023	2024
(1) Annual total compensation for the organization's highest paid-individual /Median annual total compensation for all of the organization's employees excluding the highest-paid individual	6.7~10	4.3~8.6*	4.1-8.2
(2) Percentage increase in annual total compensation for the organization's highest-paid individual / Median percentage increase in annual total compensation for all of the organization's employees excluding the highest-paid individual	-1.0~-1.5*	-2.2~-2.5*	0

Note: Data marked with * reflect figures that have been revised due to discrepancies between the original calculation method and the GRI-recommended formula. Upon review, CSC has adopted a unified calculation logic starting from 2024 and has retroactively adjusted the relevant data for 2022 and 2023 to enhance data consistency and comparability.

2024 Pay-ratio by employee level

Gender	Female		Male	
	Average Pay-ratio	Average seniority(year)	Average Pay-ratio	Average seniority(year)
Executive level (base salary only)		Note I		34
Executive level (base salary + other cash incentives)				
Management level (base salary only)	1	14	0.96	17
Management level (base salary + other cash incentives)	1		0.94	
Non-management level (base salary only)	1	9	1.02	14

Note I: There were no female served as executive level in 2024, hence the pay-ratio is not applicable.

Note II: The data above covers 100% of FTEs.

4.2.2 Welfare

The China Steel Corporation Employee Welfare Committee is jointly formed of 27 welfare committee members, that are appointed by both labor and management. In order to provide generous working conditions and meet the needs of employees, the Committee set up a welfare center that provides multiple welfare facilities such as employee convenience shop, cafeteria, resort, single dormitory, gym, commute bus, laundry service and reading room. These facilities are not only opened to employees but also contracted labors and local residents. Every year, CSC conducts a satisfaction survey of the welfare center. The average score for satisfaction survey in 2024 was 85.1.



Event	Summary
Cafeteria	The CSC Employee Welfare Committee operates various types of restaurants including a buffet restaurant, Ming Pang Hall, and restaurants within the CSC Group Resort. These facilities offer a variety of dining options, including Chinese and Western style buffets, boxed meals, and banquets.
Employees Residence	Priority will be given to new employees whose original residence is outside Kaohsiung city; there were 911 residents in 2024.
Transportation Subsidy	To promote public transportation, CSC provided special subsidies for the “TPASS Kaohsiung City 399 TWD Monthly Commuter Pass” promotion project. In 2024, an average of approximately 608 employees applied each month, with the company subsidizing about NT\$60,000 per month. In addition, CSC operated 15 shuttle bus routes to support employee commuting, with about 600 riders.
Gym	The fitness center at CSC has a SPA, a heated swimming pool, a billiard room, a basketball court, a badminton court, a table tennis room, and a ballroom. These facilities are available for employees, their family members, and residents of Hsiao Kang District.
Childbirth Gifts	In 2024, the CSC Employee Welfare Committee distributed a total of 2.31 million TWD in childbirth cash gifts to (including 1.62 million TWD for CSC’s employee and the rest for subsidiary companies).
Education Scholarships	The CSC Employee Welfare Committee offers scholarships or financial aids for the children of employees at all education levels from elementary school to PhD. In 2024, it received a total of 11,439 applications and awarded a total of 20.36 million TWD.
Group Insurance from the Employee Welfare Committee	In order to enhance the protection and welfare of all employees, the CSC Employee Welfare Committee has specially liaised with insurance companies to plan group insurance for members. The insurance covers the employees themselves, spouses, children and parents. The insurance package includes group life insurance, accident insurance, hospitalization and cancer treatment.
CSC Kindergarten	The kindergarten was established with the support and guidance of the CSC Employee Welfare Committee. It aims to create a nurturing and friendly environment for children, with priority given to the enrollment of children of CSC employees.
Club Activities	The CSC Employee Welfare Committee has set up 41 clubs and allocates funds every year to organize various activities, including sports, fitness, leisure, art and charity events. It aims to promote clubs’ affairs and enhance the mental and physical health of members.
Flexible Welfare Points Subsidies	The CSC Employee Welfare Committee allocates welfare points from the annual budget. Members can choose the welfare items according to their own needs. Currently, 16 items are available for application. For the needs of elderly employees, the welfare committee provides options such as full-body precision health check, care and support for the family members, self-paid additional insurance for major diseases, and remote health care.
Health Examination	The items and frequency of employees’ health examinations are better than required by law, for further information please refer to the Chapter 4.4.2 Health Care .

A

Action Plan

1. Physical and mental health of employees

- CSC is committed to paying attention to the work and life balance of its employees. CSC not only fully complies with government labor laws and regulations on work hours, but also implements a flexible office hours system to help employees take care of their families and pick up their children. After approval from the unit supervisor, day shift employees can adjust their working hours for half an hour, in hopes that employees can take into account their personal health, family responsibilities, and work needs. In addition, to help employees manage workplace pressures or career stress, CSC arranged for professional counselors from the Teacher Chang Foundation and Bitter Sweet Counseling Center to provide on-site counseling at the plants. Beyond company employees, CSC also extended these counseling services to employees of the Group and their family members, and organized two psychological adaptation seminars: "Workplace Communication" and "Family Management" based on the counseling issues, to relieve mental stress among employees. At the same time, since 2024, CSC has hired visually impaired masseurs to provide massage experience services for employees to promote employee physical and mental health and relieve work stress. In doing so, CSC is not only providing employees with physical and mental relaxation benefits, but also creating employment opportunities for people with disabilities, achieving the goal of double care. Each year, Evergreen LOHAS seminars promote and share retirement care rights, post-retirement psychological adaptation, and life planning and healthcare, helping retiring employees transition successfully from the workplace to retirement. In addition to providing legal advice, the Labor Union of China Steel Corporation has also set up a mediation committee to help employees and their dependents mediate civil cases or other matters.
- In accordance with the government's relevant labor laws and work hours regulations, CSC hopes that all employees can take care of their personal health, family, and work.

Photos of psychological adaptation seminars



A

Action Plan

2. Regulations on employee leaves are superior to regulatory standards

Leave	Number of day	Explanation
Children's Wedding Hosting Leave	2	Not clearly stated in current regulations.
Marriage Leave	9	Superior to the 8 days leave stated by the Labor Standards Act of the Ministry of Labor.
Pregnancy Checkup Leave	8	Superior to the 7 days stated by the Gender Equality in Employment Act of the Ministry of Labor.
Maternity Leave	60 (Starting from 1 st of January, 2024)	Superior to the 8 weeks stated by the Gender Equality in Employment Act of the Ministry of Labor.
Pregnancy Checkup Accompaniment and Paternity Leave	8 (Starting from 1 st of January, 2024)	Superior to the 7 days stated by the Gender Equality in Employment Act of the Ministry of Labor.
Special Leave for New Employees	One day annual leave will be given after 3 months of employment	Superior to the 3 days leave given for new employees after 6 months of employment stated by the Labor Standards Act of the Ministry of Labor.
Long Service Leave	For those who have served for 20 years, 30 years, and 40 years (including service before privatization), one additional day of leave will be granted in the current year.	Current regulations do not specify on this.
Funeral Leave	1 ~ 14	Depending on whom the funeral is for, the number of days may vary. If the funeral is held for a (foster) parent or spouse, 14 days are given, which is superior to the 8 days leave stated by the Regulations of Leave-Taking of Workers of the Ministry of Labor.

A

Action Plan

3. Employee stock ownership trust

CSC's employee stock ownership trust (ESOT) was established in July 1998. The purpose of establishing the ESOT is to increase employee engagement, and raise their awareness that they are also shareholders. CSC hopes that employees will combine their work performance with CSC's growth, so that their lives after retirement can be better protected. Starting in 2024, CSC, while maintaining the current 20% ESOT allocation, added a 30% allocation scheme and incentive bonus delivery to the ESOT. With 38% employee participation in the new ESOT system, the goal is to increase employee engagement and cohesion, and stabilize company equity. As of the end of 2024, employee participation in the stock ownership trust reached 9,518 employees, or roughly 93.8% of CSC's workforce. With 2.59% of CSC's shares held in the trust account, it became the second-largest shareholder, supporting equity stability and helping employees build a second retirement pension to protect their retirement life.

A

Action Plan

4. Care services for retired employees

With an increasing number of retired employees, and in response to the aging society trend, CSC's Human Resources Department has established the "CSC Retirees Services Section" to take care of retired employees. The section strives to help soon-to- retire employees understand their rights and plan for retirement. CSC also established a talent pool for retirees. As of the end of 2024, a total of 595 employees have been reinstated from 631 employees, covering many fields, including iron making, steel making, electromechanical maintenance, and engineering, providing technical support and passing on experience to CSC. CSC also promotes the CSC Retirees Volunteer Program, inviting retired employees to participate in company activities, serving as guides and assisting in the promotion of environmental education tours in rural schools. CSC also offers retirees discounted health examinations, encouraging their continued contributions to society as valuable manpower resources.

Implementation Results

Engagement survey

In order to understand the participation of CSC employees in 2023, a survey was conducted in 2024, covering 98% of all levels and management, with an online response rate of 51%. The overall score was 80 points, representing the proportion of employees giving positive reviews (those scoring 4 or higher on a 5-point scale. This score is consistent with benchmarks for Taiwanese industries and the global heavy manufacturing industry. The survey showed that CSC employees generally believe that their overall remuneration is consistent with their work, and the link to performance is fairly clear and reasonable. Second, employees deeply feel that the management team cares about their health and well-being. They also recognize the ability of the management team to provide equal job opportunities and career development space for employees. In addition, employee retention is notably high, outperforming external benchmark companies, and highlighting employees' sense of identification and satisfaction with CSC.

Featured case

53th anniversary celebration!

CSC celebrated its 53rd anniversary on December 14, 2024, with a grand event held at the administrative area of the Hsiao Kang Plant. Centered around the theme "Dancing with CSC: A Day of Shining Brightness," the celebration creatively visualized the company's "dual cores and three transformations" operational and development strategies through dynamic quicksand imagery, symbolizing unity, breakthrough, and collective growth toward sustainable value creation.

The celebration featured a diverse array of activities. In addition to captivating stage performances hosted by the renowned entertainer Kang Kang, the venue included 36 food stalls, street artist performances, padded play zones for children, and a dazzling fashion photo booth. Inside the main hall, the Kaleidoscope Theatre troupe presented parent-child theater performances, and 13 employee clubs actively recruited new members in the lobby area through engaging performances, food tastings, and interactive games, fostering a vibrant and festive atmosphere.

Additionally, guided bus plant tours and visits to the museum of CSC's history and significant milestones were offered. This event provided a meaningful opportunity for employees and their families to enjoy leisure time together and attracted more than 6,000 people. Furthermore, on December 16, a year-end lucky draw was held at the welfare restaurant to express gratitude for employees' dedication and contributions throughout the year.



4.3 Employee Rights

4.3.1 Labor/management Relations

Owing to its strong commitment to labor relations, CSC holds labor-management meetings monthly. A total of 12 labor-management meetings were convened throughout the year to strengthen labor-management cooperation and improve work efficiency on an ongoing basis. On top of that, with a view to encouraging exchange of ideas and uncovering problems at its plants (or departments) (including second echelon units of subordinate departments), each plant (or department) is required to arrange meetings to communicate with employees every two (or three) months in accordance with the implementation directions for communication meetings for plants (or departments). These meetings are intended to gather opinions from employees and seek solutions together, thereby enhancing employees' sense of belonging to the company.

Collective Agreements

CSC signed the 1st Collective Agreement with Labor Union of China Steel Corporation on 14 Feb. 1997. The collective agreement, which covers all members of Labor Union of China Steel Corporation (100% of full-time employees with membership qualifications), comes up for review every 3 years, and this sets a milestone for employer-employee harmony and settlement of affairs. With articles and concept superior to relevant legal requirements, CSC's Collective Agreement has since become a benchmark for other labor unions.

The 6th collective agreement was signed on March 15, 2024. In the agreement, labor benefits that are better than the regulations were added, which includes extending maternity leave to 60 days, one day plus in pregnancy checkup accompaniment and paternity leave, in order to respond to the government's encouragement of childbirth policies and to strengthen care for female colleagues, and also to express gratitude for the contributions of our employees to the company. Moreover, long service leave was added, providing one day of leave to colleagues who have completed 20 years of service, with an additional day granted for every subsequent 10 years of service. CSC hopes that our colleagues will make good use of this leave by engaging in community service activities within their abilities. After retirement, employees are encouraged to join the ranks of senior volunteers and participate in various public service activities such as guiding tours for the "Steel Journey," conducting environmental education tours for the foundation, and assisting in citizen lectures. It is hoped that the employer and employees, through stable labor/management relations, can create a positive and friendly workplace to enhance corporate competitiveness.

4.3.2 Labor Union of China Steel Corporation

Founded on December 30, 1980, with a vision to "develop the production business, promote unity among members, safeguard members' rights, improve members' lives, and enhance members' competencies," the Labor Union of China Steel Corporation is made up of employees who hold the positions of second echelon manager and assistant manager or below at each department. Having been established for more than 40 years, Labor Union of China Steel Corporation is not only one of the largest labor unions for "a single factory" in Taiwan at present, but also the first in the country to realize union democracy. Labor Union of China Steel Corporation faces demand from its members with an open attitude, pioneers the direct election approach in the election of chairman, enhances the bargaining power of labor unions, and fights for the best welfare benefits for its members.

Membership is compulsory for all qualified employees, excluding managers of certain sections such as the manager of the Employment Section (Human Resources Dept.) and the Guard and Fire Brigade (General Affairs Dept.), who are deemed as the representatives of the employer. At present, The union members have covered all the employees who are qualified to join the union.

CSC strictly abides by domestic and international labor and human rights regulations and is committed to maintaining harmonious labor-management relations:

Plant/Department communication	<ul style="list-style-type: none">CSC holds monthly employer-employee meetings, exceeding regulatory requirements. Every two to three months, CSC arranges employee communication meetings for each plant (department) and second-level unit. A total of 240 meetings were held in 2024, with a total of 4,527 participants.
CSC sponsored the Labor Union of China Steel Corporation and organized relevant forums	<ul style="list-style-type: none">The Labor Union of China Steel Corporation is one of the largest "single factory" unions in Taiwan. The chairperson of the union is directly elected by members. In 2024, the union conducted 4,968 group meetings and applied for 3,479,050 TWD in tea refreshment subsidies.
Labor rights education and training	<ul style="list-style-type: none">For union representatives, supervisors, and mediation members, courses on "Labor Conditions Inspection Practices and Analysis," and "Labor Union Organization Operations" are offered.
Collective bargaining agreements	<ul style="list-style-type: none">Many articles and concepts within these agreements surpass current legal and regulatory requirements, serving as a model for collective bargaining agreements signed by the union.

For more details [CSC Labor Union] https://www.csc.com.tw/csc_e/esg/soc/soc1_lr.html
[CSC Labor Union] <http://www.cscunion.org.tw/index.asp>

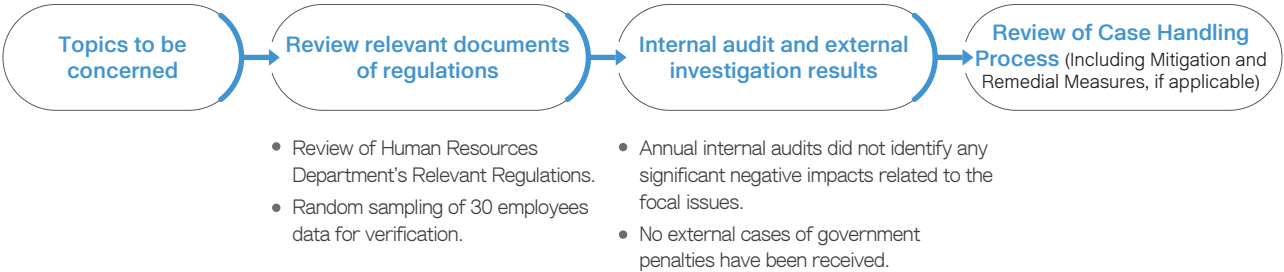
4.3.3 Human Rights Protection

CSC adheres to the regulations of the respective locations of its global operations, supports and complies with the principles and spirits set forth in international human rights conventions such as the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. CSC's human rights policy applies to all units at all levels. CSC encourages its investee companies, suppliers, subcontractors, and customers to adhere to the policy's spirit and basic principles, and to collaboratively advance human rights management.

For more details [CSC's Human Right Policy] https://www.csc.com.tw/csc_e/esg/soc/soc2_ibh.html

CSC conducted company-wide human rights due diligence in 2024, and proposed improvement measures based on results, in hopes of lowering the probability of human rights risks.

Human rights due diligence flowchart



Human rights due diligence results

Topic of concern	Investigation subjects	2024 Investigation results	Remedial measures
Eliminate discrimination and ensure equal employment opportunity	Employees	Did not receive internal or external complaints or receive fines from the government during the year.	We provide interview training to interviewers, stress that unlawful discrimination is prohibited, and comply with the Employment Service Act and relevant laws and regulations.
Prohibit the use of child labor		Did not receive internal or external complaints or receive fines from the government during the year.	Applicants provide their personal data for verification during the registration stage, and their identity is verified during interviews and when they report for duty.

Topic of concern	Investigation subjects	2024 Investigation results	Remedial measures
Ban on forced labor	Employees	Did not receive internal or external complaints or receive fines from the government during the year.	1. Working hours is managed by a system according to government laws. 2. Employees are encouraged to take leave during the off-peak period to relax their body and mind.
Freedom of association and collective bargaining rights		Did not receive internal or external complaints or receive fines from the government during the year.	1. Labor Union of China Steel Corporation covers 100% of its full-time employees. 2. Labor/management meetings are convened on a monthly basis, and there is a website regarding labor/management meeting for employees to inquire about the progress of agenda items.
Provide a safe and healthy work environment		CSC received one government penalty during the year for improper disposal of high-heat compounds in the workplace, specifically within the Blast Furnace No. 2 cast house slag granulation system. To prevent burns and other hazards from scattered particles and spills of high-heat compounds, appropriate preventative measures must be implemented.	1. The Ironmaking Department proposed the following improvement plans in response to the penalty: (1) Fully opening the relief cover on the top of chimney (2) Addition of an isolation plate on slag runner (3) Establishing control areas (4) Installation of portable axial flow fans in maintenance area of slag runner (5) When personnel enter the slag runner range for work, the granulation system should be shut down 2. CSC has continued to organize the "Workplace Illegal Infringement Prevention Seminar" and organized 5 sessions of the "Workplace Illegal Infringement Prevention and Communication Skills Training" in 2024. Counselors used real-world case studies to educate trainees on identifying illegal workplace infringements, effective response strategies, and interpersonal communication skills.

CSC has established the "Workplace and General Harassment Prevention, Complaint, and Disciplinary Guidelines " in reference to relevant laws and regulations · and has introduced an investigation team and an external expert mechanism aimed at upholding fairness and justice. On top of that, sexual harassment prevention announcement are carried out via electronic documents sent to all employees throughout the year. Each unit at the company is also required to put up written statements and stickers regarding the prohibition and prevention of sexual harassment in appropriate places at the unit, so as to create a workplace and a service environment without sexual harassment as well as prohibit any sexual harassment incidents. With a view to safeguarding employees' rights, CSC has also set up grievance channels in place, which can be used by employees when their legitimate rights are violated, they suffer from improper treatment, or their problems cannot be resolved. The Company's regulations governing the complaint system and sexual harassment complaints, as well as complaint forms are available on the internal website. Sexual harassment prevention is communicated during new employee training, and employees can express their opinions through the following channels:

Grievance System/Hotline	1. For employees who feel their rights have been violated, or when their problems are not reasonably solved after they have followed the standard administrative procedures to file complaints about difficulties in work. 2. The regulation stipulate that the contents of complaints must be kept strictly confidential and may not be leaked. The contents are handled as confidential documents to ensure that the human rights of complainants are protected.
Labor Union of CSC	Members can submit the complaint to the union.
Periodic communication meetings of factories	Discusses benefits, rights, and improvements that each unit needs to make
Labor/management meetings	Discusses the improvement of work conditions, improvement of benefits, improvement of work efficiency, coordinating labor-management relations, and facilitating cooperation between labor and management.
Occupational Safety & Hygiene Committee	Regarding safety, health, environmental protection, etc.
Employee Welfare Committee	Employee Welfare and Benefits.
Employees' Retirement Reserve Fund Supervisory Committee	Storing, using, and managing retire reserve funds.
Sexual Harassment Grievance Committee	1. The Committee is responsible for handling sexual harassment grievances in the workplace and providing a work environment without sexual harassment. 2. The regulations expressly state that personnel participating in the investigation, review, resolution, and handling of sexual harassment complaints shall maintain the confidentiality of the contents of the complaint. The case shall be handled as a confidential document to protect the human rights of the parties.

The number of trainees and total training hours for sexual harassment prevention in 2024 are shown in the table below.

Course topic	Course format	2024	
		Number of trainees	Total training hours
Sexual harassment prevention promotion and training for managers at all levels and relevant personnel ^(Note)	- Online/In person	2,144	1,133
Sexual harassment prevention and promotion of complaint channels for new employees	- Online/In person	260	130

Note: Includes awareness promotion for supervisors at all levels, including managerial level, either at the time of initial appointment or during their tenure, as well as training and refresher training for sexual harassment investigators (including handling personnel) from the Labor Affairs Bureau.

Human rights requirements set forth in the Supplier Code of Conduct include requiring suppliers to ensure that their products do not use minerals that directly or indirectly finance violence, violation of human rights, or criminals or crime organizations; human rights of laborers, freedom of employment, prohibit the use of child labor, work hours shall not exceed the limit set forth by local laws, humane treatment, anti-discrimination, etc.

Meanwhile, each plant (or department) organizes forums to communicate with employees every two to three months, while union representatives are also invited to attend these forums. The items discussed in these forums are also tracked on an ongoing basis. All new employees are required to undergo human rights-related training as part of new employee training, whereas all senior employees have attended human rights-related training. In 2024, CSC conducted 6,035 hours of human rights-related training with 1,491 attendees (includes sexual harassment prevention and complaint channels for new employees, as well as content such as anti-discrimination and workplace violence prevention.); on the other hand, 10,486 hours of related communication and awareness sessions were also conducted.

For more details [Human Right Protection] https://www.csc.com.tw/csc_e/esg/soc/soc2_ibh.html

[Employee Rights]https://www.csc.com.tw/csc_e/esg/soc/soc1_lr.html

4.4 Occupational Safety and Health

Material Topic

4.4.1 Occupational Safety



★ 2024 Highlights

→ Setting up collision mitigation and deceleration systems for fixed cranes in plants

+ Policy or Commitment

A sound labor system is intertwined with a nation's development. The management quality of occupational safety and health affects the safety and health of workers as well as the supply of labor; it is also one of the important factors for corporate sustainability. Therefore, countries around the world are increasingly stricter with occupational safety and health requirements. By working with all employees and contractors, CSC implements good occupational safety and health management in hopes of maintaining a safe work environment.

Management Approach

The occupational safety and health management in CSC is mainly based on the occupational safety and health management system (ISO 45001 & CNS 45001). With the continuous improvement of the PDCA, the “Occupational Safety and Health Committee (OSH Committee)” also convenes meetings regularly to review the performance indicators of each unit, improve the working and environmental safety of colleagues, and promote health care.

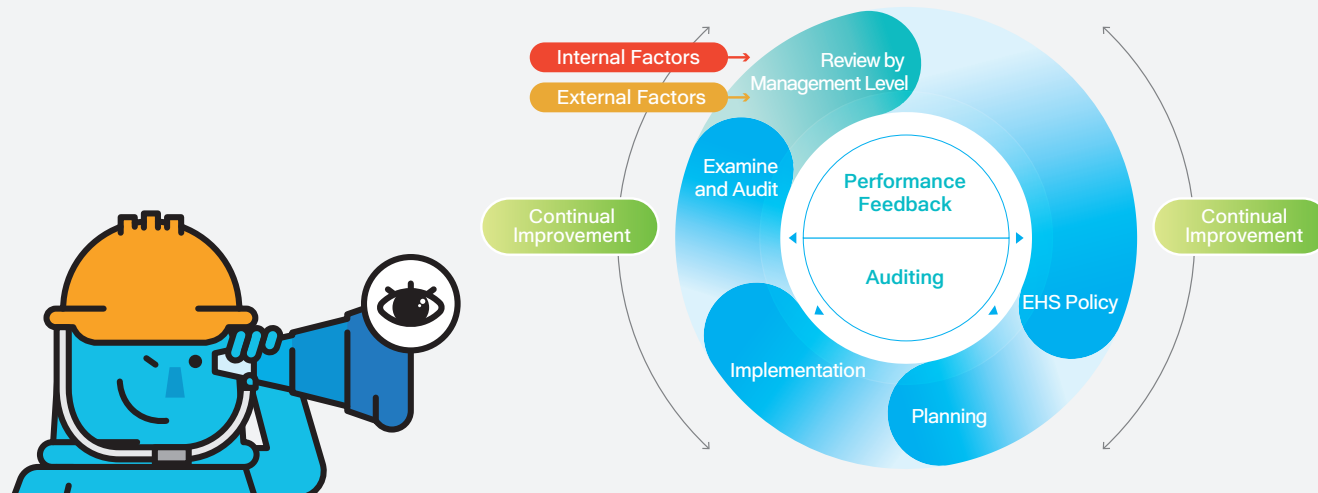
There are two performance indicators for assessing occupational safety and health: One is an active indicator such as near miss incidents or proposal of safety and health; the other is a passive indicator such as accident experience, administrative sanction, and audit results. Apart from compliance with occupational safety regulations, CSC has increased the frequency of health check-ups with more tests added, and requested each employee to take the physical safety training. These measures, superior to the current legislation, can help increase employees' safety awareness and promote health caring.

For more details [Contractor Occupational Safety and Health Management], please refer to 7.4.4

Occupational Safety and Health Management System

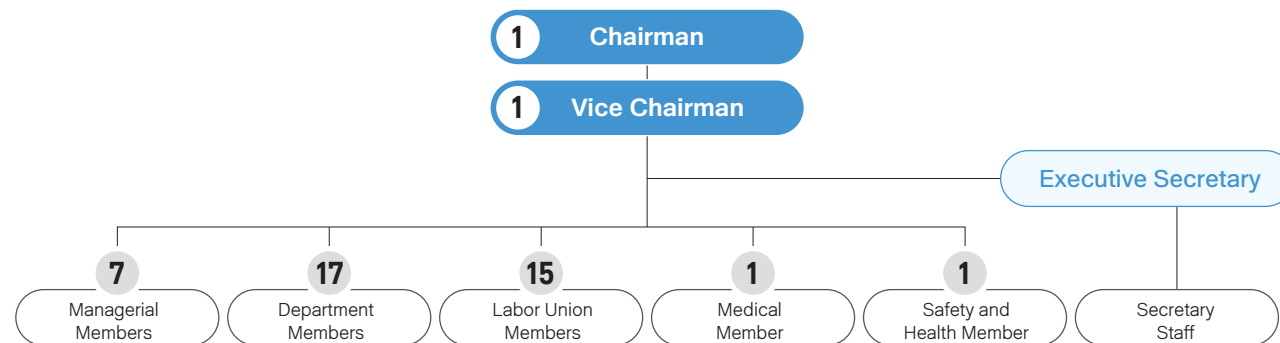
For continual improvement on our management in occupation safety and health, CSC introduced the occupational safety and health management system (OSHMS) in 2000, and obtained certifications on OHSAS 18001 (2002) and TOSHMS (2008, TOSHMS is also known as CNS 15506). The scope of safety and health management system applies to all employees and workers in CSC. Contractors have to follow the CSC safety regulations as well. Each department shall take hazard identification and risk assessment first and carry out corrective actions according to the results. Furthermore, the effectiveness of the actions would be assessed through performance indicators. To comply with the new ISO 45001:2018/TOSHMS (CNS 45001:2018), CSC revised the current regulation and obtained the new certification from BSI in June 2020.

Occupational Safety and Health Management System Flow Chart



Occupational Safety & Health Committee

To effectively discuss and solve practical problems, CSC has established an Occupational Safety & Health Committee. CSC President serves as the Chairman, and the Executive VP serves as the vice chairman in the committee. There are 15 representatives from CSC Labor Union, account for 34% of all committee members. The Committee holds bi-monthly meetings and disclosures OSH management performances at the shareholder annual report for public review.



Liability and Grievance Mechanism

Each factory and department convenes a meeting with Occupational Safety and Health Committee every month to communicate opinions and publicize company policies. If the relevant opinions are company-related, they can be raised during the quarterly communication session between the Industrial Safety & Hygiene Dept. and Safety & Health Planning Engineers.

Annual Goal for OHS

Year	2022		2023		2024	
Type	Control Limit	Performance	Control Limit	Performance	Control Limit	Performance
Employee Disabling Frequency Rate (FR)	≤ 0.18	0.05	≤ 0.18	0.1	≤ 0.18	0.1
Number of Employee Disabling by Traffic Accidents in Commute <small>Note I</small>	≤ 9	13	≤ 9	22	≤ 9	29
Contractor Disabling Frequency Rate (FR)	≤ 0.3	0.20	≤ 0.3	0.05	≤ 0.3	0.37
Zero major occupation accident	Zero Fatality	Achieved	Zero Fatality	Achieved	Zero Fatality	Not Achieved ^{Note II}

Note I: According to the Occupational Safety and Health Administration announcement (Lao-Zhi-Zong-2 No. 1131200914) dated September 13, "commute accidents, as of August 2024, will no longer be classified as occupational accidents under Article 2 of the Occupational Safety and Health Act; therefore, reporting to the Administration is no longer required. While these incidents will be excluded from annual safety target control values, traffic safety awareness, education, and training will continue to be conducted.

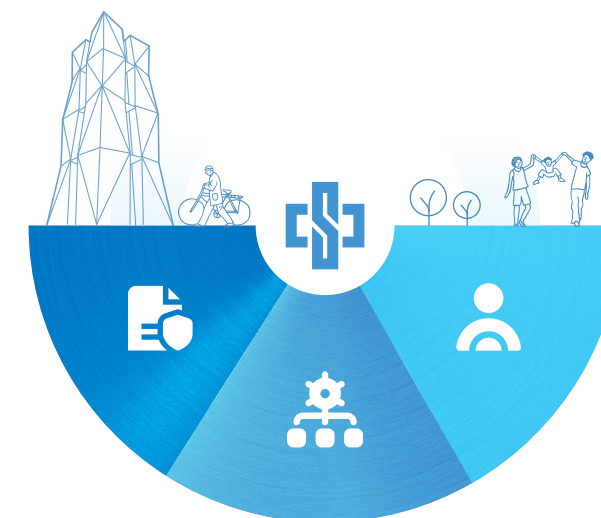
Note II: Fatal contractor incidents occurred on November 29, 2024 and December 28, 2024

Action Plan

Safety Culture

The goal of occupational safety management is to instill safety awareness and knowledge into every employee and form a so-called "workplace safety culture". Employees are inspired to improve the environment and equipment by Employee Suggestion Program and Creative Development Activities. Employees and contractors formulate the safety job procedures after discussions and together ensure the compliance with the procedures. CSC offers "Non-disabling Reward." If the company can reach 5 million man hours without disabling events, employees will be rewarded. The bonus raises as the non-disabling man hour accumulates. This encourages employees to value more about workplace safety. In 2023, the accumulated working hours without disabling injuries reached 25.34 million hours (2022.03-2023.06), breaking the previous record of 23.31 million hours. The labor union proposed an amendment to the reward rules to add a reward for record-breaking, so as to encourage employees' efforts in work safety.

CSC's safety culture is composed of the following three aspects, including policy, management and individuals.



Policy

Safety policy statement, organization management, and resources provision.

Management

Building the corporate system framework by with responsibility, control of safe practices, licenses and training, rewards and punishment, audits, improvement results, and promotion of safety concerns plans.

Individuals

Changing employee safety concept and improving personal safety culture with trainings, employee involvement, safety concerns, health caring, and interactive communication.

Training and Publicity

CSC utilizes a computerized Safety and Health Training Management System to oversee the individual training records of all employees, and actively promotes bottom-up Safety SOP Revision to let employees and contractors involved in the actual operations formulate the workplace safety procedures, in order to effectively control risks and reduce the probability of occupational accidents.

CSC set up the "Physical safety Training Classroom" for physical safety training in 2009. With scenarios simulating the on-site environment and equipment, employees can combine theory and practice by experiencing the simulation in person and understand the hazards in workplace. In 2024, a total of 366 new employees (including some hired in late 2023 and 2024) received training in this facility. Apart from employees, CSC also helps subsidiaries, government agencies, and external organizations offer training or organize visits to raise awareness of labor safety and fulfill corporate social responsibility. CSC assisted subsidiaries in offering 35 courses with a total of 492 trainees in 2024. In addition, CSC's affiliated Vocational Training Center (Physical Safety Center) achieved a Silver Award in the biennial Talent Quality-management System (TTQS) assessment conducted by the Workforce Development Agency, Ministry of Labor in September 2022. This accomplishment underscores our commitment to regularly reviewing and continuously improving the quality of training.



Trainee	Course	2022		2023		2024	
		Sessions	Persons	Sessions	Persons	Sessions	Persons
Employees and Contractors	- On-the-job training for radiation protection staff, radiation staff and inspection staff for radioactive steel building materials	5	450	5	447	5	496
	- Transportation Safety Training	8	84	22	245	4	225
	- Basic training on safety management of explosion-proof electrical equipment	1	43	1	42	--	--
	- Production safety basic training	1	42	--	--	--	--
	- Workplace Misconduct Prevention and Communication Skills Training	--	--	5	324	2	260
	- Respiratory Protection and Safety Harness Application Training	--	--	1	60	--	--
	- Education and training on hazard prevention in limited space operations	--	--	--	--	1	30
	- Seminar on labor safety and fire prevention products	--	--	--	--	1	33
Employees	- Physical safety Training	41 (3 types)	460	61 (3 types)	678	82 (5 types)	837
	- Occupational Safety and Health Act ^{Note}	67 (15 types)	2,106	74 (11 types)	2,706	71 (11 types)	2,465
	- Fire prevention and safety training	--	--	--	--	6	190
	- Fire brigade training	--	--	--	--	4	127
Contractors	- Training for replacing contractor certificates	106	3,139	83	4,148	65	2,475
	- Physical safety training for replacing contractor certificates	0	0	1	6	--	--
	- Training for supervisors in contractor high-hazard operations	13	250	15	313	9	229
	- On -Job Training for Supervisors of High-Risk Operations Conducted by Contractors	--	--	15	445	12	378
	- Fire Watch Training for Hot Work Operations	22	426	34	611	19	459
	- Motorcycle Defensive Driving Physical Training	--	--	--	--	8	75

Note: If multiple course types are held concurrently, they will not be counted as separate training sessions in the overall tally.

■ Abnormality Control and Prevention

| Safety Observation and Audit

For early detection and correction of unsafe work behavior and improvement of work environment and equipment, site managers are asked to patrol work sites regularly. Employees, contractors, and the work environment are reviewed with reference to the 5-step procedure: Decide, Stop, Observe, Act, and Report” which are subject to timely encouragement and correction. If any employees or contractors are found to violate safety work procedures, engage in unsafe behaviors, or encounter unsafe conditions, immediate communication and correction will be conducted without compromising operational safety. In 2024, safety observation and audit of site by managers (including site inspection) totaled 82,188 times.



| Near Misses

After a near miss occurs, the responsible department, personnel, or contractor should register the near miss at Near Miss Report Registration on the CSC EIP online system. After the approval of Second Echelon Supervisors, the case is referred to the Occupational Safety and Hygiene Dept. for confirmation, documentation, publication, or announcement on the EIP. In 2024, 1,803 near misses were reported (including 688 falls, 286 collisions, 190 objects drop, 175 commuting-related, and 464 others). Potential hazards were reviewed and improved for prevention.

| Prevention of Occupational Diseases

CSC has the responsibility and obligation to prevent occupational diseases derived from various operating procedures and to protect the employees against conditions that are risky to health and well-being. There are some health hazards such as high temperature, noise and dust are inevitable in the production process of traditional industries. These hazards and the health status of employees are controlled through "Work Environment Monitoring" and "Special Health Examinations". Doctors in Occupational Medicine will pay a visit to the plant when abnormalities are found. Through training, personal protective equipment and inspection, the risk of exposure to health hazards is greatly reduced. There have been no cases of occupational diseases among employees in recent years.

Note: Occupational diseases are determined by the Labor Bureau or the Occupational Safety and Health Administration (OSHA).

| Work Environment Inspection

In accordance with the "Regulations for Implementing Work Environment Monitoring", CSC implements work environment inspections regularly to evaluate whether or not triggers non-compliance with the regulation. Abnormalities will soon be corrected once identified to protect employees' health. In 2024, work environment inspection was completed on 3,192 testing points (including areas and personnel), all following the inspection plan. Subjects for inspection include noise, wet bulb globe temperature (WBGT) index, carbon dioxide, chemical substances, and dust. All inspection results met the requirements.

Implementation Results

While no employee fatal accident was reported in 2024, CSC recorded a number of work-related accidents among full-time employees, including 2 disabling injuries, 7 minor injuries, and 10 medical incidents; contractor work-related incidents include 2 fatal accidents, 5 disabling injuries, 7 minor injuries, and 11 medical incidents in the same year. On the other hand, employee commuting accidents were also reported in 2024, including 27 minor injuries and 29 disabling injuries. Review and improvements for the accidents mentioned above have been completed. To persistently advancing OHS performance, CSC has taken further measures including physical safety training, in-plant manager inspections, workplace safety diagnosis, bottom-up workplace safety activities (for entry-level employees and/or union team leaders), near miss reporting management, 5S^(V) self-management, self-protection, mutual protection, and mutual supervision.

Year	Category	Working Hours	Fatality	Disabling	Minor injuries	Medical treatment	Fatality rate ⁽ⁱ⁾	LTIFR ⁽ⁱⁱ⁾	Disabling Frequency Rate ⁽ⁱⁱⁱ⁾	TRIFR ^(iv)
2022	- Employee	20,976,151	0	1	10	10	0	0.05	0.05	1.00
	- Contractor	19,519,409	0	4	9	12	0	0.20	0.20	1.28
2023	- Employee	20,623,939	0	2	2	4	0	0.10	0.10	0.39
	- Contractor	18,503,079	0	1	13	10	0	0.05	0.05	1.30
2024	- Employee	20,527,975	0	2	7	10	0	0.1	0.1	0.93
	- Contractor	19,090,828	2	5	7	11	0.1	0.26	0.37	1.31

Note I: Fatality rate means the number of deaths per million working hours, the formula: Number of deaths caused by occupational injuries x 1,000,000 ÷ Total hours worked.

Note II: Using lost time injury frequency rate (LTIFR) to represent serious occupation injury rate. The LTIFR is the number of lost time injuries (disabling injuries) per million hours worked, calculated using the formula: Number of lost time injuries (disabling injuries) x 1,000,000 ÷ Total hours worked.

Note III: Disabling Frequency Rate (F.R.) means the number of disabling (include deaths) per million working hours, the formula: Number of disabling caused by occupational injuries x 1,000,000 ÷ Total hours worked.

Note IV: Total Recordable Injury Frequency Rate, TRIFR means the number of total recordable injuries (include deaths, disabling, minor injuries and medical treatments) per million working hours, the formula: Number of total recordable injuries x 1,000,000 ÷ Total hours worked.

Note V: 5S refers to the initials of the five Japanese words, Sorting (Seiri), Systematize (Seiton), Cleaning (Seiketsu), Sweeping (Seisō), and Educating (Shitsuke).

Occupational Accident statistics

Total Disabling (excluding fatality)

Year	Category	Falling	Pinch	Rolling	Scald	Cut & Bruise	Collision	Traffic Accidents During Job Duties	Objects Drop	Others
2024	- Employee	0	0	0	0	1	1	0	0	0
	- Contractor	1	2	0	1	0	0	1	0	0

Minor Injuries

Year	Category	Falling	Pinch	Rolling	Cut & Bruise	Improper action	scald	Collision	Traffic Accidents During Job Duties	Objects Drop	Others
2024	- Employee	0	1	0	1	0	1	4	0	0	0
	- Contractor	1	2	0	3	0	0	0	1	0	0

Medical treatment

Year	Category	Falling	Pinch	Rolling	Electric shock	Cut & Bruise	Improper action	scald	Collision	Traffic Accidents During Job Duties	Objects Drop	Inhalation	Others
2024	- Employee	1	2	0	0	4	0	3	0	0	0	0	0
	- Contractor	1	1	0	0	2	0	1	0	5	0	0	1

In the occupational safety and health management system, companies are required to commit to regulatory compliance and identify relevant laws and regulations. CSC sends information about safety and health regulations to each dedicated unit using the legal compliance system, with the intention of identifying relevant laws and regulations to determine the regulations and places for which compliance is needed and prepare in advance. The Labor Inspection Office conducted a total of 22 on-site inspections in 2024, and the results of routine inspections showed one deficiency. The deficiency involved the improper disposal of high-heat compounds in the workplace, specifically within the Blast Furnace No. 2 cast house slag granulation system, failing to comply with Article 183 of the Occupational Safety and Health Facilities Rules. To prevent burns and other hazards from scattered particles and spills of high-heat compounds, appropriate preventative measures must be implemented. CSC has completed all subsequent improvements in accordance with the recommendations.

	2022	2023	2024
Issuer	KLSIO	None	KLSIO
Count/Fine (TWD)	3/360,000	None	1/100,000 ^{Note}

Note: In 2024, CSC was fined 100,000 TWD by the Labor Standards Inspection Office, Labor Affairs Bureau, Kaohsiung City Government, due to the violation of Article 183 of the "Occupational Safety and Health Facilities Rules" and Article 6, Paragraph 1, Subparagraph 3 of the "Occupational Safety and Health Act" found during an on-site inspection.

Improvement Measures

Installation of collision mitigation and deceleration systems for fixed cranes in plants

- A high speed collision occurred between two fixed cranes on the same rail in the Rolling Mill Department II- Hot Rolled Products. This caused a steel coil tong to dislodge, shattering the driver cabin's glass and resulting in a fatal fall for the driver. These fixed cranes were originally equipped with a collision warning device. To prevent similar accidents, CSC' bridge crane maintenance plant implemented a market-available slowdown system. This system utilizes infrared sensing and magnetic control switches to measure distances between cranes or to rail ends. When the distance falls below a set threshold, a warning sound alerts the driver, or the system automatically slows or stops the crane. The deceleration is controlled to prevent excessive swing and impact with the driver's cabin.
- Based on unit evaluations, the device will be installed on 156 fixed cranes within the plant and promoted during Group meetings. CSC will also assist Group companies with installation if needed.

4.4.2 Health Care

CSC Clinic takes care of labor health protection matters on-site, offering services such as health management, occupational disease prevention, and health promotion. Our primary responsibilities include providing first aid, conducting health examinations, organizing health management and promotion events, and delivering medical and health services to employees. In addition to health examinations, the analysis and classification of examination results, our Occupational Medicine doctors carry out on-site occupational suitability assessments. These assessments include evaluating the fitness of injured or sick workers and making recommendations for job reassignments or adjustments. China Steel has developed an online health management system linked to the occupational safety and health system. In addition to make appointments with the professional medical team, it can notify colleagues to arrange for health check-up time and read health check reports online. Furthermore, the online health management system, through the internal occupational safety cloud database, arranges a list of colleagues from high-risk special workplaces who need to undergo special health check-ups, and regularly keeps tracks of their physical conditions.

Since 2018, we have installed 60 Automatic External Defibrillators (AEDs) in each plants, and the total number of AEDs available until 2024 is 75. We have provided AED operation education and training to first-aid personnel to strengthen CSC's emergency response network. In 2024, a total of 508 people received training.

Consultation services

The Company began hiring counselors to provide on-site services in 2014, facing and handling issues or troubles together with employees, and helping employees to take their mental health seriously and use the Company's counseling resources when appropriate. Counseling services were provided 493 times in 2024, in which the majority of issues were family, workplace and self, and outlook on life. Over the years, services were provided a total of 3,159 times to help employees become more flexible and open when facing issues in life. It also helped employees learn to understand their situation from a different perspective and find purpose in life.

Medical Services

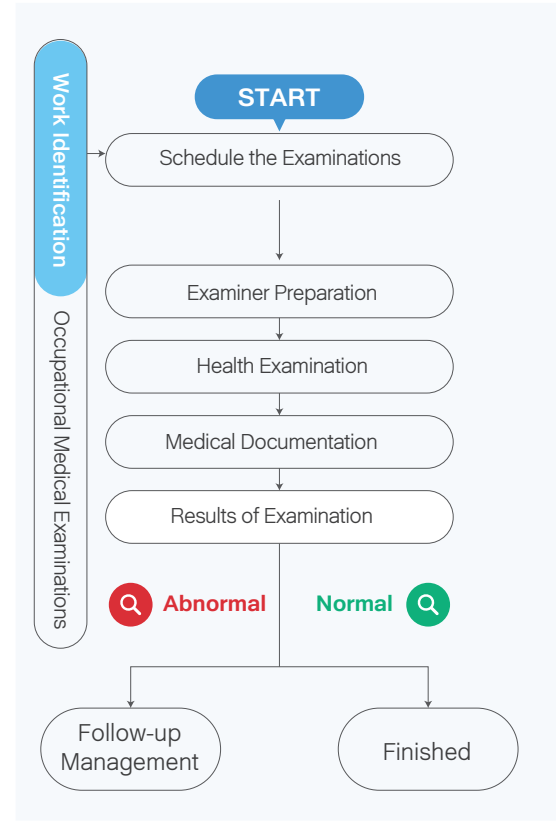
CSC Clinic employs professional medical and nursing teams from KMUH, KMSH, and Kaohsiung Armed Forces General Hospital to provide primary diagnosis/treatment, chronic disease prevention, and basic medical services. The number of medical visits in 2024 was 34,654. Having a close relationship with local hospitals, the clinic provides referral service for patients.

The clinic health management website provides online health consultation services. As of December 31, 2024, the website of the health management center had been explored 706 thousand times. A shortcut to access the clinic was also added in the mobile phone App of CSC, allowing employees to read their health examination reports over the years or make appointments for the clinic.

Health examination

To provide proper care for employees, CSC Clinic offers comprehensive health check-ups so that employees don't have to spend time visiting other clinics. The health examination items and frequency offered by the clinic exceed the current regulatory requirements. Medical staffs at CSC Clinic manage the health conditions of employees based on the examination results. The Clinic offers cancer screenings that focus on common cancers such as lung cancer, liver cancer, and colorectal cancer. Additionally, the health examination items have included the lateral view of chest X-ray, abdominal ultrasound examination and quantitative immunoassay fecal occult blood test to enable early detection. CSC Clinic also implements health management measures based on the health examination results and offers services such as consulting, primary diagnosis, treatment, and referral. In 2024, a total of 7,631 employees received health examinations and 3,950 employees participated in Special Health Checks for Personnel in Special Workplaces. Among them, 4 individuals (working in environments with loud noise) were classified under level 4 health management. Review meetings have been conducted, and improvement measures have been implemented. Additionally, a new carotid artery ultrasound screening was introduced this year for high-risk groups to enable early detection of potential cardiovascular diseases, with 97 employees registering for the examination.

Health Examination Procedures



5

Social Participation

- 5.1 Concepts and Management
- 5.2 Local First
- 5.3 CSC Group Education Foundation



5.1 Concepts and Management

5.1.1 Concepts of Participation

Proactivity and Responsibility

CSC actively fulfills its corporate responsibility by being responsible for the safety, health, remuneration, fringe benefits, equal rights, and training of employees and personnel of contractors.

Local First

CSC places great emphasis on the quality and safety of the local environment, paid business income tax and environmental fees to the Kaohsiung City Government and facilitated the development of the local areas.



Accountability

Being a benevolent corporation, CSC conducts a lot of charitable activities with the assistance of its related departments, the union, clubs, and the CSC Group Education Foundation.

Diversity

In addition to focusing on the rights and interests of the shareholders, employees, contractors, and local residents, CSC also offers dissuasion to the government about the country's public policies and international-related issues.

5.1.2 Multi-involvement and Commitment

Highlight case

Let's walk together to protect and clean the mountains and beaches cleanup events

In its commitment to creating a net-zero green city and working with government departments to promote a green lifestyle, CSC actively participates in government-organized ecological and environmental conservation activities. Notably, on September 15, 2024, CSC joined the Environmental Protection Bureau of Kaohsiung City Government's "Let's walk together to protect and clean the mountains!" mountain cleanup event at Tardychill Natural Park in Mituo District. Employees found the activity highly satisfying and meaningful, recognizing their contribution to a clean natural environment and ecological sustainability. CSC will continue to partner with the Environmental Protection Bureau of Kaohsiung City Government for future mountain cleanup events. The Environmental Protection Bureau of Kaohsiung City Government's also presented a certificate of appreciation, recognizing CSC's active involvement in this event.

Now in its 19th year, CSC's Water Environment Patrol Team conducts daily water inspections, garbage removal, water quality observation, environmental cleaning, and emergency response to major water pollution incidents, removing a total of 25 tonnes of garbage just in 2024. CSC invests significant funds and equipment to support the team every year, and has established an environmental monitoring system in the Yanshui Port River patrol area to track the river and its marine environment. The Water Environment Patrol Team's excellent performance has been repeatedly recognized by the Environmental Protection Bureau of Kaohsiung City Government, which awarded it the Corporate Contribution Award again in 2024.



Group photo of employees participating in the mountain cleanup event



Certificate of appreciation from the Environmental Protection Bureau, Kaohsiung City Government



Photo of the beach cleanup activity by the CSC Water Environment Patrol Team

Diversified Social Involvement

Job Category & Organizer		Diversification	Highlight Performances
Job Category	Central and Local Public Affairs	<ul style="list-style-type: none">Good neighborliness, social care, and assisting with local education.Positive interactions between public representatives, administrative agencies, the media, and opinion leaders.	<ul style="list-style-type: none">"The Journey of Steel" Outdoor Educational Activity: Inviting graduating classes from 13 elementary schools in Hsiao Kang District to visit our company for a guided tour.Conducted over 400 mutual visits and negotiations through the Public Affairs Dept.Arranged a total of 20 professional media interviews for disclosing important company information.
Organizer	Public Affairs Dept.		
Job Category	Social Education and Art Activities	<ul style="list-style-type: none">Cultivate domestic steel talents to improve domestic steel core technologies, and promote steel-related popular science education.Promote environmental sustainability education and take root in local arts and cultural activities.	<ul style="list-style-type: none">Steel education: 9,335 participants (including steel science education, courses on steel production processes, industry-academia seminars, teacher workshops, and female engineer lectures)Ecological and environmental sustainability: 3,112 participants (including environmental classroom, ecological camp, and environmental education tour bus)Arts and humanities: 9,700 participants (Steel City Cultural Salons, campus talks, parent-child traditional culture experiences, cultural promotion activities)
Organizer	CSC Group Education Foundation		
Job Category	Social Care and Environmental Engagement	<ul style="list-style-type: none">Post-disaster emergency relief and reconstruction.Caring for the disadvantaged.Caring for the community ecological environment	<ul style="list-style-type: none">Provided festival gifts of money during the Taiwan traditional festivals to assist local low-income families, and provided tuition assistance to students from low-income families, benefiting a total of 2,265 individuals during 2024.Organize at least 2,640 people to participate in environmental greening and beautification works at large-scale community parks and along major arterial roads each year.Organize at least 1,500 participants each year in the Water Environment Patrol Team.
Organizer	CSC, the CSC Group Education Foundation, Labor Union of CSC, and employee clubs		
Job Category	Human Rights and Workforce Development	<ul style="list-style-type: none">Negotiate and formulate reasonable workplace policies.	<ul style="list-style-type: none">Implemented a 4% salary adjustment in 2024.Signed the 6th collective agreement in 2024 which increased maternity leave, accompanying prenatal checkups leave and paternity leave days, introduced "Long Service Leave," and enhanced other labor rights.
Organizer	Human Resources Dept.		
Job Category	Safety and Health	<ul style="list-style-type: none">Prevent incidents and diseases derived from the corporate operation.Prevention of epidemic diseases.Domestic and international exchanges.	<ul style="list-style-type: none">In response to the requirements of the Occupational Safety and Health Administration, Ministry of Labor, CSC assisted in organizing the "2024 Seminar on the intelligence of OHS and hazard identification training activities for aboriginal workers in Taoyuan City" to demonstrate the "LOTO Operations - Practical Training for Safe Operations"On August 29, a seminar for steel industry senior executives was held to jointly advance process optimization and safety management through practical experience, countermeasure sharing, and exchanges.
Organizer	Industrial Safety & Hygiene Dept.		
Job Category	Labor Policy	<ul style="list-style-type: none">National labor rights, benefits, and welfare policies.Collaboration and interactions with other union groups.	<ul style="list-style-type: none">Participated in 1 meeting of the Human Rights Working Group convened by the Ministry of Labor in 2024 and attended 3 meetings of the Labor Autonomy Committee convened by the Kaohsiung City Government.Assisted in counseling one subsidiary company labor union within the group and the AIDC Gangshan Plant labor union, facilitating the signing of collective bargaining agreements with the employers, and subsequently receiving counseling bonuses awarded by the Ministry of Labor for each successful agreement.
Organizer	Labor Union of China Steel Corporation		
Job Category	Environmental Protection	<ul style="list-style-type: none">Promote exchange of knowledge on environmental protection through visits.Establish a Carbon Management Advisory Team to cooperate with downstream customers on energy-saving and carbon reduction efforts.Participate in the water environment patrol team promoted by the government to fulfill corporate social responsibility and safeguard water resources.	<ul style="list-style-type: none">Participated in the 2024 1+N Carbon Management Demonstration Project of the "Manufacturing Sector Net-Zero Transformation Implementation Plan" held by MOEA, assisting downstream clients in building carbon inventory capabilities, identifying carbon emission hotspots in their processes, and planning carbon reduction strategies.Engaged 35 counseling personnel, assisting a total of 20 customers, generating a potential reduction of approximately 2,542.1 tonnes of carbon emissions per year.In 2024, a total of approximately 25 tonnes of river waste were cleared; the Water Environment Patrol Team won the Corporate Contribution Award from the Environmental Protection Bureau of Kaohsiung City Government.Cooperated with government agencies, universities, and foundations to organize a total of 10 exchange activities and on-site observations on topics such as air pollution, carbon reduction, carbon trading, and resource recycling
Organizer	Utilities Dept. and Environmental Protection Dept.		

5.1.3 Expenditures of Social Responsibility

Unit: million TWD				
Event	Summary	Amount in 2022	Amount in 2023	Amount in 2024
Social charity donations	- Social and local charitable support and assistance of relief in emergencies.	122.56	61.5	56.65
Donations to the CSC Group Education Foundation	- Implementation of cultural education and promotion of education and nurturing of new talent in steel-related fields.	2.81	0 ⁽¹⁾	0 ⁽¹⁾
Donations for institutes and associations	- Sponsorship for seminars, conferences, and advertisements.	1.871	2.3	1.08
CSC Retirees Services Sec.	- Retiree benefits reserve.	12.06	11.94	12.08
Support the development of culture and art	- Sponsor domestic theater, performances and music activities, support and promote local art and culture, and dedicate efforts to cultural heritage.	--	7	7
Total		139.301	82.74	76.71

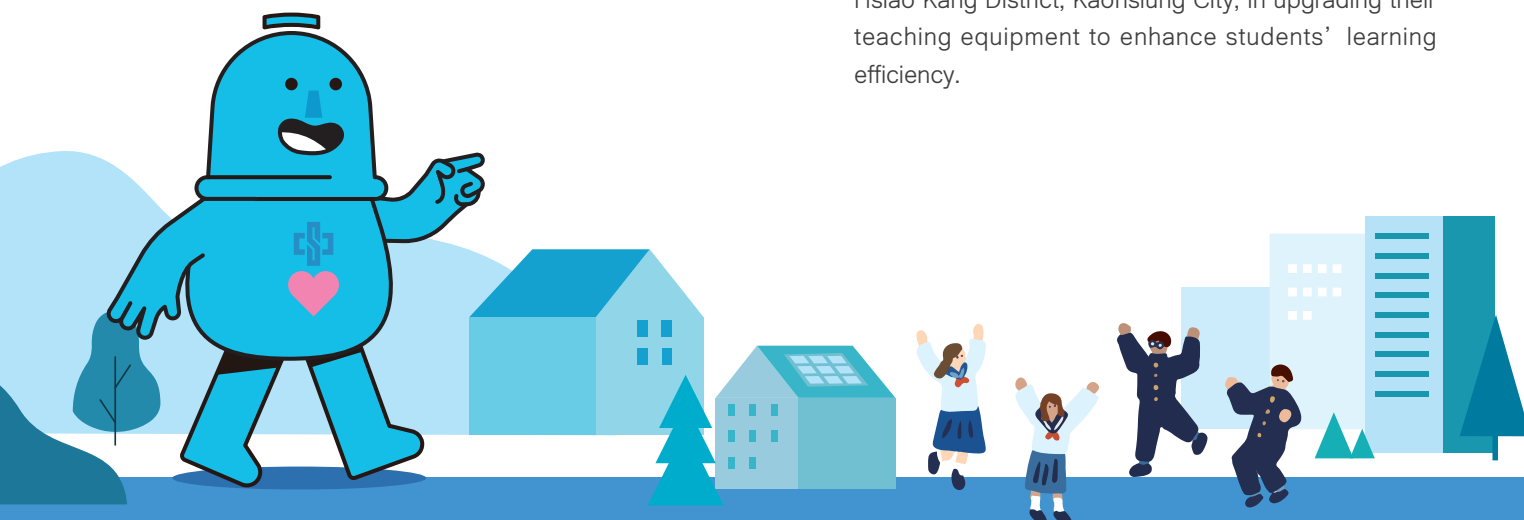
Note: 1: CSC did not make an annual donation in 2023 and 2024 because the balance of the Foundation's funds was still sufficient.

5.2 Local First

5.2.1 Community Care

To fulfill its corporate social responsibility, CSC has continued to take action to provide care and assistance to the nearby communities for their development and sponsor charitable activities in Hsiao Kang for decades. It upholds the concept that what is taken from the society must be returned to it, and sincerely takes concrete action to care about and contribute to the society, communities, and disadvantaged groups from the aspects of environment protection, community care, and charity.

- Distributed funds for social relief and gifts of money during the Taiwan traditional festivals to assist low-income families in Hsiao Kang District
- According to “the Guidelines for new recruitment”, the candidates who are Hsiao Kang residents are given a certain percentage of bonus points in their written tests when applying for positions in CSC.
- CSC provides merit scholarships for students and tuition assistance to students from low-income families in Hsiao Kang.
- The CSC Employee Welfare Committee operates a CSC Kindergarten, which recruits children of employees from which recruits children from employees of CSC group companies as well as residents in the nearby areas.
- CSC assisted 17 elementary and junior high schools in Hsiao Kang District, Kaohsiung City, in upgrading their teaching equipment to enhance students’ learning efficiency.



5.2.2 Cultural Heritage

CSC adheres to the concept of “Proactivity and Responsibility, Diversified involvement, Local First, and Accountability”, and invests in the selection of resources for continuing cultural heritage, deepening local roots and strengthening cultural identity among local students.



- An annual commendation event for filial piety role models is held in Hsiao Kang District to promote the traditional virtue of filial piety. In 2024, we cooperated with junior high school and elementary school children in Hsiao Kang District to hold a Mother's Day filial piety role model commendation and scholarship award ceremony, in order to promote filial piety and gratitude.



- Nan'an Elementary School in Mituo District has promoted shadow puppetry with excellent results. Since 2018, CSCGEF has been sponsoring their traditional arts development activities to help preserve this artistic heritage, benefiting about 900 participants in 2024. At the same time, parent-child activities were held to foster understanding of local culture.

→ Collaborating with Nan'an Elementary School to organize parent-child activities for the public to experience the fun of puppetry

- As part of its long-term commitment to community engagement, CSCGEF has partnered with the Teacher Chang Foundation since 2008 to support social education initiatives. In response to evolving societal needs, the program was rebranded in 2019 as the “Steel City Cultural Salon”, with a renewed focus on strengthening parent – child communication. Through interactive activities, the program encourages parents to recognize and address communication challenges at home, thereby contributing to healthier family dynamics. In 2024, the Steel City Cultural Salon featured a series of themed events, benefiting approximately 100 participants.



→ Using banana juice as raw material for dye



- In cooperation with the National Kaohsiung Normal University, CSCGEF organized the "Hakka Cultural Experience" course in the environmental classroom of Fu'an Elementary School in Meinong District. The course explored the historical relationship between local crops and people, featuring radish cultivation, picking, pickling, and Hakka cuisine sharing. Participants experienced the flavors of nature together, with approximately 130 people benefiting.

→ Leading the public to understand the relationship between radish and local culture

5.3 CSC Group Education Foundation

CSC, as a leader in Taiwan's steel industry, established the CSC Group Education Foundation in 2006 through the CSC Board of Directors to further expand and implement corporate social responsibility, which aims to promote education and cultivate talents in steel-related fields, care for ecological conservation, enhance the humanistic spirit, and pursue sustainable development as its mission to promote the concept of holistic education.

Event	(10,000 TWD)		
	Amount of 2022	Amount of 2023	Amount of 2024
Administrative expenses	78	85	90
Expanded activities related to steel	44	37	308
Grants to the nurturing of research talent	135	187	187
Promotion of sustainable development of the environment	466	472	539
Promotion of educational activities of arts	449	617	431
Other charitable educational affairs	103	98	61
Total	1,275	1,496	1,429

Note: Starting in 2024, CSC expanded the scope of steel-related activities and funding to cultivate research talents and merged them to comply with the Foundation's budget.

Promote steel-related educational activities

Teacher Workshops

In cooperation with the National Kaohsiung Normal University, the "Teacher's Workshop on Iron and Steel Science and Environmental Education" was organized to introduce the application of iron and steel in daily life and CSC's commitment to environmental protection. The program included a tour of CSC's plant, an exhibition of steel achievements, and a visit to the production line. A Q&A session was held with 180 participating teachers.

Participants conducted experiments on carbon dioxide absorption by basic-oxygen-furnace (BOF) slag



Journey of Steel

Since 1993, the "Journey of Steel" event has been held every year for new graduates of elementary schools in Hsiao Kang District, Kaohsiung City for over three decades. Nearly 1,500 new graduates from 13 elementary schools were invited to visit CSC to understand and learn about the origin of steel, steel production processes, energy conservation, carbon reduction, and environmental sustainability.

"Steel Journey" Quick Answer



Students Participating in the "Steel Journey"



Cultivating female in the field of natural science and technology

In cooperation with Asia University, National Sun Yat-sen University, and the National Science and Technology Council, CSC invited female engineers from CSC Group (CSC, China Ecotek, China Steel Structure, CSC Machinery, InfoChamp Systems, and CHC Resources) who work at production, technology, and engineering departments, to visit elementary schools in Tainan and Kaohsiung and share their learning and work experiences, inspiring female students in STEM, challenging gender stereotypes, and fostering future female tech talent.

Group photo of the female engineer lecture held at Nanhua Junior High School in Tainan



Students asking questions after the female engineer lecture held at Nanhua Junior High School in Tainan



Awards and scholarships for science and technology related to steel and environmental protection:

Cultivate talents in the domestic steel field

The course on steel production processes is offered in the departments of materials science of National Taiwan University, National Tsing Hua University, National Chung Hsing University, National Cheng Kung University, and National Sun Yat-sen University, and in the Department of Mechanical and Electro-Mechanical Engineering of Sun Yat-sen University to cultivate talents in the steel field. CSCGEF also provides scholarships to encourage students to conduct research. In 2024, 16 students from the Department of Materials Science and 2 students from the Department of Mechanical Engineering received the scholarship, bringing the total number of recipients to 228 since 2007.

Teachers and students enrolled in the "Steel Special Lecture" course visited DSC



Incentives to Participate in the World Steel Making Challenge

Encourage the college students of Taiwan to participate in "steelChallenge-18" Regional Championship (East Asia). In 2024, scholarships were awarded to the top three student teams from National Chung Hsing University by the foundation to encourage their outstanding performance.

∞ Environmental Conservation and Care for Sustainable Environmental Development

♥ Summer Ecology Camp

In 2024, 220 students participated in a three-day, two-night eco-camp. The program was jointly designed and implemented by the Foundation and the National Museum of Marine Science and Technology. Through close observation and experience programs, students were able to learn about Taiwan's marine environment and folk culture.

Introducing Taiwan's abundant marine resources and a specimen of the rarely seen megamouth shark



♥ Environmental Classroom

Cooperate with National Kaohsiung Normal University to build an environmental classroom, which promotes the concept of circular economy. It takes root in the school's environmental education concept of sustainable development, and extends it to the community. Currently, project is being implemented at Shanwei Elementary School in Linyuan District. It combines the school's existing marine education to develop unique lesson plans and shared them with other schools. °

♥ Green Living Camp

With Kaohsiung Rapid Transit Corporation organized the 2024 Kaohsiung Metro Summer Camp, and courses included a tour of the Operation Control Center (OCC), large-scale public art, and logistic and maintenance work, in order to encourage the children to use the public transportation system and achieve the common goals of carbon reduction and environmental sustainability.

CSC, China Steel Chemical, and Chung Shan Junior High School jointly organized the "All-Powerful Digital Master Summer Camp." By arranging diverse courses to guide students to find their own interests, CSC aims to lay a good foundation for future learning and development.

Kaohsiung Metro Summer Camp



∞ Promotion of traditional culture, humanities, and arts

♥ Organizing Charity Concerts

Collaborated with the Pro-Art Camerata troupe for "Melodies Through the Bars" at Tainan Prison and Tainan Detention Center, and presented the "Wheelchair Concert" at the Kaohsiung Museum of Fine Arts' Sculpture Hall. CSCGEF also partnered with the Kaohsiung Rapid Transit Corporation to host charity concerts. Another notable collaboration was with the Baroque Camerata, presenting the Musical Journey at the Kaohsiung Social Education Hall. This event was open to the public free of charge, and attracted enthusiastic participation from new immigrant families

CSCGEF and the Kaohsiung Museum of Fine Arts partnered for the 2024 Kaohsiung Fine Arts for Children Summer Camp. The camp this year, focusing on the theme of "animals." By integrating cross-field thinking, exhibition experiences, drawing book guidance, creative imagination exercises, theater performances, hands-on creation sessions, and result presentations, it aimed to inspire children's curiosity and imagination.

Organized the "Wheelchair Concert" at the Kaohsiung Museum of Fine Arts



6

Corporate Governance

- 6.1 Strategies and Targets
- 6.2 Board of Directors
- 6.3 Operational Finance
- 6.4 Risk Management



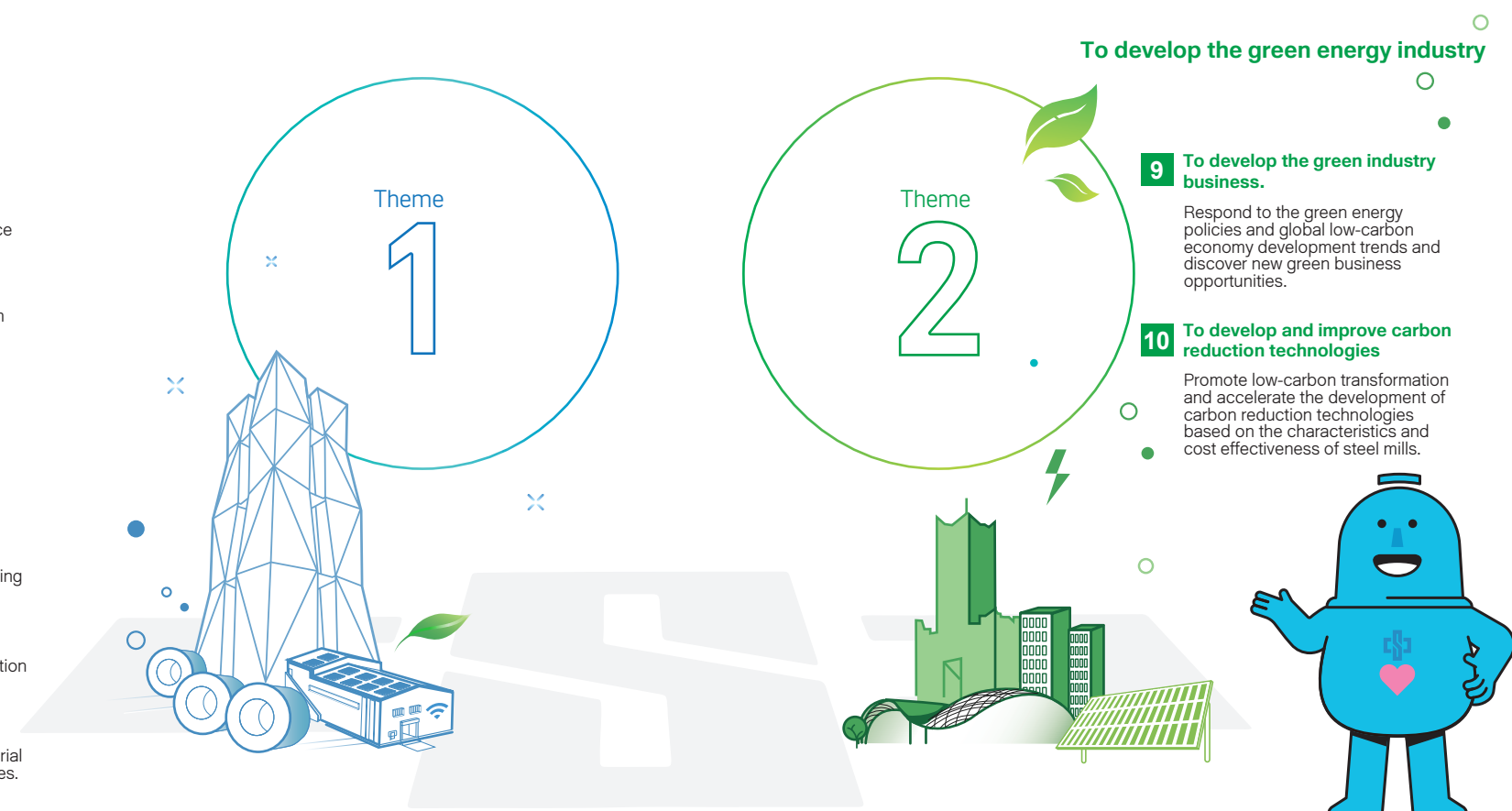
6.1 Strategies and Targets

Ten-year Operational Strategies

With the vision of "We aspire to be a sustainable growth enterprise that distinguishes itself through a firm commitment to smart innovation, green energy, carbon reduction, and value co-creation," CSC is guided by the dual cores (to become a steel mill that produces advanced premium products with high value and to develop the green energy industry) and three transformation strategies (digital, low-carbon, and supply chain transformations), establishing 10 main strategies for 2025-2034. These strategies aim to continually optimize production processes, product mixes, operating models, green energy and carbon reduction measures, investment portfolios, and corporate governance. In doing so, CSC is now focusing on "qualitative changes" over quantitative changes aiming to create greater value from steel instead of simply producing more:

To become a steel mill that produces advanced premium products with high value

- To develop Advanced Premium Steel (APS)**
Focus on eight advanced premium steel products with high profitability, high technology content, and high industrial benefits
- To establish excellent manufacturing capabilities**
Identify and modify "production equipment" and "process capabilities" to enhance the manufacturing capability of advanced premium steel products.
- To enhance marketing capabilities**
Keep abreast of demand trends, increase purchase orders of advanced premium steel products, create high added value, and drive supply chain transformation.
- To deepen the upgrading of steel-using industries**
Continue to promote industry-academia collaboration and upgrade the steel industry, integrate upstream and downstream industries and industry-government-academia-research resources, and promote integrated innovation.
- To introduce the application of AIoT**
Comprehensively introduce AI to promote digital transformation.
- To build up highly efficient business systems and processes**
Integrate digital transformation to reform systems and business processes, creating soft power through high-efficiency operations.
- To move towards high productivity**
Leverage retirement trends and organizational and production capacity optimization measures to improve productivity per capita.
- To pass on and enhance corporate culture**
Continue to cultivate a deep-rooted culture by redefining teamwork, entrepreneurial approach, down-to-earthness, and pursuit of innovation to establish shared values.



6.1.1 Annual Business Directives and Performances

Business Directives for 2024 include the 4 main points, the implementation results are as follows:

Business Directives



Smart operations

Digitalization



Green energy production chain

Low-carbon transformation



Technology marketing

Added value



Optimal production capacity

Refinement

Performances

- Aim for smart production lines, smart energy resources, and smart scheduling. Utilize system intelligence to establish high-quality smart manufacturing capabilities. Carry out digital optimization through cross-departmental collaboration, and complete digital transformation through cross-departmental cloud integration.
- Establish carbon emission intensity targets for each unit, strengthen internal management of greenhouse gases, and announce and implement guidelines for greenhouse gas reduction incentives. Continue to implement large-scale carbon reduction plans and formulate carbon reduction action plans to attain low-carbon goals.
- Stay attuned to market dynamics, expand the customer base, and explore premium/advanced premium steel markets, among other marketing strategies. Introduce diverse and flexible projects to increase order volume, prioritize supplying advanced premium steel demands, establish strategic partnerships, and boost order capacity.
- Continue to promote cost reduction and incorporate significant benefits and immediate contributions to the financial statements into the management of capital reduction and profit increase measures. At the same time, deepen the spirit of "refined production" to strengthen CSC's internal improvements and reduce waste, achieving the goal of annual capital reduction and profit increase.
- Continue to promote the refinement of occupational safety, enhance the capacity of audits, strengthen the safety awareness of all employees, and promote the Group's occupational safety exchanges and on-site safety observations, strengthen the safety awareness of subcontractors' occupational safety and health supervisors, and strive to reach zero major occupational accidents.

6.1.2 Regulations and Implementation

Business Integrity

CSC established the "Ethical Corporate Management Best Practice Principles for CSC" and "Procedures for Ethical Management and Guidelines for Conduct" to specify matters that personnel must pay attention to when performing their duties. CSC's ethical corporate management policy is declared in its internal regulations, annual reports, company website, promotional materials, and external activities. In addition, CSC regularly identifies internal and external regulations by reviewing the latest amendments of external laws and regulations, and regularly checking for any discrepancies with internal regulations. The identification rate of regulations in 2024 is 99.9%.

In addition, with the aim of strictly requiring employees to comply with work rules and implement the "Procedures for Ethical Management and Guidelines for Conduct," CSC also has advocated for employees to sign the "Letter of Declaration and Undertaking with regard to Employees' Code of Conduct" at the same time when initiating and promoting the Taiwan Intellectual Property Management System (TIPS), so that they understand and undertake that they shall neither directly nor indirectly provide, promise, demand or accept any improper benefits, or engage in other behaviors that are in breach of integrity, laws and regulations or fiduciary duty when performing their duties. CSC has also organized speeches on ethics and compliance (including trade secret protection) issues, such as: Once more, CSC invited benchmark companies to carry out exchanges on trade secret innovation management, hosted lectures on "How to Effectively Establish Anti-Corruption Management Systems" led by ISO experts, and with the help of the Taiwan Corporate Governance Association, delivered training to mid-level and senior executives on "Ethical Corporate Management Best Practice Principles of Trade Secrets and Information Security Practices and Legal Risk Management."

CSC expects all employees to act lawfully and ethically in accordance with the abovementioned regulations. Therefore, in annual training workshops for new employees, CSC arranges for a series of lectures on company rules and regulations, corporate culture, information security, and intellectual property. The company also raises awareness of the importance of integrity among employees by providing information on various topics, such as "part-time jobs," "accepting improper benefits," "use of information," and "trade secrets." Employees are also required to comply with laws and regulations as well as the company's rules and regulations. Violation of the abovementioned regulations may result in disciplinary actions, including, but not limited to, termination of employment, written warning or adverse pay treatment. In 2024, CSC arranged 12 training sessions for new recruits, and 260 trainees were trained.

Avoiding Conflicts of Interest

To promote honest and ethical behaviors of directors, "The Codes of Ethics for Directors" of CSC has been established, stipulating that directors shall perform their duties faithfully and in the best interest of all shareholders. Also, "Rules of Procedure for Board of Directors Meetings", which was enacted in accordance with "Regulations Governing Procedure for Board of Directors Meetings of Public Companies", provides that if there is a conflict of interest for any director with respect to any matter on the agenda at the Board meeting, the director must recuse from discussion and voting on that matter and must not exercise voting rights as proxy for another director on that matter. With consideration to the trend of corporate governance, when amending the Rules of Procedure for Board of Directors Meetings in 2022, the Company deems directors to have a conflict of interest if the director's spouse, relative within the second degree of kinship, or a company with controlling interest or subordinate relationship with the director has a conflict of interest in the agenda item.

Please refer to CSC's 2024 annual report https://www.csc.com.tw/csc_e/ss/bd/bd_index.html Chapter 3 and its Annex-Consolidated Financial Statements_ Transactions with Related Parties for the execution results of principles and regulations mentioned above.

In addition, the organizational regulations state the relevant rules regarding avoidance of conflict of interest and corresponding penalties, such as: 1. "The Code of Ethics for General Managers and Above", which clearly regulates that personnel above General Managers should handle business in an objective and efficient manner, avoiding using their positions to cause undue benefits to related personnel or the company; 2. "The Ordinance for Avoiding Conflict of Interests", prohibiting employees from using their power or position and information to plot private interests.

Preventing Malpractice

CSC has always banned dishonest behaviors such as "soliciting, accepting, and being bribed with improper benefits from suppliers or stakeholders", and this stance has been a part of CSC's corporate culture. Complying with Article 7.1.1 of the "Political Donations Act", CSC does not contribute to political donations. According to "Ethical Corporate Management Best Practice Principles for CSC", all of the CSC's directors, managers, employees, mandataries or anyone who de facto controls the

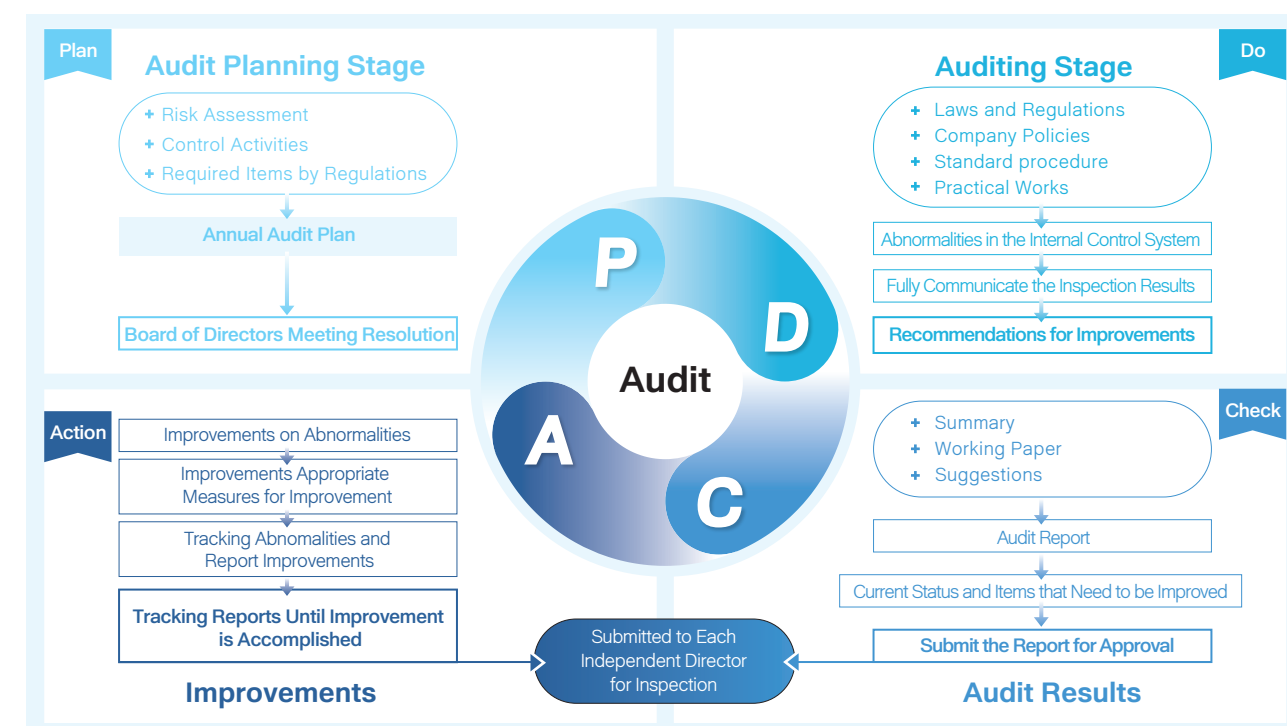
management of CSC should neither directly nor cause other dishonest behaviors such as violation of integrity, illegality, or breach of fiduciary duty when engaging in commercial activities.

The company establishes an open whistleblowing channel through the hotline, mail box and company website etc. The Internal Audit Office is responsible for handling the whistleblowing case, keeping the information of such case confidential throughout the investigation process.

Aspect	Anti-Corruption Measures
Organizational Regulations	CSC stipulates moral requirements of CSC such as "Ethical Corporate Management Best Practice Principles for CSC", "Procedures for Ethical Management and Guidelines for Conduct", "The Code of Ethics for Directors", "The Code of Ethics for General Managers and Above", "the Ordinance for Avoiding Conflict of Interests", "Integrity and Ethics Directions for Employees of China Steel Corporation Group".
Employee Training	New employees are trained on ethical practice, discipline following, information utilization, confidential items and other organizational regulations. Promotion of corporate culture is accessible to all employees through the CSC Biweekly Journal and website.
Evaluation of Compliance and Operations	The Internal Audit Office(IA) annually evaluates compliance with relevant laws and regulations and the execution of operational cycle tasks in accordance with Financial Supervisory Commission, R.O.C.(FSC)'s "Regulations Governing Establishment of Internal Control Systems by Public Companies" and formulates an annual audit plan based on the results of risk assessment and legal requirements.
Self-inspection	In 2024, 39 departments, 7 divisions, and 24 subsidiary companies of CSC conducted self-assessment independently and submitted individual reports. The self-assessment reports from each department, division, and subsidiary company were reviewed and approved by the respective vice president, president, and chairman of the subsidiary company before being consolidated by the Internal Audit Office. Timely adjustments to the design and execution of internal control systems are made in response to environmental changes to ensure the effective implementation of the company's self-supervision mechanism.
Anti-Corruption Reporting channel	<ul style="list-style-type: none"> Hotline: Head Office +886-7-8021111#2191, China Steel Building +886-7-3371111#22191 Mailbox: P.O. BOX 47-13 Kaohsiung, Taiwan Website: https://www.csc.com.tw/csc_e/cg/ia_p6.html <p>The quotation instructions in the electronic procurement inquiry form shall specify the reporting channels for whistleblowing, to facilitate the reporting of fraud, solicitation of bribes, and other scam or fraudulence. The Internal Audit Office is responsible for receiving whistleblowing related to improper conduct, including graft, fraud, actions detrimental to the Company's interests, and violations of company regulations.</p> <p>In 2024, a total of 32 cases were investigated, and each was meticulously examined and processed in collaboration with all relevant units. None of these cases involved significant drawbacks or resulted in serious losses to corporate profits.</p>

For more details [Regulations and Implementation] https://www.csc.com.tw/csc_e/cg/cg.html#cg1

6.1.3 Internal Auditing and Correction



The Internal Audit Office (IA) responds directly to the Board of Directors, and the chief auditor regularly submits reports to independent directors and the Board of Directors. In 2024, units were urged to assess potential risks and actual operating procedures, and a total of 16 internal control procedures and control key points were revised.

Annual Audit and Tracking

In 2024, the Audit items include control operations of various operating cycles, crosschecking functions between systems, compliance with the regulations of the FSC, and the audit management of subsidiaries. A total of 44 auditing reports and 383 suggestions of improvement were proposed in 2024, and subjected timely improvement measures by audited units and subsidiaries, and filed in the CSC's IA Management System for follow-up. After completing each audit item, it is to be reported to the independent directors for review.

6.2 Board of Directors

Title	Name	Gender	Diversified Core Competences									
			Business Management	Decision-Making	Industry Knowledge	Experience in Steel Industry Operations	Finance and Accounting	Marketing	Technology	Risk Management	Sustainable Development	Response to Climate Change
Chairman	Chien-Chih Hwang	Male	①	●	②	③		●			●	●
	Chien-Hsin Lai	Male	●	①	●					●	②	③
Director	Wen-Chung Hu	Male	●	②	③					●	①	●
	Shou-Tao Chen	Male	③	●	②	①			●		●	●
	Jih-Jau Jeng	Male	●	③	②	①			●		●	●
	Cheng-I Weng	Male		②	●				①		③	●
	Kuan-Fu Chen	Male	①	●	②	③	●			●	●	●
	Chun-Sheng Chen	Male	③	①	②					●	●	
Independent Director	Shyue-Bin Chang	Male	③	●	②				①		●	●
	Min-Hsiung Hon	Male	●	③	①				②		●	●
	Lan-Feng Kao	Female			③		①			②	●	

Note: The directors' top three areas of professional expertise are indicated in order as 1, 2, and 3. Other areas of specialization are marked with ● and are not ranked in any particular order.

According to Article 192-1 of the “Company Act” and Paragraph 1, Article 22 of the CSC's Articles of Incorporation, the directors are selected by the nomination system for candidates. Independent directors and non-independent directors are nominated separately, and are elected by shareholders from the two candidate lists. All directors are covered by liability insurance to reduce the risks of decision-making.

CSC specifies six professional expertise of directors (law, accounting, industry, finance, marketing, and technology) in the Rules Governing the Election of Directors. These skills cover important abilities required for corporate governance, as well as the knowledge required for sustainable development.

CSC's 18th Board of Directors consists of 11 members, including 3 independent directors, who were elected on June 17, 2022 with a tenure of three years. Of the 11 members in the Board of Directors, 10 are male directors (90.9%) while the remaining one is a female director (9.1%). These directors, whose age lies between 55 and 81 years old, specialize in a variety of fields, including steel, economics, mechanical engineering, mineral processing, electrical engineering, soil and water conservation, social sciences, business management, aerospace, materials science, and accounting, thus fully realizing the goal of diversity in the Board of Directors. The aforementioned Board members' professional expertise enables them to oversee the company's initiatives in sustainable development, including environmental protection, energy management, carbon neutrality, and the circular economy. In terms of new product and technology development, their knowledge supports the improvement of advanced premium steel products to enhance added value, while also driving the continuous development of advanced materials to create competitive advantages.

The Company's directors Chien-Chih Hwang, Shou-Tao Chen, Jih-Jau Jeng and Kuan-Fu Chen are involved in business decision-making, Chien-Chih Hwang is the Company's president and has expertise in business management, leadership decision-making, knowledge of the industry, steel industry operations, marketing, sustainable development and climate change. Shou-Tao Chen is the Company's president and has expertise in business management, leadership decision-making, knowledge of the industry, steel industry operations, technology, sustainable development and climate change. Jih-Jau Jeng is the Company's executive vice president, and has expertise in business management, leadership decision-making, knowledge of the industry, steel industry operations, technology, sustainable development and climate change. Kuan-Fu Chen is the Company's vice president of the Planning Division, and has expertise in business management, leadership decision-making, knowledge of the industry, steel industry operations, financial accounting, risk management, sustainable development and climate change. The above-mentioned directors assist the Company in operations using their expertise and report to the Board of Directors. The above-mentioned directors assist the Company in operations using their expertise and report to the Board of Directors.

In addition, the Company's "CSC Group GHG Inventory and Assurance Schedule," as well as "CSC Group implementation of energy conservation, carbon reduction, and carbon neutrality" and "implementation of digital transformation" are reported to the Board of Directors every quarter. The Company's "ESG goals and implementation status" and "risk management implementation status" are reported to the Board of Directors every six months.

6.2.1 Committees of the Board

For strengthening the operation of the Board of Directors, the Board has three functional committees such as “Audit Committee”, “Remuneration Committee”, and “Corporate Governance and Sustainability Committee”.

Audit Committee

The committee is composed of 3 independent directors, one of whom has accounting and financial expertise. Its main responsibility is to assist the Board in overseeing integrity of the company's financial statements, Certified Public Accountant (CPA) appointment (termination) and integrity/performance, effective implementation of the company's internal control, and the company's control of compliance with legal and regulatory requirements, and the company's existing and potential risks. The committee convened 6 meetings in 2024. The proposals drawn from the resolutions of the meetings shall also be presented to the Board.

Remuneration Committee

The committee is composed of all 3 independent directors who shall review and assess the performance evaluation system for commissioned managers, the evaluation results, and related remuneration systems. The committee convened 5 meetings in 2024. The proposals drawn from the resolutions of the meetings shall also be presented to the Board.

CSC's remuneration policy:

Directors

- According to Article 6, Paragraph 1 of CSC's Articles of Incorporation, no more than 0.15% of the company's profit shall be set aside as remuneration for directors under the resolution of the meeting of the Board of Directors if there is profit in any given fiscal year, and the distribution of directors' remuneration shall be reported in the shareholders' meeting.
- Independent directors receive fixed compensation and do not receive director's remuneration described above.
- Each year, the distribution of directors' remuneration is first reviewed by the Remuneration Committee before it is submitted to the Board of Directors for approval. Remuneration is allocated to each director according to the principles for the allocation of directors' remuneration and the results of performance evaluation for individual directors.

Senior executives:

- According to the rules for senior executives' remuneration set forth in CSC's regulations governing salary management and related provisions, the major components in the remuneration of appointed managers include basic salary, bonuses, and employee compensation. Basic salary is determined by reference to the usual pay levels in the industry and listed companies as well as in consideration of the reasonableness of the connection between individual performance, the company's business performance, and future risks.
- Remuneration linked to ESG: CSC's sustainable development commitment includes economic growth, environmental protection, and social co-prosperity. To continuously improve corporate sustainability and management, fulfill its sustainable development commitment, and respond to stakeholder expectations, CSC links 10% of senior executives' variable remuneration to its environmental, social, and governance/economy (ESG) performance, aligning their remuneration with both operational and sustainability performance. This highlights CSC's concrete actions toward sustainability goals and deepens its sustainability foundation. In terms of senior executives' 2024 performance indicators, sustainable development performance indicators were linked to CSC's sustainability goals as follows:

	Senior Executives' Sustainability Targets	CSC's Sustainability Targets
Governance/ Economy	Smart Manufacturing	Smart Production Lines
	Cybersecurity	Information Security
	Corporate Governance	Corporate Governance
Social	Community Engagement / Employee Care and Retention	Community Engagement / Employee Care / Talent Retention
	Occupational Safety and Environmental Protection	Occupational Safety
Environment		Air Pollution
	GHG Management / Coproduction between Steel and Petrochemical Plants	GHG Management / Circular Economy & Coproduction between Steel and Petrochemical Plants
	Energy Management (Annual Average Power Saving Rate)	Energy Management (Annual Average Power Saving Rate)

For more details [CSC Sustainability Targets] please refer to Chapter 1.3

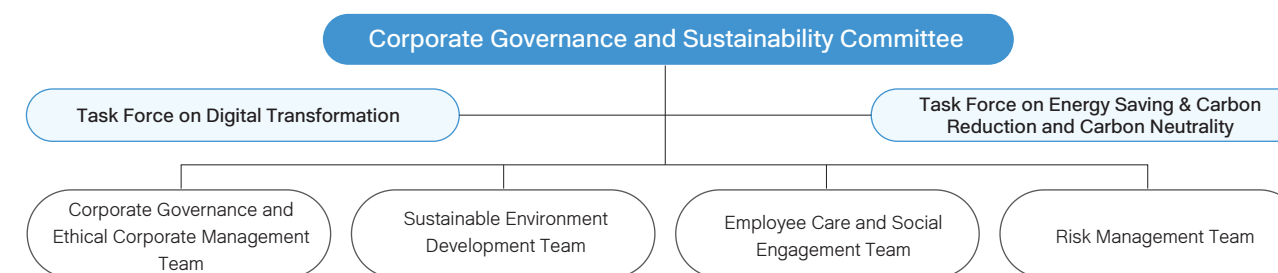
6.2.2 Corporate Governance and Sustainability Committee

CSC established the Corporate Governance and Sustainability Committee in November 2019. The committee is primarily charged with assisting the Board of Directors in overseeing the promotion, implementation, and execution of various sustainability-related matters, such as corporate governance, ethical corporate management, sustainable development policies, risk management, energy conservation & carbon reduction and carbon neutrality, and digital transformation.

For more details [Corporate Governance and Sustainability Committee] https://www.csc.com.tw/csc_e/cg/bof3.html

The Corporate Governance and Sustainability Committee is composed of 5 directors, and 3 of them are independent directors who excel in mechanical engineering, material science, and finance and accounting. The other 2 directors are an employee director who values labor welfare and a manager with hands-on practices in management. The Committee meets the skills needed for corporate governance and sustainable development. 2 meetings were held in 2024.

Organizational Structure of the Corporate Governance and Sustainability Committee



The heads of the four execution teams, Corporate Governance and Ethical Corporate Management Team, Sustainable Environmental Development Team, Employee Care and Social Engagement Team, and Risk Management Team, are served by the vice presidents of the relevant divisions, while the Corporate Governance Officer serve as the convener. Task force on energy saving & carbon reduction and carbon neutrality is headed by the chairman of the Board and Task Force on Digital Transformation is led by the President. Each execution team is responsible for reporting implementation plans and results to the Corporate Governance and Sustainability Committee and the Board of Directors on a regular basis. In addition, the Corporate Governance and Sustainability Committee periodically reports important information regarding the annual stakeholder communication outcomes and investor expectations to the Board of Directors, facilitating the Board's understanding of external expectations for the company's sustainable development.

In 2024, 4 execution teams and 2 task forces continued to promote corporate governance strengthening, air pollution reduction, overall community construction, regular risk assessment, greenhouse gas management and smart production line development, and implement ESG targets in 2024 as planned. In 2024, a total of 9 environmental targets, 12 social targets, and 11 governance targets were achieved. Please refer to corporate website for detailed implementation results. In 2025, CSC plans to gradually implement its sustainable development commitment based on the short-term, medium-term, and long-term ESG targets set at the beginning of the year.

For more details [Corporate Governance and Sustainability Committee] https://www.csc.com.tw/csc_e/cg/bof3.html, for key communication topics, please click on the "2024 Results" at the bottom right corner.

6.2.3 Board Performance and Evaluation

With a view to implementing corporate governance and strengthening the functions of the Board of Directors, performance targets are set to enhance the efficiency of the Board of Directors' operations and implement ESG work. During the 4th meeting of the 17th Board of Directors held on November 11, 2019, the "Regulations Governing Performance Evaluation of the Board of Directors" was approved in accordance with Article 18 of the "Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers" and Article 37 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." Based on this set of regulations, internal performance evaluation is conducted once a year by means of a questionnaire survey. The "Rules for Performance Evaluation of Board of Directors" was revised in 2021 to incorporate an evaluation item of "ESG issues engagement" starting from 2022. Considering that directors are independent of each other, every director is required to answer the questionnaire. After the Secretariat Department collects the questionnaires from them and compiles the results of performance evaluation, a report on the results is then submitted to the Board of Directors by the end of the first quarter of the following year for review and improvement. Meanwhile, external performance evaluation is carried out by an external independent institution or a team of experts and scholars at least once every three years.

The evaluation scope includes performance evaluation of the overall Board of Directors, individual directors, and functional committees. Self-evaluation items encompass the level of involvement in company operations, enhancing the quality of Board decision-making, Board composition and structure, etc. Performance evaluation items for Board members include their understanding of director duties, level of involvement in company operations, internal relationship management and communication, etc. The results of the Board's performance evaluation are applied as reference criteria for the selection or nomination of directors. Additionally, the individual performance assessment results of directors (excluding independent directors) serve as a basis for determining director remuneration distribution.

The average score in the Board performance self-evaluation is 4.95 points in 2024. Hence, the Board of Directors has good operational performance.

For more details [Board Performance Evaluation Method] <https://www.csc.com.tw/csc/cg/cg.html#law>

Furthermore, CSC periodically arranges for directors and managers of the Group to take ESG-related sustainability courses. Topics of courses in 2024 included two main courses: "Trade Secrets and Information Security Practices and Legal Risk Management" and "Carbon Trends - Carbon Fees, Carbon Tax, Carbon Credits, and Carbon Trading." In line with the five directions of "Sustainable Development Action Plans for TWSE- and TPEX-Listed Companies," CSC will continue to arrange further courses for directors, in order to follow global trends.

For more details [Further Study for the Board of Directors] https://www.csc.com.tw/csc_e/cg/cg.html#Con

Material Topic

6.3 Operational Finance



★ 2024 Highlights

- The Long-term Credit Rating given by Taiwan Ratings is twAA-. The Long-term Credit Rating given by the Fitch Ratings is AA (twN).
- Selected as a constituent stock of the “TWSE RAFI® Taiwan High Compensation 100 Index” , the “FTSE4Good TIP Taiwan ESG Index” and the “FTSE4Good Emerging Index.”

+ Policy or Commitment

Financial performance is a demonstration of the stability and efficiency of corporate operations. By strengthening the financial structure and implementing cost control, CSC continues to steadily drive the improvement of economic value and gives back to all stakeholders to achieve the long-term target of sustainable development. The Company follows the business philosophy of “Implementing Actual Performance” , and continues to create profits through increasing revenue and reducing costs. When there is a surplus in the year, under the maintenance of a stable financial structure, the annual surplus will be returned to shareholders in the form of dividend distribution to establish the value of the Company's long-term investment.

CSC makes short, mid, and long-term targets to reach financial stability. By fully implementing the action plans, CSC assists important Group companies in making financial plans and financial integration projects. In compliance with the core strategy of “the high value added steel mill” , CSC continues to raise product value and improve gross profit structure, with an aim to make both the profitability rate and sales ratio of the advanced premium steel over 20% in 2030.

A Action Plan

Establishing a Smart Financial Operation Platform

- Established the Credit Sales Quota Application Platform to provide customers with active online loan applications, integrating the credit investigation process and electronic contract signing to improve the efficiency of financial operations.
- Continue to establish and optimize the Group financial information inquiry platform, and provide access to important financial management information.

Developing Sustainable Financial Solutions

- To align with the development of the green energy industry chain and structure green financing, besides formulating financing plans of different scales, CSC will continue to pay attention to domestic and overseas green financing market conditions, and maintain contact with financial institutions to obtain the latest information to respond to market changes.
- To support the Company's low-carbon transition and loss prevention initiatives, CSC collects international insurance information while actively pursuing reinsurance underwriting capacity.

Transparent Communication Channels

- CSC participated in the investor conferences and road shows held by the brokers to have face-to-face communication with domestic and international investors.
- Corporate website has Investor Section in both Chinese and English, where financial information will be regularly disclosed, as well as the investor conference presentation, annual report, and stock-related information.

Corporate website has a Stakeholder Section where the phone number and email of spokesperson, deputy spokesperson, and shareholders service & investor relations section are disclosed. Shareholder service e-mail and free shareholder hotline have been established to instantly respond to the questions and comments of the shareholders/investors.

Implementation Results

According to the update status of equipment and operating conditions, CSC properly plans funding sources and dividend policies and adjusts the dividend distribution rate to meet the expectations of shareholders and investors, and retain appropriate funding positions to meet capital expenditure needs.

The Company's rating by Taiwan Ratings and Fitch Ratings remained the same in 2024, with a "stable" outlook. It is evident that rating agencies recognize the Company's ability to respond to fluctuations in the steel market through its cost advantage and the ability to maintain steady and stable cash flow. Maintaining good performance in credit ratings will help with short-, mid- and long-term financing and reduce financing costs. The Company remains committed to prudently addressing various potential risks while enhancing cost control and cash flow management to strengthen its operational resilience against steel market volatility.

● 2024 Credit Rating

Rating Agency	Credit Rating		Rating Outlook	Effective Date
	Long-Term	Short-term		
Taiwan Ratings	twAA-	twA-1+	Stable	2024.04.29
Fitch Ratings	AA (twN)	F1+(twN)	Stable	2024.04.16

6.3.1 Business Performances

Operating Revenues

● Parent Company Only

Unit: 1,000 TWD

	2022	2023	2024
Sales Revenue	244,865,758	191,708,554	187,490,138
Service Revenue and Others	5,734,871	5,440,604	6,055,370
Total Operating Revenues	250,600,629	197,149,158	193,545,508

● Consolidated

Unit: 1,000 TWD

	2022	2023	2024
Sales Revenue	419,868,253	335,681,275	325,832,085
Service Revenue and Others	29,699,235	27,645,223	34,703,629
Total Operating Revenues	449,567,488	363,326,498	360,535,714

For more details [Financial Information] https://www.csc.com.tw/csc_e/ss/fin/fin.html

Operating Expenditure

● Parent Company Only				Unit: 1,000 TWD
	2022	2023	2024	
Operating Costs	232,344,138	190,093,873	182,607,617	
Operating Expenses	7,957,924	7,259,043	7,445,226	
Total Operating Expenditure	240,302,062	197,352,916	190,052,843	
● Consolidated				Unit: 1,000 TWD
	2022	2023	2024	
Operating Costs	417,665,025	346,553,753	345,474,550	
Operating Expenses	13,637,110	13,186,803	13,269,169	
Total Operating Expenditure	431,302,135	359,740,556	358,743,719	

Note: Operating costs and expenses include operating costs, employee wages and benefits, certain payments to capital providers (partially disclosed under non-operating income and expenses), certain payments to government (partially reflected under non-operating income and expenses and income tax expense), as well as community investments.

Non-Operating Income and Expenses

● Parent Company Only				Unit: 1,000 TWD
	2022	2023	2024	
Total non-operating income and expenses	9,484,947	2,345,935	(614,685)	
● Consolidated				Unit: 1,000 TWD
	2022	2023	2024	
Total non-operating income and expenses	4,993,243	1,004,152	2,785,570	

Note: Non-operating income and expenses include certain payments to capital providers and certain payments to government.

Net Profit

● Parent Company Only				Unit: 1,000 TWD
	2022	2023	2024	
Profit before Income Tax	20,366,569	2,107,226	2,849,843	
Net Profit	17,783,775	1,681,679	1,978,352	
● Consolidated				Unit: 1,000 TWD
	2022	2023	2024	
Profit before Income Tax	23,258,596	4,590,094	4,577,565	
Net Profit	17,995,059	3,531,205	3,875,988	

Surplus Distribution

In 2024, the amount of distributable earnings was 14.38 billion TWD, the Board of Directors adopted the resolution to distribute a cash dividend of 1.4 TWD per preferred share and cash dividend of 0.33 TWD per common share. Dividend distribution and return on investment over the past three years are as follows:

	2022	2023	2024	Unit: TWD
EPS	1.15	0.11	0.13	
Cash Dividend	1	0.35	0.33	
ROE (%)	5.32	0.54	0.65	
P/E Ratio	27.77	257.45	179.00	
P/D Ratio	31.94	80.91	70.52	
Cash Dividend Yield (%)	3.13	1.24	1.42	

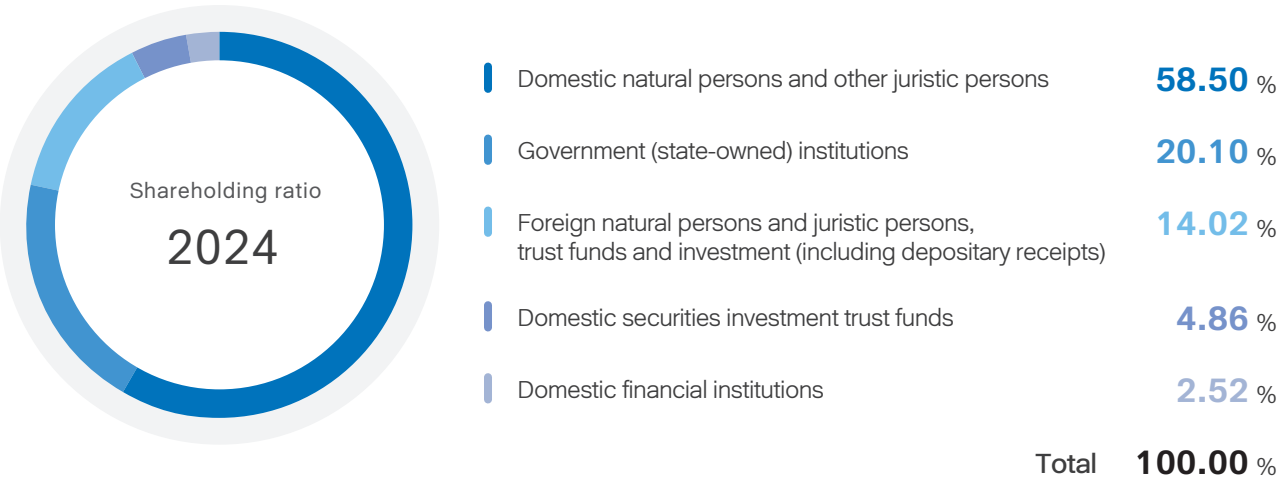
According to CSC's Articles of Incorporation, in case of any earnings earned in any given fiscal year being reported from the final annual accounting, CSC shall appropriate or reverse a special reserve firstly after taxes, losses and legal reserves have been paid, made up and set aside respectively. Secondly, a preferred share dividend shall be distributed at 14% of the par value. In case the account still remains any distributable earnings, additional bonuses shall be distributed according to the percentage of shares held by each shareholder of preferred and common shares.

For future dividend distribution, CSC will make best effort seeking balance between long-term growth stability and investor's expected dividend yield.

6.3.2 Safeguarding of Shareholder's Rights and Subsidies

Shareholder Structure

According to the information on the book closure date, August 1, 2024



CSC will continue to adopt a steady dividend policy, and engage in exchanges and communication with investors during routine investor conferences and the Annual General Meeting each year, thereby strengthening investors' confidence in CSC's long-term investment value. Furthermore, CSC periodically discloses information on its financial position, business performance, and corporate governance on its website and the Market Observation Post System, fulfilling its responsibility and obligation of transparent company information to protect shareholders' rights and interests.

Based on Article 10 of the Statute for Industrial Innovation, CSC's expenditure on R&D is credited against its income tax payable. In 2024, the amount of the tax credit applied for R&D expense was 33.04 million TWD.

For more details [Tax Policy] https://www.csc.com.tw/csc_e/esg/cg/cg5_1.html

Material Topic

6.4 Risk Management



★ 2024 Highlights

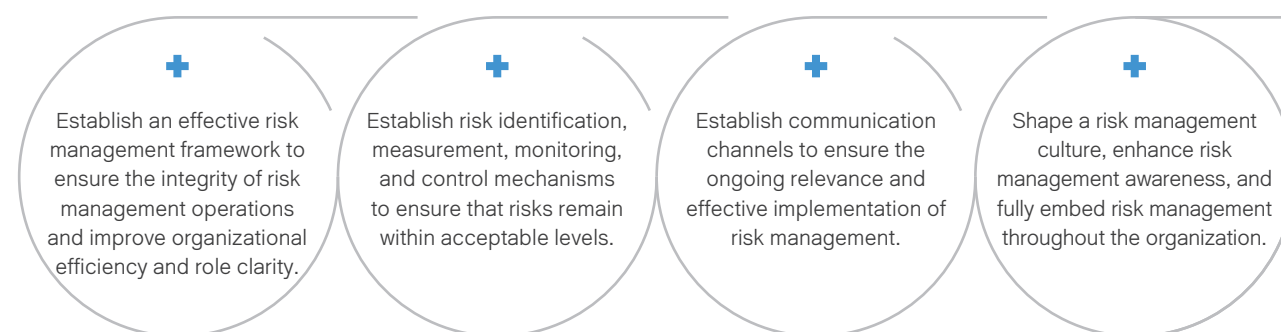
- CSC is the only Taiwanese steel company selected and ranked first globally in the steel industry by the Dow Jones Sustainability Index (DJSI). Consequently, CSC's risk management topic group saw a 19-point increase compared to 2023. This improvement was largely attributed to identification of emerging risk issues in 2024, which was refined by following the six elements defined by S&P Global's Corporate Sustainability Assessment (CSA) and the World Economic Forum report, resulting in a full score.
- Strengthen risk management processes and procedures. Review the first two lines of defense with internal audit acting as the third line of defense for risk management, track improvement progress of deficiencies, and regularly report to the Board of Directors and independent directors to maintain the effective and appropriate functioning of internal control system.

★ Targets

Short-term targets (2025)	Mid-term targets (2026-2030)	Long-term targets (2031)
<ul style="list-style-type: none"> Incorporate sustainability risk topics into risk assessment items Establish cross-departmental mechanisms to jointly develop response strategies for sustainability-related risks Strengthen internal audit mechanisms 	<ul style="list-style-type: none"> Conduct quantitative risk assessment and classification in response to IFRS S1 and S2 disclosures Revise risk management and internal control procedures 	<ul style="list-style-type: none"> Continue to improve risk management operations in line with laws and regulations (e.g., IFRS S1 and S2) Adopt external auditing mechanisms

+ Policy or Commitment

For the purpose of stable operations and sustainable development at CSC, the Board of Directors approved the establishment of the "Risk Management Policy and Procedures" as the highest guiding principle for risk management. CSC's risk management policy is summarized as follows:

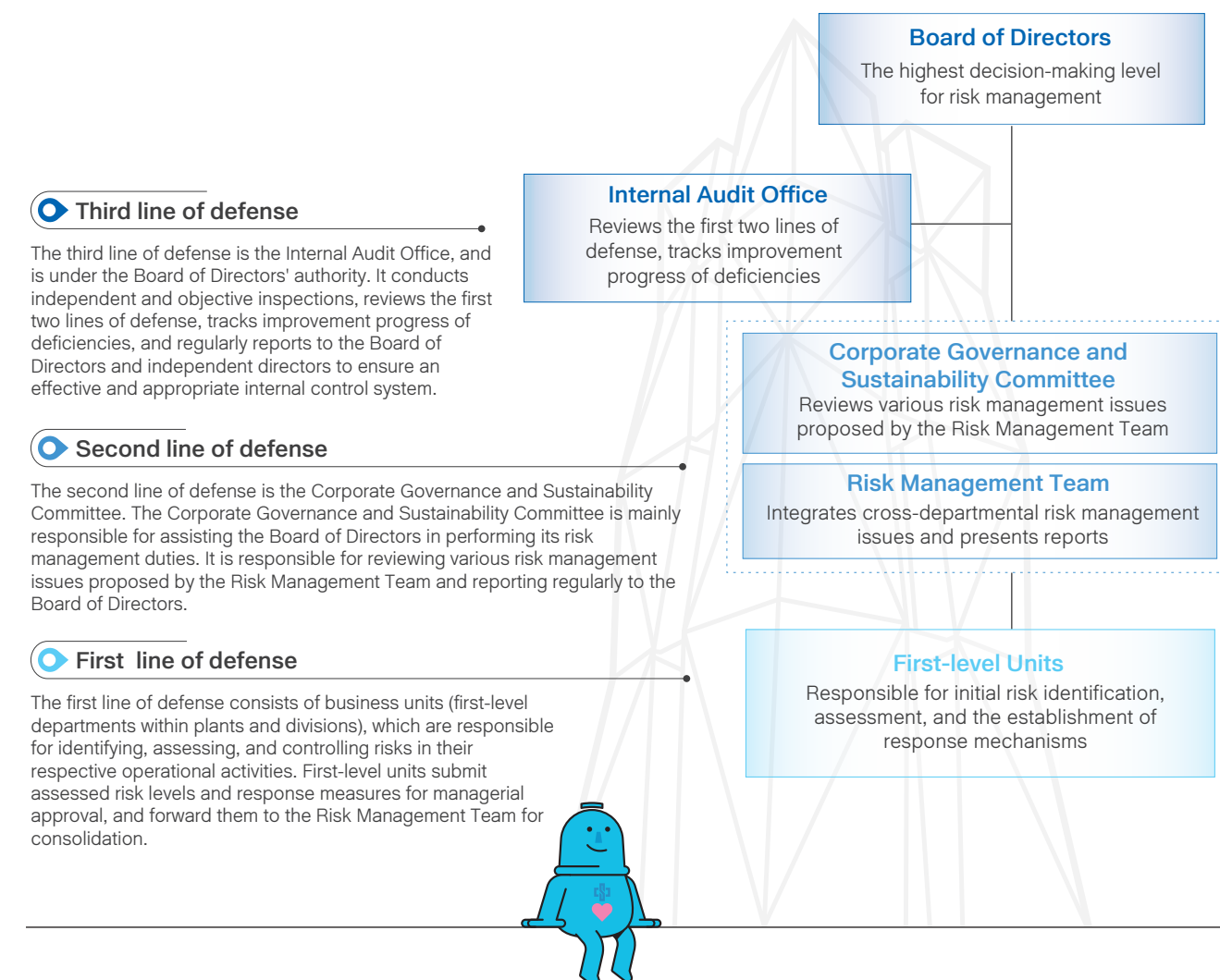


For more details[Procedures and Policies of Risk Management] [https://www.csc.com.tw/csc_cg/pdf/G10212\(1091228\).pdf](https://www.csc.com.tw/csc_cg/pdf/G10212(1091228).pdf)

Operating System of Risk Management

■ Organization of Risk Management

The risk management organizational structure of CSC includes the Board of Directors, the Corporate Governance and Sustainability Committee, business units, and the Internal Audit Office. CSC utilizes comprehensive, company-wide risk control, not managed by a single department. Risk management functions are structured into three lines of defense:



■ Procedures and Policies of Risk Management

For the purpose of stable operations and sustainable development at CSC, the Board of Directors approved the establishment of the "Risk Management Policy and Procedures" as the highest guiding principle for risk management. In accordance with the risk management policy and procedures, business units should identify, evaluate, and formulate response strategies or measures for risk factors. The Risk Management Team regularly compiles risk assessment forms and reports, presenting information to the Corporate Governance and Sustainability Committee/Board of Directors semi-annually and annually, to effectively manage related risks.

CSC identifies risk in operational risks, financial risks, information security risks, environmental risks, legal compliance risks-covering economic, environmental, and social aspects. Risk levels are categorized into five tiers to determine the prioritization of corresponding risk management strategies.

	Risk Level	Criteria ⁽¹⁾
1	Extremely Low	Score below 6
2	Low	Score between 7 and 20
3	Moderate	Score between 21 and 40
4	High	Score between 41 and 60
5	Extremely High	Score above 61

Besides managing general risks, CSC has established an emerging risk management system to address the diverse and complex risks arising from rapid global economic, social, and environmental changes. The Risk Management Team regularly consolidates risk issues- such as policy formulation, changes in the natural environment, and geopolitical impacts-that are external, long-term, and potentially significant. These risks submitting assessments based on possibility and severity to senior executives. The Team then summarizes the top three material emerging risks and sends risk reports to the relevant units to measure and propose response measures to mitigate their impact on CSC.

Risk Response



1. Risk culture education

Risk assessments at each operational level are included in the establishment and tracking of the annual business policies and goals of each unit. All implementation items are also reviewed by management, and cross-unit task forces are organized as needed to identify, assess, and prevent risks. The Internal Audit Office regularly conducts inspections on business cycle operation items to promptly identify, correct, and prevent potential risks. Through rigorous practices, CSC has avoided potential risks and achieved good management. CSC compiled a control table of material risks and opportunities related to business policies, and evaluated the effectiveness of risk identification, management, and implementation measures related to business policies.

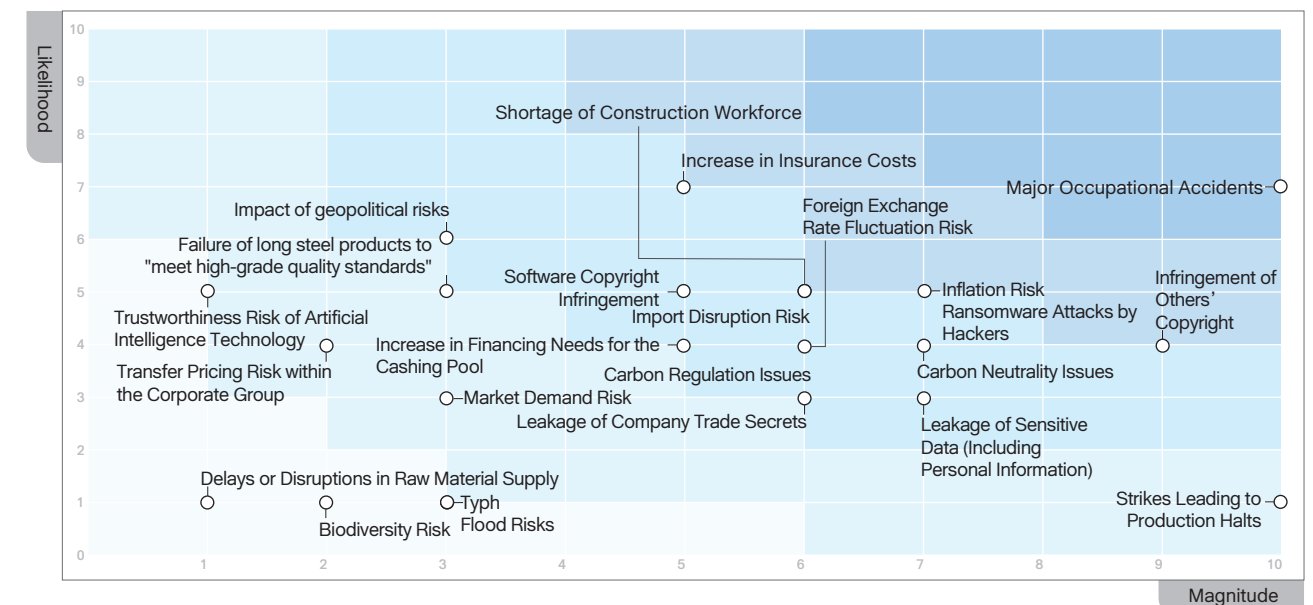
2. Product risk management

For more details [Risk Management] https://www.csc.com.tw/csc_e/esg/cg/cg3.html

- Results of the risk assessment

Based on the collection of relevant internal and external information on emerging risks, a total of 8 emerging risk issues and their potential impacts were identified in 2024 and the impact of each issue was assessed by management. The survey identified CSC's three highest-priority emerging risks as: "Carbon border tax discrepancy driving customers from CSC's products to imported steel products," "Demand slows down or disappears due to geopolitics," and "Customer demand shifts towards to low-carbon products." CSC has developed relevant countermeasures.

| Risk Management Matrix



CSC's emerging risks (★), major risks (▲) and response measures are as follows:

▲ Major risks ★ Emerging risks

Aspect	Type	Potential risk	Control strategies and measures
Environment	Work environment	▲ Major occupational accidents	<ul style="list-style-type: none">• Employees are trained to strengthen their knowledge and skills on industrial safety.• Senior executives conduct occupational safety inspections and are deeply committed to implementing occupational safety.• Audits on effectiveness are performed to enhance the auditing capacity.• Reviews are carried out to ensure that improvement and corrective measures are constantly effective.
	Climate risks	★ Risk of property losses or business interruption caused by severe typhoons and rainfall	<ul style="list-style-type: none">• Assessed that the drainage capacity within the plant was greater than the rainfall intensity reported in previous rain events in Kaohsiung City and that the possibility of seawater backflow at CSC's piers was low.• Prepared various preventive actions, and have inventoried the key points of emergency response implementation of each production line before, during, and after a disaster, response facilities and precautions, and various precautions for disaster damage to ensure stable production operations.
		★ Delays in material supply due to extreme weather	<ul style="list-style-type: none">• Subscribed to real-time, regular reports on the raw material market, strengthened daily tracking of market and miner trends, maintained good relationships and contacts with miners, and obtained information on market changes in advance.• CSC holds internal meetings on raw material purchase, transportation, and storage on a weekly basis to regularly review the implementation status of raw material purchase, transportation, and storage, and promptly revise material usage and transportation plans in accordance with the CSC's operation policies.
Economy/Governance	Geopolitics	★ Demand slows down or disappears due to geopolitics	<ul style="list-style-type: none">• To mitigate the loss of domestic orders to other overseas markets, CSC continues to monitor the overseas layout of downstream customers, while also supporting it with the group's overseas production and sales bases.• Leveraging overseas production bases in Vietnam (such as CSVN), Malaysia (such as CSC STEEL SDN. BHD.), and India (such as CSC I), and sourcing materials from China Steel Global Trading's overseas cutting plants, the Group secures its material supply and supports customers in expanding to new global markets.
		★ Geopolitical tensions disrupting power and raw material supply	Weekly meetings on raw material purchase, transportation, and storage are held; a project response team, in collaboration with the Maritime and Port Bureau and Taiwan International Ports Corporation, was established to mitigate port arrival and cargo handling delays.
	Low-carbon transformation	★ Customer demand shifts towards to low-carbon products	In response to the demand for green steel materials, CSC continues to develop recycled content (RC) materials, enabling it to supply low-carbon products to downstream computer and home appliance customers through increased recycled steel scrap content.
		★ Carbon border tax discrepancy driving customers from CSC's products to imported steel products	CSC has defined its strategic focus and actively engages in carbon fee sub-act meetings to advocate for fair collection practices, maintain industry competitiveness, and mitigate the impact of carbon fees.
	Digital transformation	★ Increased information security risks from cloud and IoT use	<ul style="list-style-type: none">• The use of external cloud storage and USB drives is generally prohibited, with limited exceptions. Audit software is implemented to maintain comprehensive file access records.• The private cloud platform, used exclusively for internal purposes, provides record monitoring capabilities. Sensitive information transmission is strictly prohibited, and connections are controlled via a whitelist.• The use of IoT equipment with information security concerns is prohibited. Internal company equipment is meticulously managed, with regular firmware updates and security control measures tracked.
		★ Reliability risk of AI technologies	AI model results serve as decision-making references for production personnel. The failure risks are controllable, and the model can be retrained to restore performance, ensuring no direct impact on the overall production process. When a model fails, the model is promptly deactivated, preventing its inclusion in decision-making reference information, and instead, production process decisions are made based on the opinions of production personnel.

For more details[Completed Implementation of Risk Control]https://www.csc.com.tw/csc_e/esg/cg/cg3.html

7

Value Creation and Industry Chain Improvement

- 7.1 Product and Sales
- 7.2 Research Innovation and Product Management
- 7.3 Sustainable Supply Chain Management
- 7.4 Intellectual Property Management



7.1 Product and Sales

7.1.1 Major Products and Usage

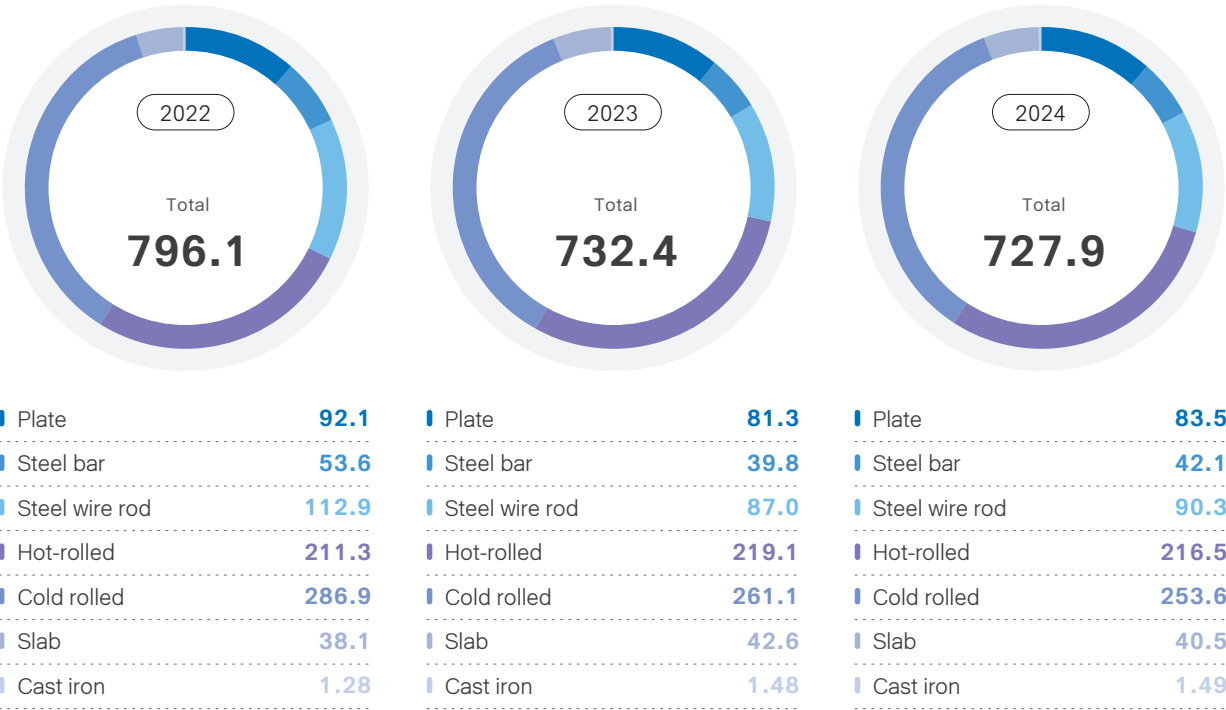
The production of crude steel in 2024 was 7.91 million tonnes approximately, increasing by 0.14 million tonnes compared to 7.77 million tonnes in 2023 and the increase rate is about 1.8%. The productivity per capita was 830.8 tonnes/man-year approximately.

Major products and usage

Steel	Applications
Plate	Shipbuilding, bridges, steel structures, oil country tubular goods (OCTGs), storage tanks, boilers, pressure vessels, die, truck chassis, general construction, offshore wind power, etc.
Straight bars, bars in coil	Nuts and bolts, hand tools, loudspeaker parts, automobile and motorcycle parts, suspension spring, bearing, machinery parts, free-cuttingrod, gear, polished bar, etc.
Wire rods	Nuts and bolts, steel wire and rope, P.C. wire and strand, hand tools, welding electrodes, tire cord, bearing, free cutting rod, umbrella part, polished bar, etc.
Hot rolled coils, plates, and sheets	Steel pipes and tubes, vehicle parts, containers, pressure vessels, building structures, hydraulic jacks, substrate for galvanized and coated steel sheets, hand tools, light shapes and formed parts, etc.
Cold rolled coils	Steel pipes and tubes, steel furniture, kitchenware, home appliances, oil barrels, automobile panels and parts, enamelware, substrate for galvanized and coated steel sheets, hardware, etc.
Electro-galvanized coils	Computer cases/parts and accessories, home appliance panels/parts and accessories, LCD TV back plates/parts, motor cases, construction materials, furniture hardware and components, motorcycle fuel tanks, etc.
Hot-dip galvanized coils	Automobile panels and parts, home appliance panels/parts and accessories, computer cases/parts and accessories, PPGI substrate, construction materials, furniture hardware and components, etc.
Electrical steel coils	Electric vehicles, decoders, compressors, household appliances, electric machine tools, transformers, fluorescent ballasts, drones, spindle motors, water pump motors, reducer motors, servo motors, industrial motors, etc.

Production volume of major products

Unit: 10,000 tonnes



7.1.2 Product Sales

In 2024, the total sales of steel products were 7.58 million tonnes (Mt) and Cold-rolled/Coated products took up 33.77%, followed by Hot-rolled products accounted for 31.34%. Among the total sales, domestic sales accounted for 57.37% (4.35 Mt approximately), and export sales accounted for 42.63% (3.23 Mt approximately). The major exporting markets included Southeast Asia, Europe, and Japan.

Sales Distribution in 2024

Year	Unit: 10,000 tonnes	Plate	Bar/Wire	Hot-rolled	Cold-rolled/Coated	Others	Total	Ratio (%)
2024	Domestic	80.1716	128.6740	101.8697	88.2254	36.2770	435.2177	57.37%
	Export	2.8050	12.9593	135.8461	167.9465	3.7855	323.3424	42.63%
	Total	82.9766	141.6333	237.7158	256.1719	40.0625	758.5601	100%
	Ratio (%)	10.94%	18.67%	31.34%	33.77%	5.28%	100%	-

Export Sales Distribution by Foreign Regions



Export Sales by Country	2024	
	Quantity (10,000 tonnes)	Percentage
Japan	56.6192	17.51%
Vietnam	32.0467	9.91%
China (Including Hong Kong)	25.7349	7.96%
Italy	23.5918	7.30%
Thailand	23.5328	7.28%
Indonesia	17.8608	5.52%
Belgium	16.9914	5.25%
Spain	16.8435	5.21%
Malaysia	16.6278	5.14%
Mexico	13.5290	4.18%
India	12.2596	3.79%
Portugal	11.5038	3.56%
Germany	10.8564	3.36%
Bangladesh	6.7499	2.09%
Others	38.5948	11.94%
Total	323.3424	100.00%

Sales of Premium Steel

In order to implement competitive strategies through product differentiation, CSC includes the expansion of premium steel with "high-function, high technical content or high value-added" as an important target in the planning of its ten-year business development strategies and reviews it annually on a rolling basis. Hence, this target was listed as one of its business targets this year. Statistics show that the sales volume of premium steel in 2024 was approximately 3.702 million tonnes, which did not reach the annual target (3.81 million tonnes). The sales ratio was 51.8%, reaching the annual target (50.0%). Specific results include: SS400-HDG plates are utilized in hot-dip galvanized pipelines within technology industry plants, while DNV450 is designated for underwater natural gas pipeline applications. 60SiCRV steel bars are used in the high-value hand tool industry for silent ratchet handles. BTS41Nb40 is used for hand tools with better fatigue life. The high-cleanliness hot-rolled coil for SPHB-D T1 and T2 specification tinplate was developed to meet deep-drawing formability requirements and is used in automotive motor oil filters and two-piece cans. SPFH 540B high-strength steel products, featuring excellent hole-expansion characteristics, were developed for Japanese customer manufacturing scaffold fixings. Cold-rolled ultra-high-strength martensitic steel is utilized in the aftermarket service for bumper applications. RC20/RC40/RC60 products with a high content of recycled materials are used for computer and server chassis. High-strength thin-gauge electrical steel is used in new energy vehicle motors manufactured by major automakers (including Tesla, PORSCHE, Jaguar Land Rover, and NIO). The continued promotion of premium steel products will not only consolidate CSC's technological foundation for sustainable development, but also guide the direction of product differentiation. The quantity and ratio performance of premium steel in recent years are as follows.

Year	2020	2021	2022	2023	2024
Quantity(10,000 tonnes)	477.2	467.8	429.2	360.7	370.2
Sales ratio	46.5	56.1	55.8	49.8	51.8

Note: Figures were based on order volume in 2020. Starting in 2021, in line with the promotion of advanced premium steel products, the data has been reported based on sales volume instead.

7.2 Research Innovation and Product Management

Material Topic

7.2.1 Research Innovation



★ 2024 Highlights

→ 5G AIoT digital transformation technology development and applications

CSC leverages advanced technologies—including 5G, artificial intelligence (AI), the Internet of Things (IoT), and digital twins—to drive digital transformation, address critical industrial challenges and optimize manufacturing processes. Anchored by its strategic vision of "building 5G infrastructure, enabling smart manufacturing, and accelerating industrial digital transformation," CSC has made significant progress in integrating intelligent solutions into production environments. These efforts were widely recognized, with 43 media features and the receipt of the prestigious 2024 R&D 100 Award. The project has also delivered substantial economic benefits, generating an estimated 270 million TWD (approximately 8.5 million USD) in total economic impact.

→ Development of low-carbon emission steels for precision fasteners

By leveraging innovative metallurgical concepts, CSC introduced new rolling and spheroidizing technologies, establishing four key technologies applied to bar and wire rod alloy steel, medium-carbon steel, and low-carbon steel products. Over the past three years, CSC sold 181,000 tons of such products, generating 564 million TWD in output value, reducing costs by 30.20 million TWD, and lowering carbon emissions by 1,530 tCO₂e.

→ Development of direct hot charge rolling technology

CSC's development of Direct Hot Charge Rolling (DHCR) technology has achieved substantial gains in both efficiency and sustainability, resulting in annual cost savings of 100 million TWD and a carbon emissions reduction of 12,864 tCO₂e. Based on this success, CSC has strategically expanded the DHCR technology to other hot-rolled production lines across the Group.

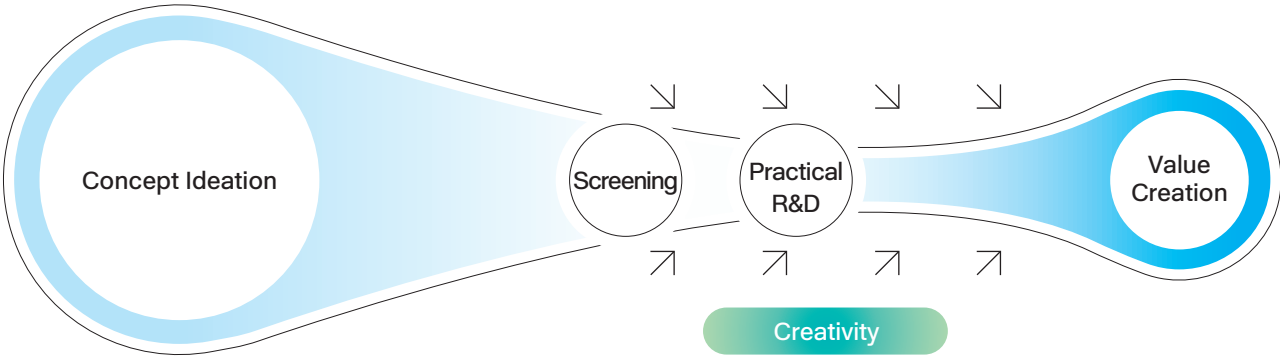
→ Development of comprehensive technology for refractory materials used in ladles

The number of ladles used increased by 13%, the steel load increased by 3%, and the aperture ratio increased to 99%. The annual loss of the Steelmaking Department was reduced by 160 million TWD.

★ Targets	Short-term targets (2025)	Mid-term targets (2026)	Long-term targets (2030)
	● Number of Research and Innovation Initiatives: 21	● Number of Research and Innovation Initiatives: 22	● Number of Research and Innovation Initiatives: 23

+ Policy or Commitment

CSC follows the concept of “five Is”, which includes Information, Imagination, Ideation, Innovation, and Implementation, by which the innovation capacity can be unlimitedly excited.



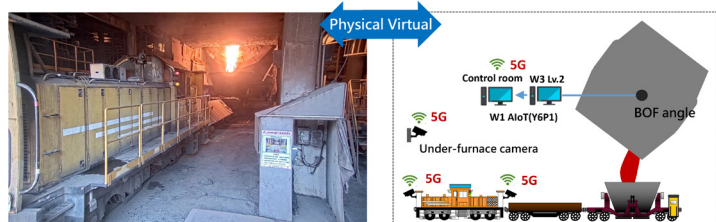
The R&D of CSC includes two fields: steel and non-ferrous metals. The major research objectives include:

- Steel Product Development	developing high-quality and premium-grade new products with top specification and added-value.
- Steel Product Application	developing advanced second and third processing technology to enhance the competitiveness of overall steel industry.
- Process Development	setting up diverse production capability in steel refining and tight rolling technologies with low quantity, cost and pollution.
- Digital Transformation	By leveraging AI technologies and cloud computing resources, CSC integrates large-scale data models into steel manufacturing processes to enhance the precision and responsiveness of sensing, forecasting, and decision-making.
- Energy Conservation and Environment Protection	R&D efforts focused on improving energy efficiency, developing environmentally friendly process technologies (including air pollution reduction and wastewater treatment and recycling), and advancing low-carbon production and carbon sequestration technology R&D.
- Other Industrial Materials	Develop high-quality products such as refined carbon materials, lightweight and low-carbon aluminum materials, recycled refractory materials, etc., that help save energy and reduce emissions.

Action Plan

5G AIoT digital transformation technology development and applications

CSC has consistently pursued enhanced operational and production efficiency through digitalization and automation. To this end, it has established both outdoor and indoor 5G AIoT demonstration sites, leveraging digital innovation technologies to optimize processes and address operational challenges, culminating in four key transformation-driven application services:



- (1) Experience transformation: By integrating 5G with augmented reality (AR), CSC developed an expert remote collaboration systems. The system utilizes over 500 electronic tags, to shorten incident response time and improve troubleshooting efficiency.
- (2) Data transformation: CSC implemented AI modules to predict anomalies in steel billets, achieving a 30% increase in sampling frequency while reducing the data loss rate to below 1%.
- (3) Workforce transformation: A remote-controlled bridge crane system and autonomous inspection robots were developed to mitigate labor shortages and enhance workplace safety.
- (4) Safety transformation: A digital twin system for slag handling was introduced, achieving centimeter-level precision positioning. This technology operates effectively in harsh environments characterized by high temperatures and dust, significantly mitigating operational risks.

Development of Direct Hot Charge Rolling technology

To ensure product quality and stable manufacturing operations, the hot rolling process must adhere to complex scheduling rules that determine the production sequence based on steel grades and coil dimensions. This not only requires substantial energy to reheat steel slabs from the upstream continuous caster but also results in longer delivery times and higher production costs.

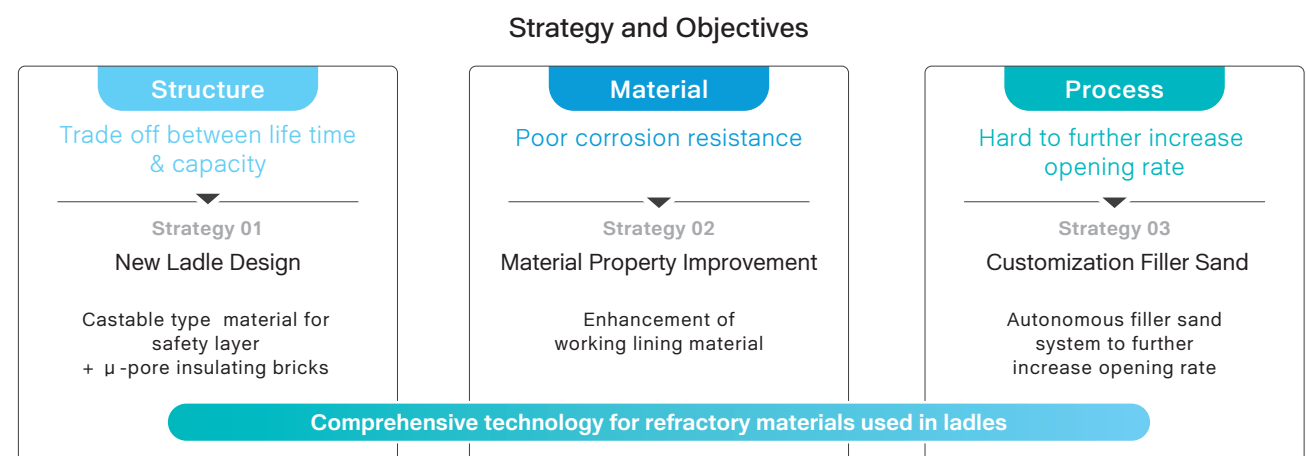
CSC has developed an autonomous strip shape control system that integrates key technologies such as cyber-physical system for the finishing mill, a hybrid physics – machine learning model, and intelligent decision-making for strip shape control. This advancement marks a significant departure from scheduling rules used for over 40 years, significantly boosting real-time coordination between the continuous caster and hot strip mill. As a result, CSC successfully established its own Direct Hot Charge Rolling (DHCR) technology, driving substantial improvements in production efficiency, energy use, and process integration.

Currently, DHCR technology accounts for 70% of the hot slab supply from steelmaking, effectively increasing slab entry temperatures, reducing strip shape defects, and ensuring both energy savings and carbon reduction while maintaining product quality.

Development of comprehensive technology for refractory materials used in ladles

Ladles are critical for steelmaking operations, connecting basic oxygen furnaces, refining, and continuous casting. CSC's ladles face the following challenges:

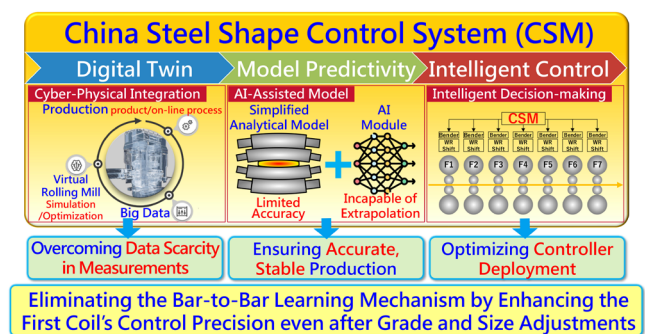
- (1) Increased production capacity and expansion.
- (2) Due to its poor corrosion resistance, the working lining is prone to localized corrosion and cracking, creating a significant risk of steel leakage in severe conditions.
- (3) The filler sand opening rate is 96-97%. Each 1% of failed openings is estimated to result in a 10 million TWD annual loss for the Steelmaking Department.



The research team developed comprehensive resilient ladle technology, encompassing (1) structural, (2) material, and (3) process technologies. For this application, the team developed μ -pore mulliter bricks for the insulating layer, balancing insulation and strength with a μ -pore structure. They also developed a brick-seal-free safety layer design, with high corrosion-resistant working lining materials, to minimize steel leakage, and an autonomous filler sand system to increase the natural opening rate. After the improvement, the number of ladles used increased by 13%, the steel load increased by 3%, and the aperture ratio increased to 99%. The annual loss of the Steelmaking Department was reduced by 160 million TWD.

Implementation Results

- 5G AIoT digital transformation technologies: CSC implemented 11 smart solutions, developed 19 key enabling technologies under the 5G AIoT digital transformation program. These efforts resulted in the publication of 11 patents and 7 academic papers. Major achievements included coverage in 43 media features, recognition by the 2024 R&D 100 Awards, and the generation of approximately 270 million TWD (around 8.5 million USD) in total economic benefits.
- Development of Direct Hot Charge Rolling Technology: This innovation raised slab entry temperatures to above 850° C, reducing fuel consumption and increasing yield. It has generated annual benefits of 100 million TWD and achieved carbon reductions of 12,864 tCO₂e. The technology has also been successfully implemented across other hot rolling lines within the Group.
- Development of comprehensive technology for refractory materials used in ladles: The number of ladles used increased by 13%, the steel load increased by 3%, and the aperture ratio increased to 99%. The annual loss of the Steelmaking Department was reduced by 160 million TWD.



Highlight case

CSC received recognition at the fourth Harvard Business Review (HBR) Digital Transformation Awards for its ongoing advancement of AI applications

Since initiating its digital transformation, CSC has completed 325 AI projects, generating approximately 1.6 billion TWD in annual benefits. Notably, the AI project "Development of Digital Intelligent Temperature Control System for the Hot Rolling Mill Reheating Furnace" won first prize in the "Smart Manufacturing Transformation Award" and "ESG Special Award" at the 2024 fourth HBR Digital Transformation Awards, showcasing CSC's excellence in AI IoT, big data, and carbon reduction.

To address the challenge of precisely controlling slab temperature before hot rolling, CSC implemented three key AI technologies: "virtual slab temperature measurement," "smart digital temperature control," and "furnace condition monitoring diagnosis" in one system. These technologies, leveraging sensors and computational models, have significantly reduced slab temperature errors, enabled accurate fuel estimation, and transitioned reheating furnace maintenance from scheduled to predictive.

Implemented across the Group's 17 reheating furnaces, this system has yielded significant savings every year: approximately 145 million calories in reduced fuel consumption, a 31,000-tonne decrease in carbon emissions, and 154 million TWD in fuel cost reductions. Driven by its vision of sustainable growth excellence, CSC will continue to deepen AI and IoT applications and promote the digital transformation and upgrade of the steel industry.



7.2.2 Quality Control and Hazardous Substance Management

To achieve the target of "continuously providing products that meet customer and regulatory requirements and improving customer satisfaction," CSC is committed to delivering high-quality, high-value-added products while enhancing its own adaptability. CSC adopted the international quality management system IATF 16949 and ISO 9001 to establish "Steel Product Quality Management System", ensuring that all processes within the system are effectively executed, while continuously improving the management process and product quality. On the other hand, Hazardous Substance Process Management (HSPM) is a part of achieving sustainable development, and CSC thus established a hazardous substance process management system through the implementation of IECQ HSPM QC 080000. From raw material selection to new product development and design, CSC shall constantly monitor the whole restricted substances and provide high-quality eco-friendly products, ensuring their avoidance and elimination within our manufacturing processes and comply with international environmental regulations and meet specific customer requirements.

Product Certification

CSC has obtained certifications used in Japan, Malaysia, India, Thailand, Indonesia, Vietnam, Saudi Arabia, the United Kingdom, and the European Union, with 1,043 steel grades of plate, bars and wire rods, hot and cold rolled coils, and coated products. This enables us to provide overseas customers with compliant products and is our niche for smoothly importing products, enhancing the competitiveness of our exported steel products.

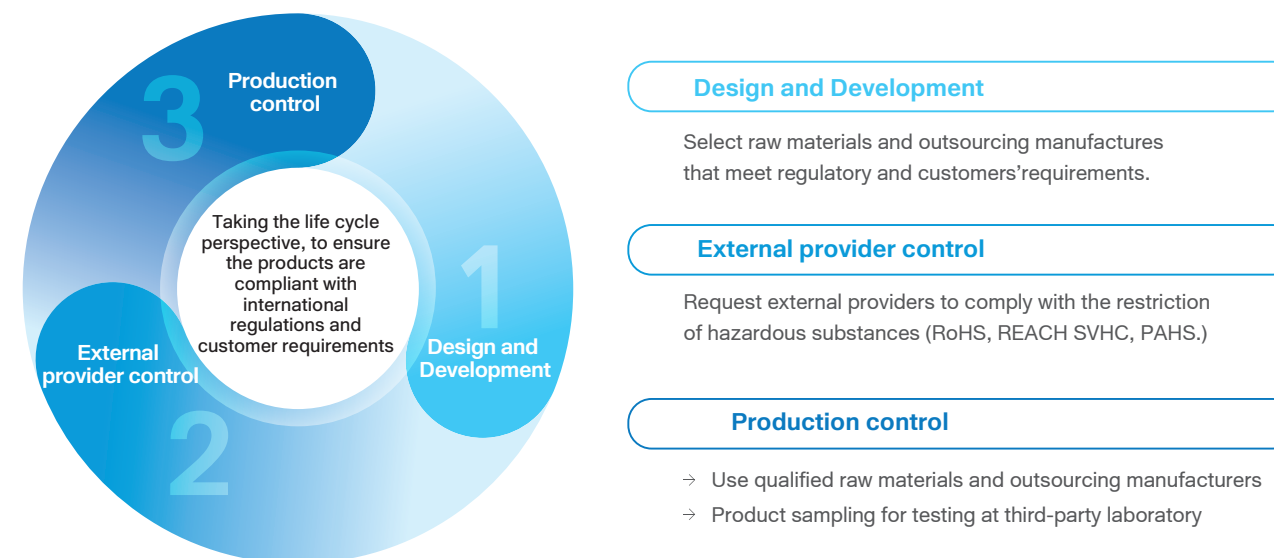
In 2024, CSC has been committed to collaborating with customer to expand the South Korean building materials market and actively promoted the application for Korean KS Mark certification for our electrogalvanized products. After a rigorous site inspection and product sampling test process, CSC obtained its first KS certificate in October, providing strong support for

customers competing for South Korean public works orders. In the same year, CSC also applied for Indian BIS IS Mark certification for hot-rolled and as-cold rolled (ASCR) products, and invited BIS officials to Taiwan for an on-site review. Subsequently, the product test pieces passed the Indian laboratories' test, and in December, CSC was granted the new BIS certificates which will ensure the potential needs of the Indian market can be met in a timely manner.

Product Life-Cycle Perspective Control

We avoid using raw materials that contain hazardous substances during the procurement and product development stage, and reduce alloys that contain SVHCs (Substances of Very High Concern) in the manufacturing processes. As for outsourcing, the contracts ensure that products comply with international environmental regulations and meet specific customer requirements. In the material selection stage, restricted substances that have a major impact on the environment, such as: the EU RoHS, REACH-SVHCs, Packaging and Packaging Waste regulations (PPWR), Germany's AfPS GS PAHs, California Proposition 65, Montreal Protocol on Substances that Deplete the Ozone Layer, per-fluorinated and poly-fluorinated alkyl substances (PFAS), restricted substances of international motor vehicle manufacturers, the U.S. Toxic Substances Control Act (TSCA) and the Stockholm Convention on Persistent Organic Pollutants (POPs) are all closely monitored and included in the scope of control. There were no incidents of non-compliance concerning with the health and safety impacts of products and services in 2024.

In terms of outsourcing and management of raw material suppliers, CSC requires contractors and raw material suppliers to comply with hazardous substance restrictions of CSC or its customers and provide a "Statement of Compliance with CSC Restriction of Hazardous Substances." This reduces hazardous substances during early stages of the Product Life Cycle (PLC) perspectives, and extends CSC's restriction of hazardous substances to contractors and raw material suppliers, ensuring that CSC's products do not contain hazardous substances from the source. CSC included the indicator "Hazardous substance content of steel products (including products from outsourced processes) meets the statutory conforming rate" as an internal management target for controlling and tracking, and the conforming rate of implementation results in 2024 was 100% (the conforming rate has been 100% every year since 2013).



For more details [Quality Control] https://www.csc.com.tw/csc_e/esg/cg/cg4.html

[Customer Service] https://www.csc.com.tw/csc_e/esg/soc/soc4.html

[Intellectual Property Management] https://www.csc.com.tw/csc_e/esg/cg/cg2_4.html

7.3 Sustainable Supply Chain Management

7.3.1 Supply Chain Categories

CSC's supply chain management can be categorized by supplier types as follows: Equipment and Material Procurement, Transportation, Security and Contractor, and each of the aforementioned supplier is managed by a different responsible department.

CSC Supply Chain	Equipment and Materials Procurement	CSC is the largest steel manufacturer in Taiwan, with upstream operations closely tied to raw material procurement. Key materials include coal, iron ore, and flux, most of which are still imported from abroad.
	Transportation	CSC's supply chain partners include AEO-related logistics providers, covering import/export customs brokers, sea and land freight forwarders, and transport contractors. Currently, there are over 49 logistics service providers and agents contracted by CSC.
	Security	The access control and security of CSC's factory is assigned to China Steel Security (CSS) Corporation, a subsidiary of CSC. Currently, CSS has a total of 138 personnel stationed at the Hsiao Kang plant area (105 security guards and 33 firefighters).
	Contractor	Due to the nature of CSC's industry, the company relies heavily on local subcontractors for operations such as construction, environmental services, and technical support. Among these, operational support contractors are the most critical.

7.3.2 Supply Chain Management Strategy and Targets

In addition to requiring suppliers to comply with applicable laws and codes of conduct through contracts or other legally binding documents such as purchase order appendices, CSC also mandates that relevant departments manage and evaluate suppliers in accordance with the provisions outlined in the Company's Quality Control Regulations, specifically the "Steel Quality Manual" , of which coverage controls products and services provided to external parties as well as relevant processes. Furthermore, CSC established the "Supplier Code of Conduct" and requires qualified suppliers to comply with the code of conduct. As outlined in [Chapter 1.3 Sustainability Targets](#), the Company has established short-, medium-, and long-term goals for supplier management. All qualified suppliers are required to comply with the Supplier Code of Conduct. As of the end of December 2024, a total of 3,959 suppliers had acknowledged and agreed to the Code of Conduct. In 2024, 100% of newly onboarded suppliers agreed to comply with the Supplier Code of Conduct.

In order to enhance supply chain management, the following anti-corruption clause is stipulated in the contract signed between CSC and vendors in its supply chain: "The vendor guarantees that at the tender price will not include bribes, gifts, commissions, remunerations, gratuities or other improper benefits, and the vendor guarantees that no bribes, gifts, commissions, remunerations, gratuities or other improper benefits will be paid to managers, employees, part-time employees appointed by CSC, or their spouses, immediate family members or consultants in connection with the tender." In case of any violation, the vendor shall be liable for all damages. In the event of any serious violation, CSC may cancel or terminate all other contracts signed with the vendor. CSC shall suspend its dealings with vendors that violate ethical principles and urge these vendors to make improvements before resuming its dealings with them. According to statistics for 2024, the Company suspended dealings with 2 vendors for violating ethical principles according to the Purchasing Department Directions for Violation of Integrity Principles by Vendors.

Implementation Plan

Equipment and Material Procurement

CSC has committed to not using any minerals from Democratic Republic of the Congo, its neighboring countries or any mines controlled by armies or rebel groups, in its products or packaging. Through enhancing supply chain management, CSC effectively identifies and traces material sources to eliminate the use of conflict minerals. Any mine that is suspected to be involved in conflict minerals would be disregarded in investment evaluation. CSC also pays attention to human rights conditions in the countries providing equipment and materials and adjusts procurement decisions accordingly. The tender instructions and contract terms stipulate no bribery, no infringement, and environmental and safety in-plant regulations.

Transportation

While exercising strict control over risks associated with transportation suppliers, CSC not only requires transportation suppliers to participate in and obtain ISO 45001 certification, but also steps up accident risk management during transportation in order to minimize the risk of occupational accidents. In terms of maritime transportation, CSE holds environmental control-related certificates for its own ships. In addition, CSE has required all its self-owned and chartered ships to switch to low-sulfur fuel for the entire voyage according to the International Maritime Organization (IMO) regulations since 2020 for the purpose of complying with environmental regulations. Regarding land transportation, CSC actively implements measures aimed at reducing greenhouse gas emissions and improving air quality. From October 2019, all vehicles for delivering products are in compliance with the stage 4 or stage 5 emission standards and the vehicle service life must be no more than 15 years old.

Security

According to the provisions of Article 10-2 of the Private Security Service Act, "When a security company hires security guards, it shall offer them pre-service professional training of one week or above. For current security guards, it shall provide them with in-service training of at least four hours every month." CSS not only manages education and training according to law, but also offers legal knowledge, skills required on duty, human rights advocacy, etiquette, etc., the total training hours for all employees reach 600 hours per month. Furthermore, regular emergency response drills are conducted annually at various sentries and administrative buildings to maintain access control security.

Contractor

According to "Management Guidelines for CSC Operations, Maintenance, and Environmental Protection Contractors" , operations, maintenance, and environmental protection contractors are to enter long-term or case-by-case contracts with CSC, providing manpower, equipment, and technical support for CSC in maintenance, operations and environmental protection-related tasks.

Contractor employees working in CSC must have insurance mandated by the government, and comply with CSC's safety and health work rules. A penalty would be imposed for any violation, and the fine will be designated exclusively to a fund for supervision, correction, and improvement of the safety and health of contractor employees. New contractors must fill out evaluation forms, disclosing information including primary business activities and verified certifications (ISO 45001/ISO 14001) to prove that they are legally registered, adequately insured, tax-paying companies with healthy financial status. Also, they must genuinely report on the critical occupational safety and/or environmental protection issues for the past three years to allow respective departments to classify and evaluate as well as arrange on-site inspections.

🔗 The hotline for reporting incidents of corruption, bribe and fraud is specified in Article 14 of the "Supplier's Quotation Notice" to be +886-7-8021111 #2191. (<https://cs.csc.com.tw/mqz/open/mqzp2>)

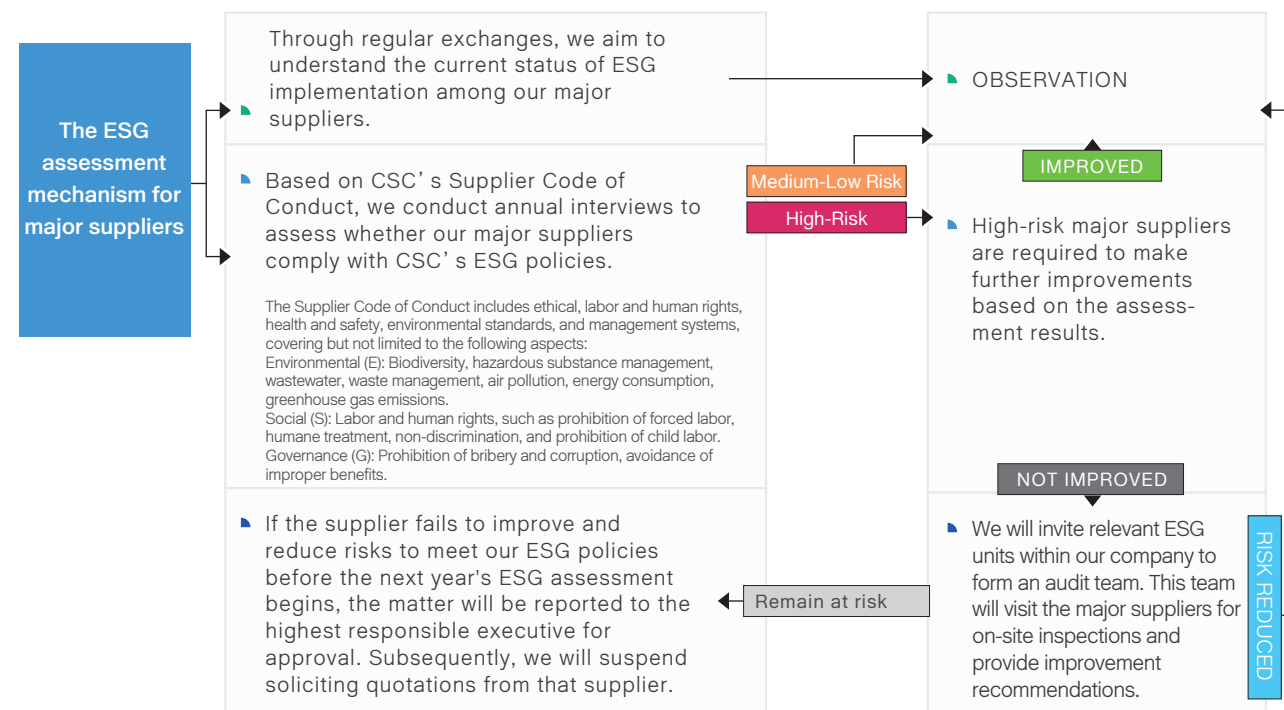
🔗 For more details【Supply Chain Management】https://www.csc.com.tw/csc_e/esg/cg/cg6.html

🔗 【Supplier Code of Conduct】https://www.csc.com.tw/csc_e/esg/pdf/par-conduct.pdf

7.3.3 Supply Chain Audit and Risk Assessment

CSC Supplier Code of Conduct consists of five parts: (A) Code of Ethics, (B) Labor and Human Rights, (C) Health and Safety, (D) Environmental Standards, and (E) Management Systems, integrating all facets of ESG issues. The Code of Conduct was approved by the President of CSC and publicly disclosed in the CSC ESG section. The implementation status is supervised by the Corporate Governance and Sustainability Committee directly under the Board of Directors through monthly meetings, to encourage suppliers and partners to jointly address sustainability issues.

In 2023, based on its Code of Conduct, CSC required major suppliers (i.e., raw material suppliers) to self-assess their compliance with CSC's Supplier Code of Conduct (i.e., whether they complied with CSC's ESG policy) and provide clear responses for risk assessment. The process was as follows:



Results of Supply Chain Audits

Category	Audit Method	2022	2023	2024
Equipment and Material Procurement	<ul style="list-style-type: none"> Identification and evaluation of indirect environmental considerations for six types of raw materials in accordance with the "Occupational Safety, Hygiene, Pollution Prevention of Procurement and Contracting Rules" 	<ul style="list-style-type: none"> Only 1 high-risk supplier; joint site audit confirmed improvements. Others were assessed as moderate risk or below. 	<ul style="list-style-type: none"> Only 1 high-risk supplier; joint site audit confirmed improvements. Others were assessed as moderate risk or below. 	<ul style="list-style-type: none"> Only 1 high-risk supplier; joint site audit confirmed improvements. Others were assessed as moderate risk or below.
Transportation	<ul style="list-style-type: none"> On-site audits Environmental and occupational safety risk impact assessments. Since 2022, external violations by suppliers are included in evaluations to enhance social responsibility. 	<ul style="list-style-type: none"> 17 violations found; all immediately rectified. No non-compliance in environmental/social impact No external violations. 	<ul style="list-style-type: none"> 18 violations found; all immediately rectified. No non-compliance in environmental/social impact No external violations. 	<ul style="list-style-type: none"> 15 violations found; all immediately rectified. No non-compliance in environmental/social impact No external violations.

Category	Audit Method	2022	2023	2024
Security	<ul style="list-style-type: none"> Security service provider follows a 5-year audit cycle aligned with contract renewal: self-assessment questionnaires for the first 4 years, and on-site sampling audits in the 5th year to verify compliance with the Supplier Code of Conduct. 	--	--	<ul style="list-style-type: none"> Planned for Q1 2025: China Steel Security Company will conduct a self-assessment questionnaire to review compliance with Supplier Code of Conduct.
Contractor	<ul style="list-style-type: none"> According to "Management Guidelines for Contractor", contractor must conduct a monthly evaluation based on contractor's performance and compile the results in the "annual evaluation report". Suppliers who fail to meet the required scores in the annual performance evaluation are disqualified from participating in the next contract cycle. In addition, labor condition audits are conducted annually for all contractors. For long-term on-site contractor agreements, mid-year audits are conducted to assess labor conditions. <p>Note: Non-resident contractors are excluded from this audit due to their part-time presence at CSC worksites.</p>	<ul style="list-style-type: none"> All contractors met contract terms on minimum wage, legal leave, holiday pay, and overtime compensation. No underperforming contractors. 	<ul style="list-style-type: none"> All contractors met contract terms on minimum wage, legal leave, holiday pay, and overtime compensation. No underperforming contractors. 	<ul style="list-style-type: none"> There are 2 contractors scored below threshold and will not be allowed to undertake the contract in the next period. 4 contractors violated and have been required to make improvements. All on-site contractors are compliant with wage and labor terms.

Enhancing Supply Chain Sustainability Performance

To incentivize service quality improvements among land transportation suppliers, CSC's Transportation Department ranks each vehicle supplier's performance (A, B, or C) based on the previous month's score. In the following month, class A vehicle suppliers can obtain more bills of lading every day for 32-ton tractor-semi trailer in Taiwan and tractor-full trailer in Southern Taiwan, creating a positive incentive mechanism.

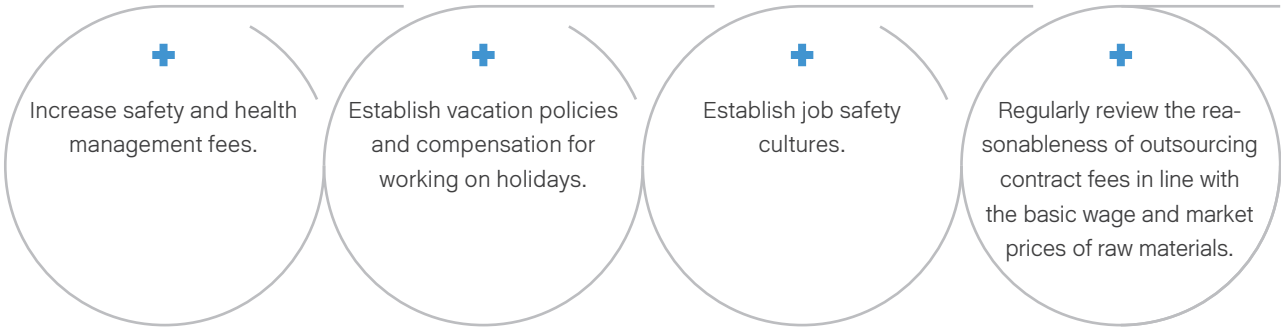
The Plant Engineering & Maintenance Department is responsible for large-scale equipment repair and upgrade projects. In order to improve the on-site occupational safety management performance of maintenance contractors, the department uses big data analysis of daily safety inspection data to identify contractors and safety personnel needing guidance, strengthens that guidance, and measures improvement through indicators and trends, effectively enhancing occupational safety awareness. At the same time, project audits are conducted, and suppliers are engaged in discussions and penalized according to regulations to ensure effective recurrence prevention measures are implemented.

In addition, supplier risk management is conducted based on risk levels, and aperiodic engagements with medium and low-risk suppliers are held to assess their ESG implementation. Based on evaluations, high-risk suppliers are given strengthened guidance, with audit teams from ESG-related units conducting on-site visits and offering improvement suggestions to enhance their sustainability management capabilities.

7.3.4 Contractor

Owing to the industrial characteristics of steel manufacturing, a large number of manpower would be required for equipment revamping or periodic/annual/major repairs at the production units for a short period of time. CSC uses contracted workers to cope with the fluctuating demand. Due to the time constraints for production equipment maintenance tasks, contractors located in nearby areas are preferred, thus creating a vast amount of stable job opportunities locally. This is yet another example of CSC fulfilling corporate social responsibilities while maintaining sustainable business operations.

CSC Improves Working Conditions of Contractor:



The agreements between CSC Plant Engineering & Maintenance Department and service providers are in compliance with regulations. Also, in accordance with the ISO 9001 regulations on contractors, CSC assesses new contractors and reevaluates them every three years to ensure that all contractors abide by national regulations, and no child labor is used or no regulation breaching the right to freedom of association and collective bargaining is in place. CSC also dedicates to the supervision of contractors to enhance the working conditions of their employees and to ensure the compliance with the Labor Standards Act by carrying out inspections on the labor conditions of contractors in general performance evaluations. No incident was reported on use of child labor, forced or compulsory labor, or violation against labor conditions in 2024.

Establish Stable Partnership

CSC cares for its contractors in such broad aspects so that they can work with peace of mind and ultimately reduce turnover rate. During the “Outsourcing Strategy Review Meeting” held at the end of each year, CSC ensures that the wage level of its subcontracts is superior than the minimum wage stated in the Labor Standards Act. At the same time, CSC verifies the labor conditions every July to confirm through document review that the minimum basic salary and payment in lieu of annual leave given by contractor employers are in compliance with the Labor Standards Act and the regulations put forth by CSC. Any discrepancies with regulations need to be explained by contractor employers and signed by contractor employees.

Safety and Health

CSC Contractor Safety and Health Committee was founded in 1983. Plant Engineering & Maintenance Department established “Safety and Health Guidelines for Plant Engineering & Maintenance Department Contractors” in May 1984, to appoint a team consisting of experts from Industrial Safety & Hygiene Department and Plant Engineering & Maintenance Department to assist with the implementation and monitoring of the committee affairs. Recently, the committee members consisting of about 100 contractor companies in the areas of mechanical engineering, civil and steel construction, electrical engineering, and refractories, collaborating towards the common goals of ensuring the safety and health of contractor employees, strengthening labor quality, improving technical quality and establishing safety culture.

Contractor Safety and Health Propaganda	<ul style="list-style-type: none">Gather contractors every month to announce new safety and health-related information and regulations by CSC.
New Contractor ID Issuing Assessment	<ul style="list-style-type: none">New contractors must attend mandatory safety trainings and be interviewed by managers of ID issuing organization. (Listed in the Industrial Safety & Hygiene Department's system)
Safety Care	<ul style="list-style-type: none">Conduct on a monthly basis. (Listed in the Industrial Safety & Hygiene Department's system)

Proactively Reporting Near-Miss Incidents or Submitting Health and Safety Proposals	<ul style="list-style-type: none">Incentivized through rewards
Implement and Promote Inherent Safety	<ul style="list-style-type: none">Urge contractors to comply with CNS 4750, and reinforce by frequent inspections to reduce scaffolding-related safety hazards.
Safety Inspections	<ul style="list-style-type: none">All levels of management personnel regularly conduct safety inspections at contractors' workplace and keep records. (Listed in the Industrial Safety & Hygiene Department's system)

Contractor Training

CSC maintenance units are responsible for arranging training courses and certifications based on the health and safety requirements as well as technical skills required for contractors to perform their work at CSC. The training has been proven to be effective. In 2024, contractor workers received a total of 28,696 hours of training in CSC.



7.4 Intellectual Property Management

Intellectual property management

CSC regards intellectual property as an important intangible asset and a tool to maintain its competitive advantages. While continuing to innovate and develop high-quality steel products and process technologies, CSC implements intellectual property management to create added value and showcase its brand image.

To continue making improvements to its intellectual property management system, CSC implemented the Taiwan Intellectual Property Management System (TIPS) and compiled an Intellectual Property Management Manual, and used the Plan-Do-Check-Act (PDCA) management cycle to establish a management system that links intellectual property management to operational goals. Apart from the management system with a complete framework, CSC established a dedicated unit to assist in the implementation of intellectual property management affairs, encouraging employees to engage in innovative R&D through incentive measures. CSC also established the "CSC Intellectual Property Updates" and organized diverse intellectual property courses to disseminate the concepts of intellectual property and improve employees' practical skills.

■ Strengthening management measures in terms of acquisition, protection, maintenance, use of intellectual property, and rewarding innovation

CSC has established specifications for patent application, review, and evaluation process for maintenance; in addition, it has provided proposal bonuses, certification bonuses, and Patent Recognition Awards to encourage employees to engage in innovative R&D, focusing on directions related to its operation and development strategies. CSC licenses non-core patented technologies, so that its innovative technologies and patents can benefit industries and generate intellectual property revenue.

■ Expanding personnel training and promotion

To improve employees' literacy in intellectual property and instill them with the right concepts, CSC listed intellectual property training as a training course for new employees, with dissemination of its intellectual property management policy, goals, and duty of confidentiality. In addition, tailored intellectual property courses are offered to meet employees' business needs, systematically enhancing their professional competencies. By 2024, employee training participation reached a cumulative total of 6,443 employees.

■ Granted the TIPS certification

In 2024, CSC received the TIPS recertification, and the scope of intellectual property covered patent, trade secret, trademark, and copyright, making CSC one of very few companies to receive certification for 4 types of intellectual property after the revision to TIPS management regulations in 2016. This shows that CSC's intellectual property management system has gained the recognition of a fair and professional national-level certification institution.

■ 2024 Intellectual property achievements

The National Invention and Creation Award is organized by the Intellectual Property Office, Ministry of Economic Affairs every two years. CSC once again was recognized by the office and received a silver medal for the patent "Self-bonding coated electrical steel sheet, laminated core, and method for producing the same" (Patent Certificate No. I726763). To date, CSC's patents have won 3 gold medals, 10 silver medals, and 1 Industry Contribution Award recognizing its results in the promotion of intellectual property. These awards show that CSC's innovation and R&D capabilities have been recognized by the government.

Development of the electronic intellectual property management system

To ensure stable intellectual property management and align with operational strategies like AIoT adoption and development of green products and advanced carbon reduction technologies, CSC/the Group has optimized its ESG brand image. In addition to the existing "Patent Search Analysis Platform," "Patent Management System," and "Trade Secret Registration System," CSC participated in the 2023 Innovative Intellectual Property Management System Guidance Program of the Industrial Development Administration, Ministry of Economic Affairs, and independently developed the Trademark Electronic Management System (hereinafter referred to as "TEMS"). To align with the TIPS regular audit system, CSC refined the functions of TEMS in 2024. In addition, to improve copyright inventory efficiency, it launched the "Copyright List and Registration Management System." The implementation of these systems echoes CSC's dual cores and three transformation strategies for sustainable business development, promotes the development of a steel mill that produces advanced premium products with high value and the development of the green energy industry. It is linked to digital, low-carbon and supply chain transformation. CSC has strengthened interdepartmental relationships by cross-departmental collaboration. In addition to achieving paperless management of intellectual property, consolidating brand image, and collecting information, it also reduces resource consumption and reinforces the resilience of CSC's sustainable management.

TIPS certificate



The Chairman presents the 2024 Patent Recognition Award - Excellence, and the President presents the Patent Recognition Award - First Prize



Broaden employee training and promotional efforts



8

Appendix

- Appendix 1 GRI Standards Content Index
- Appendix 2 Sustainability Accounting Standards Board (SASB)
- Appendix 3 Sustainability Disclosure Indicators - Steel Industry
- Appendix 4 TCFD Content Index
- Appendix 5 Climate-Related Information of CSC
- Appendix 6 Domestic and International Organizations
- Appendix 7 Assurance Statement

Appendix 1
GRI Standards Content Index

General Disclosures

Statement of use	CSC has reported in accordance with the GRI Standards for the period 2024/1/1-2024/12/31.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	NA

GRI Standards	Disclosure	Page	Chapter	Note/ Reasons for Omissions
GRI 2 General Disclosures 2021	● The organization and its reporting practices			
	2-1	Organizational details	2	0.1
	2-2	Entities included in the organization's sustainability reporting	2	0.1
	2-3	Reporting period, frequency and contact point	2	0.1
	2-4	Restatements of information	-	Explanations to all the restatement are denoted in the report Reasons for omission are not permitted
	2-5	External assurance	2	0.1
	● Activities and workers			
	2-6	Activities, value chain and other business relationships	5-6	0.2.2
	2-7	Employees	81	4.1
	2-8	Workers who are not employees	82	4.1
	● Governance			
	2-9	Governance structure and composition	119	6.2
	2-10	Nomination and selection of the highest governance body	120	6.2
	2-11	Chair of the highest governance body	119-117	6.2, 6.1.2
	2-12	Role of the highest governance body in overseeing the management of impacts	121	6.2.2
	2-13	Delegation of responsibility for managing impacts	121	6.2.2
	2-14	Role of the highest governance body in sustainability reporting	2	0.1
	2-15	Conflicts of interest	118	6.1.3
	2-16	Communication of critical concerns	122	6.2.2
	2-17	Collective knowledge of the highest governance body	122	6.2.3
	2-18	Evaluation of the performance of the highest governance body	123	6.2.3
	2-19	Remuneration policie	121	6.2.1
	2-20	Process to determine remuneration	120	6.2.1
	2-21	Annual total compensation ratio	87	4.2.1

GRI Standards	Disclosure	Page	Chapter	Note/ Reasons for Omissions
GRI 2 General Disclosures 2021	● Strategy, policies and practices			
	2-22	Statement on sustainable development strategy	13-24	1.1, 1.2, 1.3
	2-23	Policy commitments	49-93	3.1, 4.3.3
	2-24	Embedding policy commitments	50-93	3.1, 4.3.3
	2-25	Processes to remediate negative impacts	51-93	3.1, 4.3.3
	2-26	Mechanisms for seeking advice and raising concerns	118	6.1.2
	2-27	Compliance with laws and regulations	51-101	3.1, 4.4.1
	2-28	Membership associations	165	Appendix 6
	● Stakeholder engagement			
	2-29	Approach to stakeholder engagement	25	1.4
	2-30	Collective bargaining agreements	92	4.3.1

Material Topics

The following table shows corresponding GRI topic-specific disclosures of CSC's material topics identified in 2024.

Material Topics					
GRI Standards	Disclosure		Page	Chapter	Note/ Reasons for Omissions
GRI 3 : Material Topics 2021	3-1	Process to determine material topics	29	1.5	Reasons for omission are not permitted
	3-2	List of material topics	30	1.5	
Research Innovation					
GRI 3 : Material Topics 2021	3-3	Management of material topics	31 ∙ 138	1.5, 7.2.1	
CSC indicators		Number of Research and Innovation Initiatives	138	7.2.1	
Operational and Financial Performance					
GRI 3 : Material Topics 2021	3-3	Management of material topics	21 ∙ 31 ∙ 123	1.3, 1.5, 6.3	
GRI 201: Economic Performance2016	201-1	Direct economic value generated and distributed	124	6.3.1	
	201-4	Financial assistance received from government	127	6.3.2	
Significant Risk Events					
GRI 3 : Material Topics 2021	3-3	Management of material topics	31 ∙ 127	1.5, 6.4	
CSC indicators		Periodically monitor the implementation status of control strategies and actions for significant risks	127	6.4	

Material Topics						
GRI Standards		Disclosure		Page	Chapter	Note/ Reasons for Omissions
Circular Economy/Waste and by-products						
GRI 3 : Material Topics 2021		3-3	Management of material topics	23 ∙ 31 ∙ 65	1.3, 1.5, 3.3.1	
GRI 306: WASTE 2020	Management approach	306-1	Waste generation and significant waste-related impacts	66	3.3.1	AA 1000 AS Type 2
		306-2	Management of significant waste-related impacts	66	3.3.1	
	Topic-specific	306-3	Waste generated	68	3.3.1	
			Waste directed to disposal	68	3.3.1	
			The output of waste per unit of CS (kg / tCS)	68	3.3.1	
CSC indicators	306-5	The ratio of waste treated in-plant	68	3.3.1		
		The ratio of waste recycled and reused	68	3.3.1		
Climate Change						
GRI 3 : Material Topics 2021		3-3	Management of material topics	23 ∙ 31 ∙ 35	1.3, 1.5, 2.1	
GRI 305: Emissions 2016		305-1	Direct (Scope 1) GHG emissions	46	2.3	
		305-2	Energy indirect (Scope 2) GHG emissions	46	2.3	
		305-3	Other indirect (Scope 3) GHG emissions	46	2.3	
		305-4	GHG emissions intensity	163	Appendix 5	
Air Quality						
GRI 3 : Material Topics 2021		3-3	Management of material topics	23 ∙ 31 ∙ 59	1.3, 1.5, 3.2.2	
GRI 305 : Emissions 2016		305-6	Emissions of ozone-depleting substances (ODS)	61	3.2.2	AA 1000 AS Type 2
		305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	61	3.2.2	
CSC indicators			SOx, NOx and Par. emission intensity (kg / tCS)	59	3.2.2	
Sustainable Value Creation of Steel Products						
GRI 3 : Material Topics 2021		3-3	Management of material topics	31 ∙ 74	1.5 ∙ 3.5	
CSC indicator			The capacity of the solar photovoltaic system	74	3.5	
Energy Efficiency						
GRI 3 : Material Topics 2021		3-3	Management of material topics	23 ∙ 31 ∙ 53	1.3, 1.5, 3.2.1	
GRI 302: Energy 2016		302-1	Energy consumption within the organization	57	3.2.1	AA 1000 AS Type 2
		302-3	Energy intensity	54	3.2.1	
		302-4	Reduction of energy consumption	55	3.2.1	
Occupational Safety and Health						
GRI 3 : Material Topics 2021		3-3	Management of material topics	23 ∙ 31 ∙ 96	1.3, 1.5, 4.4.1	

Material Topics						
GRI Standards		Disclosure	Page	Chapter	Note/ Reasons for Omissions	
GRI 403: Occupational Health and Safety 2018	Management approach	403-1	Occupational health and safety management system	96	4.4.1	
		403-2	Hazard identification, risk assessment, and incident investigation	96	4.4.1	
		403-3	Occupational health services	102	4.4.2	
		403-4	Worker participation, consultation, and communication on occupational health and safety	89 ∙ 102	4.2.2, 4.4.2	
		403-5	Worker training on occupational health and safety	99	4.4.1	
		403-6	Promotion of worker health	102	4.4.2	
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	101	4.4.1	
	Topic-specific	403-9	Work-related injuries	100	4.4.1	AA 1000 AS Type 2
	Employee Remuneration and Welfare					
GRI 3 : Material Topics 2021		3-3	Management of material topics	21 ∙ 31 ∙ 86	1.3, 1.5, 4.2	
GRI 401: Employment 2016		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	87	4.2.2	
GRI 405: Diversity and Equal Opportunity 2016		405-2	Ratio of basic salary and remuneration of women to men	87	4.2.1	
The following table shows corresponding GRI voluntary disclosures of CSC's non-material topics.						
Non-material Topics						
GRI Standards		Disclosure	Page	Chapter	Note	
GRI 303: Water and Effluents 2018	303-2	Management of water discharge-related impacts	62	3.2.3	AA 1000 AS Type 2	
	303-3	Water withdrawal	64	3.2.3		
	303-4	Water discharge	64	3.2.3		
	303-5	Water consumption	64	3.2.3		
GRI 401: Employment 2016		401-1	New employee hires and employee turnover	82 ∙ 85	4.1.1, 4.1.5	
GRI 402: Labor/Management Relations 2016		402-1	Minimum notice periods regarding operational changes	85	4.1.5	
GRI 406: Non-discrimination 2016		406-1	Incidents of discrimination and corrective actions taken	81	4.1	No violation
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	147	7.3.4	No violation

Appendix 2
Sustainability Accounting Standards Board (SASB)

Non-material Topics				
GRI Standards	Disclosure	Page	Chapter	Note
GRI 408 Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	147、81	7.3.4, 4.1	Prohibition of child labor
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	147	7.3.4	No violation
GRI 410 : Security practices 2016	410-1 Security personnel trained in human rights policies or procedures	144	7.3.2	100%
GRI 411 : Rights of indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	-	-	No violation
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	50、107	3.1, 5.2.1	
GRI 415 : Public policy 2016	415-1 Political contributions	-	-	Prohibition of political contributions
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	142	7.2.2	No violation

Index of Iron & Steel Producers				
Aspect	Topic	Code	Accounting Metric	CSC's Response
Environment	Greenhouse Gas Emissions	EM-IS-110a.1.	Gross global Scope 1 emissions (tCO ₂ e.), percentage covered under emissions-limiting regulations (%)	(1) 17,587,087 tonnes CO ₂ e (2) No regulatory limits on Scope 1 emissions currently >> For more information, please refer to Ch 2.3 Actions on Climate Change Adaptation
		EM-IS-110a.2.	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	CSC has set a series of carbon reduction targets as detailed below. CSC aims to achieve a 7% reduction in carbon emissions by 2025 compared to 2018 primarily by implementing energy efficiency enhancement measures in existing processes and establishing cooperation between the R&D Division and the Production Division to study local and overseas energy efficiency enhancement technologies and assess the incorporation and application of these technologies. Next, CSC expects to a 25% reduction in carbon emissions by 2030 compared to 2018 mainly through a series of measures, including engaging in co-production between steel and petrochemical plants, replacing coal injection with hydrogen, and increasing scrap use while stepping up collaboration with academic and research institution and participating in basic research on the required technologies. Thereafter, CSC will work towards realizing the ultimate target of carbon neutral via two pathways - developing carbon-free blast furnaces using low-carbon blast furnaces supplemented by carbon capture and storage (CCS) or engaging in ironmaking using hydrogen energy. >>>For more information, please refer to Ch 2.3 Actions on Climate Change Adaptation
	Air Emissions	EM-IS-120a.1	Air emissions of the following pollutants (tonnes): (1) CO (2) NOx (excluding N2O) (3) SOx (4)Particulate Matter (PM10) (5) Manganese(MnO) (6) Lead (Pb) (7) Volatile Organic Compounds (VOCs) (8) Polycyclic Aromatic Hydrocarbons (PAHs)	(2) 4,982 tonnes (3) 4,080 tonnes (4) 1,830 tonnes, which represents the total suspended particulate (TSP) data, with no PM10 data available. (6) 0.47 tonnes (7) 264 tonnes No data are available for the rest of the items as detection and reporting of these pollutants are not required by regulations. >>>For more information, please refer to Ch 3.2.2 Air Pollutants
Energy Management		EM-IS-130a.1	(1) Total energy consumed (GJ) (2) Percentage grid electricity (%) (3) Percentage renewable (%)	(1) 182,734,510 GJ (2) 4.95% (3) 0.067% Note: Theseis values areis calculated based on higher heating value. >>>For more information, please refer to Ch 3.2.1 Energy

Index of Iron & Steel Producers				
Aspect	Topic	Code	Accounting Metric	CSC's Response
Environment	Energy Management	EM-IS-130a.2	(1) Total fuel consumed (GJ) (2) Percentage coal (%) (3) Percentage natural gas (%) (4) Percentage renewable (%)	(1) 11,516,898 GJ (excluding raw materials and electricity) (2) 0% (3) 98.1% (4) 0% (Renewable energy accounts for 1.3% of purchased electricity) Note: These values are calculated based on higher heating value. >> For more information, please refer to Ch 3.2.1 Energy
	Water Management	EM-IS-140a.1	(1) Total fresh water withdrawn (thousand cubic meters) (2) Water consumption (thousand cubic meters); Percentage in regions with High (40-80%) or Extremely High (>80%) Baseline Water Stress (%)	(1) 42,206 thousand cubic meters* (including 17,978 thousand cubic meters of tap water and 24,228 thousand cubic meters of reclaimed water) (2) 25,417 thousand cubic meters. According to the Aqueduct Water Risk Atlas provided by the World Resources Institute, Kaohsiung City's overall water risk is low to medium (1 to 2). Therefore, there is no water withdrawal in areas of high or extremely high water stress in Kaohsiung City. >> For more information, please refer to Ch 3.2.3 Water
	Waste Management	EM-IS-150a.1	(1) Amount of waste generated (tonnes) (2) Percentage hazardous (%) (3) Percentage recycled (%)	(1) 505,170.72 tonnes (2) 0.003% (3) 94.8% >> For more information, please refer to Ch 3.3.1 Waste and Byproduct Management
Human Capital	Workforce Health & Safety	EM-IS-320a.1	(1) Total recordable incident rate (TRIR) (2) Fatality rate (3) Near miss frequency rate (NMFR) for (a) full-time employees and (b) contract employees	(1) employee =0.19 contractor =0.26 (2) employee =0 contractor =0.021 (3) employee =17.57 contractor: no record available Note: rates are calculated as: (statistic count × 200,000) / hours worked >> For more information, please refer to Ch 4.4.1 Occupational Safety

Index of Iron & Steel Producers				
Aspect	Topic	Code	Accounting Metric	CSC's Response
Business Model & Innovation	Supply Chain Management	EM-IS-430a.1	Discussion of the process for managing iron ore and/or coking coal sourcing risks arising from environmental and social issues	<p>At present, CSC sources its raw materials, such as coal and iron ores, from the world's largest miners with which it has signed long-term supply contracts, such as BHP, Rio Tinto, Teck, and Vale. The mines, which produce these raw materials are located in advanced mining countries such as Australia, Canada, and Brazil, and subject to stringent inspections in accordance with local laws and regulations before mining can be maintained over the long run. These mines primarily serve the top steel mills in the world, which also pay attention to ESG management issues associated with their suppliers.</p> <p>Meanwhile, in the procurement contracts with coal and iron raw material suppliers, CSC has also required the suppliers to comply with the relevant ESG terms. In addition, the CSC Code of Conduct for Suppliers was formulated with reference to international norms and standards, such as the Responsible Business Alliance (RBA) Code of Conduct Version 8.0 and the United Nations Supplier Code of Conduct Rev. 06. The Code contains five parts on ethics, labor and human rights, health and safety, environmental standards, and management system. In addition, special clauses will be added to the contracts as necessary to We expect our suppliers to adopt the same standards and to comply with these standards and the laws and regulations of the countries in which they operate in all their business activities.</p>
				<p>>>>For more information, please refer to Ch 7.3 Sustainable Supply Chain Management</p>
Activity Metrics				
Code	Activity Metric		CSC's Response	
EM-IS-000.A	Raw steel production (tonnes), percentage from: (1) basic oxygen furnace processes, (2) electric arc furnace processes		8,260,137 tonnes* (1) 100% (2) Not Applicable >>>For more information, please refer to Ch 7.1 Product and Sales	
EM-IS-000.B	Total iron ore production ^(I) (tonnes)		Not Applicable, CSC imports iron ores from abroad. >>>For more information, please refer to Ch 3.2 Green Process	
EM-IS-000.C	Total coking coal production ^(II) (tonnes)		Not Applicable, CSC imports coking coal from abroad. >>>For more information, please refer to Ch 3.2. Green Process	

Note I. The scope of production includes iron ore consumed internally and that which is made available for sale.

Note II. The scope of production includes coking coal consumed internally and that which is made available for sale.

Appendix 3
Sustainability Disclosure Indicators - Steel Industry

No.	Indicator	Indicator Type	Annual Disclosure	Unit
1	Total energy consumption, percentage of purchased electricity, utilization rate(renewable energy/total energy), and total self-generated and self-use energy ^(Note)	Quantitative	(1) Energy consumption 182,734,510 GJ (2) Percentage of purchased electricity 4.95% (3) Utilization rate(renewable energy/total energy) 0.067% (4) Total self-generated and self-use energy 1,422 GJ	Gigajoules (GJ), percentage (%)
2	Total fuel consumption, percentage of coal, percentage of natural gas, and percentage of renewable fuels	Quantitative	(1)Total fuel consumption 11,516,898 GJ (2) Percentage of coal 0% (3) percentage of natural gas 98.1% (4) percentage of renewable fuels 0%	Gigajoules (GJ), percentage (%)
3	Total water withdrawn and total water consumption	Quantitative	(1) Total water withdrawn: 42,206 m ³ (2) Total water consumption: 25,417 m ³	Thousand cubic meters (1,000 m ³)
4	Total waste generated, percentage of hazardous waste and percentage recycled	Quantitative	(1) Total waste generated : 505,170.72 tonnes (2) percentage of hazardous waste : 0.003% (3) percentage of waste recycled : 94.8%	Metric tons (t), percentage (%)
5	Number of employees in and rate of occupational accidents	Quantitative	(1) Number of employees in occupational accidents =19 (2) Rate of occupational accidents =19/9,518=0.2%	Quantity, percentage (%)
6	Production by product category	Quantitative	Raw steel production : 8,260,137 tonnes	Varies by product category

Note: Disclosure prepared in accordance with Appendix 1-6 of the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies."

Appendix 4
TCFD Content Index

Framework	Disclosures	Page
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	36
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	39~42
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	37~42
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	36~38
	b) Describe the organization's processes for managing climate-related risks.	36~42
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	36~37, 129~132
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	39~42
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	46
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	39~42

Appendix 5

Climate-Related Information of CSC

1 Climate-related countermeasures taken by CSC

Code	Item	Page
1	Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities	36
2	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term)	39~42
3	Describe the financial impact of extreme weather events and transformative actions	39~42
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system	36~37, 129~132
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.	37~42
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	43~46
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated	36
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	39~42, 43~45, 55

1-1 Greenhouse Gas Inventory and Assurance Status of CSC

- 1-1-1 Greenhouse Gas Inventory Information

In accordance with the “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies” , those in the iron and steel industry, or having a paid-in capital of 10 billion TWD or more shall disclose the data for the parent company and all subsidiaries in the consolidated financial statements from 2025.

China Steel Corporation (CSC, parent company) has completed the organization-level GHG inventory and obtained reasonable assurance for the year 2024. The consolidated subsidiaries have also completed their GHG inventory processes.

Inventory Information		2023		2024	
		Emissions (tonnes CO ₂ e)	Intensity (tonnes CO ₂ e /million TWD revenue)	Emissions (tonnes CO ₂ e)	Intensity (tonnes CO ₂ e /million TWD revenue)
CSC (Parent Company)	Direct Emissions (Scope 1)	16,809,455	85.26	17,587,087	90.87
	Indirect Energy Emissions (Scope 2)	1,249,102	6.34	1,166,325	6.03
	Total	18,058,557	91.6	18,753,412	96.9
Consolidated Subsidiaries	Direct Emissions (Scope 1)	NA	NA	9,626,748	NA
	Indirect Energy Emissions (Scope 2)			819,561	
	Total			10,446,309	
CSC Group Total		18,058,557	NA	29,199,721	NA

Note: Inventory standards: ISO 14064-1 / GHG Protocol

- 1-1-2 Greenhouse Gas Assurance Information

<p>The boundary of CSC's GHG emissions refers to the Operation Control Approach, including critical operating sites such as Head Office and China Steel Building. The scope of inventory is consistent with the scope of CSC's Sustainability Report and pertains to CSC's standalone data.</p> <p>Since 2021, CSC has conducted its GHG inventory in accordance with ISO 14064-1:2018. CSC's GHG report is verified by third party verification agency, DNV, with a reasonable level of assurance.</p>

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

<p>The CSC Group operates across five business areas including steel, engineering, industrial materials, logistics & investment, and green energy. With a diverse range of operations, each company has selected an appropriate base year based on its industry characteristics and operational plans.</p> <p>The total consolidated GHG emissions (Scope 1 and Scope 2) of each company in its respective base year amounted to 35,417,943 tonnes, among which the Group's major carbon-emitting companies have designated 2018 as their base year.</p> <p>In response to climate change, the CSC Group has set clear carbon reduction targets: a 7% reduction in carbon emissions by 2025 (short-term) and a 25% reduction in carbon emissions by 2030 (medium-term). In the short term, we focus on improving energy efficiency and increasing the use of renewable energy. In the medium term, we will continue to adopt strategies such as enhancing energy efficiency, expanding the use of renewable energy, and optimizing production processes. The following concrete action plans will be implemented to reduce carbon emissions, thereby achieving these carbon reduction targets:</p> <p>(1) Short-term action plans: improvement and replacement of energy-intensive equipment, reduction of vehicle emissions, and use of green power.</p> <p>(2) Medium-term action plans: promotion of waste heat recovery and cogeneration, use of low-emission vehicles, increase in the proportion of green power usage, application of low carbon ferrous burden to blast furnaces, njection of hydrogen-rich gas into blast furnaces to replace coal, co-production of steel and chemicals, increase in the use of recycled materials, replacement of outdated process equipment, and installation of energy saving devices on vehicles.</p>
--

Note * Prepared in accordance with Appendix 2 of the " Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies."

Appendix 6

Domestic and International Organizations

CSC actively participates in the activities hold by domestic institutes and associations to strengthen mutual communication and cooperation.

Since 2023, the company has conducted a biennial climate policy alignment survey, inviting all affiliated associations to complete questionnaires on their climate-related positions and actions. This initiative reflects CSC's commitment to supporting climate change mitigation and enhancing transparency across its stakeholder network.

For organizations taking a public climate stance that is misaligned with the international or domestic sustainable development goals, we, in compliance with relevant laws and regulations, will take the following actions:

- Reiterate our stance on climate change or sustainable development goals to the organization.
- Request the organization to adjust its climate change stance within six months of our reiteration to align with international or domestic sustainable development goals. If the organization fails to comply within the specified period, we will terminate our cooperation with the organization.

🔗 For more details [Climate Policy Inclination Survey Questionnaire] https://www.csc.com.tw/csc_e/esg/soc/soc6.html#op6

The major institutes and associations CSC participated in 2024 are as follows:

Field	Organization	Visions and Goals
Steel Industry	<ul style="list-style-type: none">- Taiwan Steel and Iron Industries Association- CSC Chairman Chien-Chih Hwang as the chairman	To assist the government with economic development and foreign investments and coordinate relationship among peers for the collaboration and development of the steel industry as well as common interests.
	<ul style="list-style-type: none">- Chinese Institute of Engineers- CSC President Shou-Tou Chen is as a director	<p>To strengthen close ties and interactions with members and professional institutes worldwide.</p> <p>To advance the technology, expertise and professionalism in engineering.</p> <p>To enhance the welfare of people and society by introducing applied engineering and advanced technology.</p>
	<ul style="list-style-type: none">- Enterprise member of Taiwan Business Council for Sustainable Development of- Director of Taiwan Association of Soil and Groundwater Environmental Protection- Director of Center for Corporate Sustainability	<p>To cooperate with members in promoting corporate sustainability and environmental protection for the purpose of sustainability.</p> <p>To help develop national construction, enhance engineering-related expertise and skills, and promote the well-being of the people and society through the application of engineering and technology.</p>
Corporate Sustainability	<ul style="list-style-type: none">- Taiwan-U.S. CCUS Industry Promotion Alliance- Senior Advisor Shyi-Chin Wang is a founder	Net zero emissions is the international goal for mitigating climate change. We reviewed Taiwan's development opportunities and strategies for carbon neutrality and CCUS based on international development and promotion experience with carbon neutrality and CCUS, accelerating the achievement of carbon neutrality by domestic enterprises.
	<ul style="list-style-type: none">- Founding member of Taiwan Net Zero Emission Association	Based on the core philosophy of “advocating for net zero emission among enterprises and organizations and assisting the government in making Taiwan carbon neutral,” Taiwan Association for Net Zero Emission aims to guide all sectors of society in Taiwan towards net zero emission, drive the trend of net zero emission in Taiwan, and assist the government in making Taiwan carbon neutral.

International Organizations

Organization	Cooperation	Benefits
World Steel Association, worldsteel	<p>As a key member</p> <ul style="list-style-type: none">• CSC participates in the sustainability reporting task force and provides data, offers opinions, and participates in public communication campaign.• CSC participates in the committees of technology, safety and health, environment, raw materials, economy, as well as product sustainability.• CSC takes parts in CO₂ data collections, LCA, energy consumption, and sustainability reporting or joins expert groups and offers comments as well as supports public communication campaign.	<ul style="list-style-type: none">• CSC shares experiences via exchanges, cooperation, and services, and thereby obtains the latest development and stays connected to the global steel industry.
	<p>As a key member</p> <ul style="list-style-type: none">• CSC assists with conference affairs regarding steel technology and environment, safety and health, and takes parts in economic discussions and technology training programs.• CSC supports the arrangement of SEAISI's annual conference and technical seminar, travelling seminars, and ASEAN technology forum, and shares reports of technology, environment, safety and health, and statistics as well as Taiwan country reports.	Through maintaining good interaction and collaboration with other steel industries in neighboring countries, CSC obtains information on the development of regional industries, technologies, and policies, which provides a good basis for business development and strategic cooperation.
South East Asia Iron and Steel Institute, SEAISI		
Organisation for Economic Cooperation and Development, OECD	<p>CSC regularly participates in the meetings of the OECD Steel Committee under the instruction of the Ministry of Economic Affairs, Taiwan (R.O.C.)</p> <ul style="list-style-type: none">• CSC represents the industry under the instruction of the officials (Ministry of Economic Affairs and embassies abroad) and academia (MIRDC) to participate in the OECD Steel Committee in order to obtain the latest information on the global steel environment, related policies and economy.	<ul style="list-style-type: none">• With this international platform, CSC can obtain important information on the steel industry and environmental protection as well as increase Taiwan's visibility and participation in international agendas.• With this platform, CSC is able to communicate with official steel authorities in different countries and seek opportunities to break through the existing trade barriers.

🔗 For more details [Climate Change Initiatives] https://www.csc.com.tw/csc_e/esg/soc/soc6.html#op1

Appendix 7
Assurance Statement



By Royal Charter

INDEPENDENT ASSURANCE OPINION STATEMENT

China Steel Corporation 2024 Sustainability Report

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

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

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

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

Scope

The scope of engagement agreed upon with CSC includes the followings:

1. The assurance scope is consistent with the description of China Steel Corporation 2024 Sustainability Report.
2. The evaluation of the nature and extent of the CSC's adherence to AA1000 AccountAbility Principles (2018) and the reliability of specified sustainability performance information in this report as conducted in accordance with type 1/ type 2 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process expect for data relating waste and by-products recycling, air pollutants, water, occupational health and safety and energy topics.

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

Opinion Statement

We conclude that the China Steel Corporation 2024 Sustainability Report provides a fair view of the CSC sustainability programmes and performances during 2024. The sustainability report subject to assurance is free from material misstatement and its data relating waste and by-products recycling, air pollutants, water, occupational health and safety and energy topics based upon testing within the limitations of the scope of the assurance, the information and data provided by the CSC and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are correctly represented. The sustainability performance information disclosed in the report demonstrate CSC's efforts recognized by its stakeholders.

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

Methodology

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

- a top level review of issues raised by external parties that could be relevant to CSC's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on CSC's approach to stakeholder engagement. Moreover, we had sampled no external stakeholders to conduct interview.
- interview with 16 staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of materiality assessment process.
- review of key organizational developments.
- review of the findings of internal audits.
- the verification of performance data and claims made in the report through meeting with managers responsible for gathering data relating waste and by-products recycling, air pollutants, water, occupational health and safety and energy topics.
- review of the processes for gathering and ensuring the accuracy of data, followed data trails to initial aggregated source and checked sample data relating waste and by-products recycling, air pollutants, water, occupational health and safety and energy topics to greater depth during site visits.
- review of supporting evidence relating waste and by-products recycling, air pollutants, water, occupational health and safety and energy topics for claims made in the reports.

— an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).

Conclusions

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

Inclusivity

In this report, it reflects that CSC has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the CSC's inclusivity issues and has demonstrated sustainable conduct supported by top management and implemented in all levels among organization.

Materiality

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

Responsiveness

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

Impact

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

Performance information

Based on our work described in this statement and with no conflict of interest with the CSC in relation to providing the assurance of ESG performance information, which has been assured, specified sustainability performance information such as GRI Standards disclosures disclosed in this report, CSC and BSI have agreed upon to include in the scope. In our view, the data and information relating waste and by-products recycling, air pollutants, water, occupational health and safety and energy topics contained within China Steel Corporation 2024 Sustainability Report are reliable.

GRI Sustainability Reporting Standards (GRI Standards)

CSC provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, including the disclosures of applicable economic, environmental, and social information, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the CSC's sustainability topics. However, the future report will be improved by the following areas:

- CSC currently discloses GRI 2-21 using a range-based ratio, indicating the ratio of the annual total compensation of the highest-paid individual in the organization to the median annual total compensation of all other employees (excluding the highest-paid individual). It is recommended that CSC consider disclosing the ratio using a fixed value approach in the future, in order to enhance the transparency of the report data.

Assurance level

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

Responsibility

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

Competency and Independence

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



AA1000
Licensed Report
000-4/V3-SLN8R

Statement No: SRA-TW-804840
2025-04-28

For and on behalf of BSI:



Peter Pu, Managing Director BSI Taiwan

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Ni-Hu Dist., Taipei 114, Taiwan, R.O.C.
A Member of the BSI Group of Companies.



Head Office

1, Chung Kang Rd., Hsiao Kang, Kaohsiung
812401, Taiwan, Republic of China
Tel: 886-7-802-1111
Fax: 886-7-537-3570
Website: <https://www.csc.com.tw/>

China Steel Building

88, Chenggong 2nd Rd., Qianzhen, Kaohsiung
806618, Taiwan, Republic of China
Tel: 886-7-337-1111
Fax: 886-7-537-3570

Taipei Liaison Office

Room A, 28F, Taipei 101 Tower, 7, Sec. 5, Xinyi
Rd., Xinyi, Taipei 110615, Taiwan, Republic of
China
Tel: 886-2-8758-0000
Fax: 886-2-8758-0007

Osaka Office

1F, Osaka U2 Bldg., 4-7 Uchihonmachi
2-Chome, Chuoku, Osaka 540-0026, Japan
Tel: 81-6-6910-0888
Fax: 81-6-6910-0887

