

Digital Transformation X Low-carbon Transformation X Supply Chain Transformation

SUSTAINABILITY

2025

CSC
/ 2025
SUSTAINABILITY
REPORT

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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 2025 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 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_report114_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.

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, 2025 to December 31, 2025, 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.

Current issue	Published in August 2026
Previous issue	Published in June 2025



Cover Story

Using the CSC logo as a spatial framework, an isometric visual narrative unfolds into a dynamic miniature city of sustainability.

Every connection and every process reflects CSC's steadfast commitment to sustainable materials. More than a map of production, it is a blueprint for a greener future—rooted in the local community and shaped by circularity. It illustrates how every ton of steel carries the DNA of sustainability, continuously renewed through the passage of time.

Report on Management Methods and Quality

Internal Review	This report is prepared and reviewed in accordance with CSC's internal "Standard Operating Procedures for the Preparation and Filing of Sustainability Reports." Following an annual kick-off meeting, data is provided by each department after being authorized by their respective managers. The Environmental Protection Department then compiles and edits this information. The initial draft is reviewed and revised by the Sustainability Reporting Group, undergoes sequential administrative review, and is submitted to the Chairman for approval. Finally, the report is published following a resolution by the Board of Directors.
Quality of the Report	This report was assured by BSI, in adherence to AA1000 Assurance Standard v.3 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 exchanged with 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 #6760 230763@mail.csc.com.tw



CSC Sustainability Website



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., Information Systems Dept., Cost 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., Rolling Mill Dept. I-Plate, Bar & Rod Utilities Dept., Plant Engineering & Maintenance Dept., Production Planning Dept., Electrical & Control Dept., Industrial Safety & Hygiene Dept., Environmental Protection Dept., Internal Audit Office, CSC Group Education Foundation and etc.



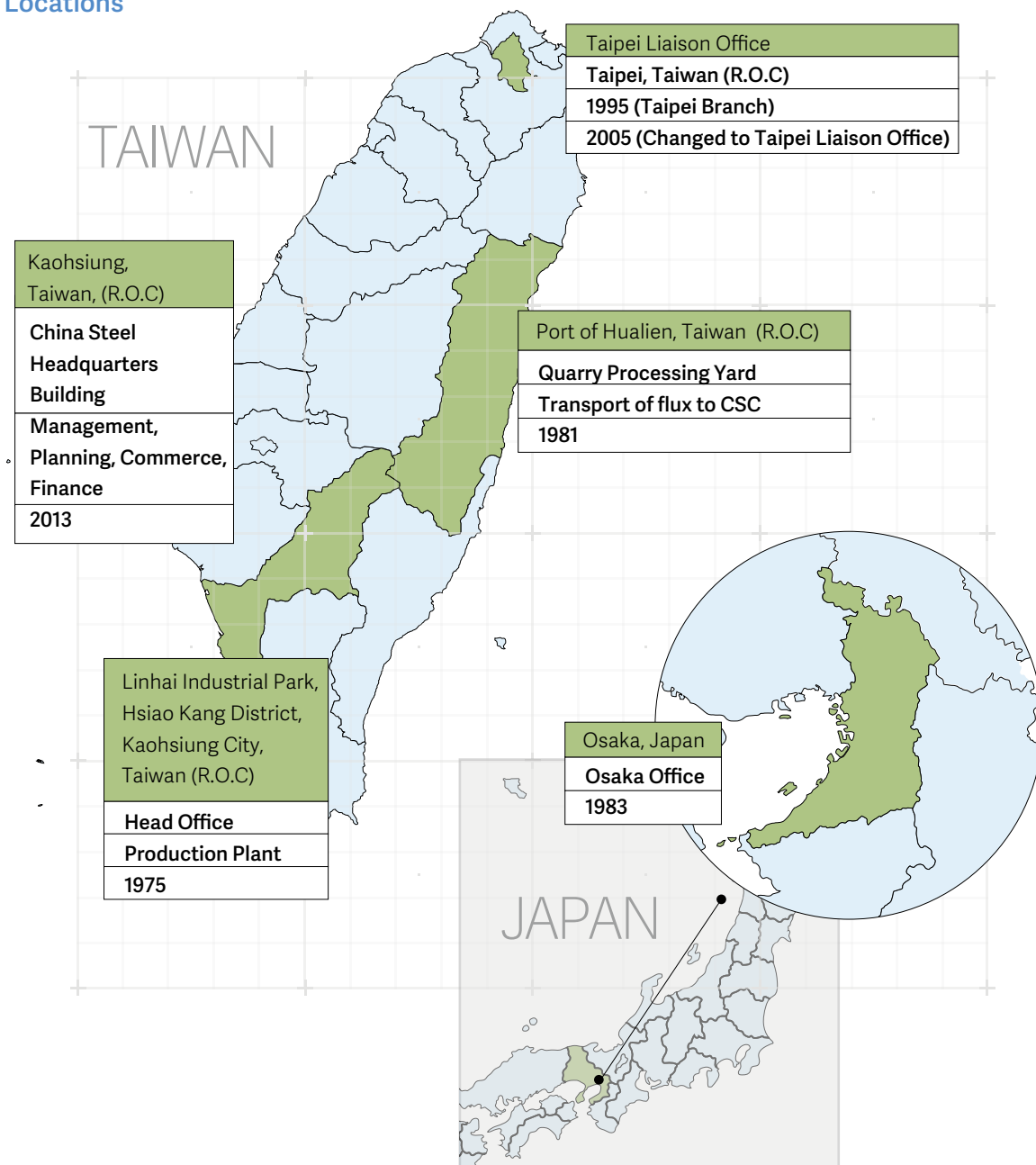
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About CSC

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.

Locations



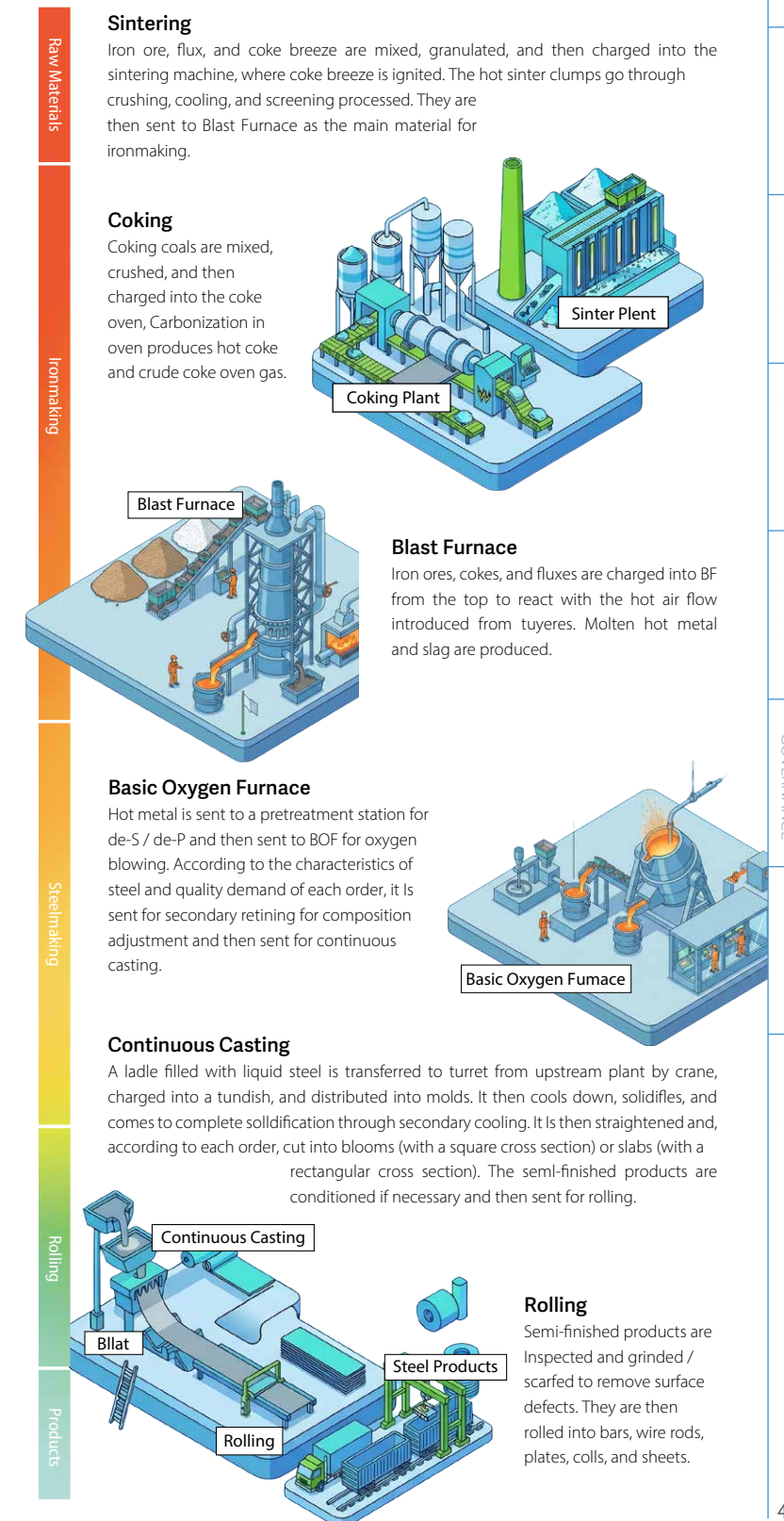
0.2.2_Business and Scale

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 2024. Moreover, CSC's competitiveness was ranked 11th from 9th in 2024, based on 23 criteria such as pricing and cost-saving abilities, among 35 steel corporations by World Steel Dynamics (WSD) in December 2025.

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 2025, 55.8% of products were sold domestically and 44.2% 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.

Production Work Flow



Chronology of Major Events





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	2021	2022	2023	2024	2025	
Economic Aspect							
Parent Company Only	Operating Revenues	100 million TWD	2,597.82	2,506.01	1,971.49	1,935.46	1,670.25
	Income Tax Expense (Benefit)	100 million TWD	89.98	25.83	4.26	8.71	(4.05)
	Effective Tax Rate	%	12.66	12.68	20.19	30.58	8.52
	R&D Expense	100 million TWD	23.96	21.48	20.33	22.87	21.52
	R&D Expense Ratio	%	1.09	0.89	1.03	1.20	1.29
Consolidated	Operating Revenues	100 million TWD	4,683.28	4,495.67	3,633.26	3,605.36	3,171.55
	Income Tax Expense (Benefit)	100 million TWD	155.08	52.64	10.59	7.02	(11.78)
	Effective Tax Rate	%	18.37	22.63	23.07	15.33	25.15
	R&D Expense	100 million TWD	24.35	21.55	21.32	22.67	21.73
	R&D Expense Ratio	%	0.63	0.50	0.59	0.63	0.68
	Production	10,000 tCS	969.0860	843.7811	776.5234	790.7581	760.5943
Environmental Aspect							
	Investment on Energy and Environment	100 million TWD	28.9	39.1	80.4	85.6	62.7
	Energy Intensity	GJ/tCS	22.25	22.96	23.04	22.86	22.70
	GHG Emissions - Scope 1	tCO ₂ e	20,939,573	18,248,901	16,809,455	17,587,087	16,374,784
	GHG Emissions Scope 2*	tCO ₂ e	1,357,456	1,373,673*	1,249,102	1,166,325	1,127,031
	NOx Emissions	Tonnes	6,593	5,603	5,209	4,982	3,979
	SOx Emissions	Tonnes	5,579	4,257	4,163	4,080	4,591
	Water Intensity	t/tCS	4.32	4.86	5.04	5.10	5.11
	New Water Intensity	t/tCS	2.65	2.31	2.16	2.03	1.84
	Note: The data of new water intensity is collected after reclaimed water introduced in 2018						
Social Aspect							
	Number of Employees	Person	9,794	9,668	9,621	9,518	9,246
	Training Hours	Hour	211,045	258,431	265,609	264,685	229,961
	Training Expense	Million TWD	48.8	49.2	46.2	54.5	57.9
	Employee Benefits*	Million TWD	26,732.81	18,828.39	14,911.87	15,400.86	14,672.44
	Workforce with Disabilities	Person	111	89	79	90	93
	Disability Frequency	Incident(include death)/ million working hours	0.14	0.05	0.10	0.10	0.25
	Social Expense	Million TWD	129.34	139.3	82.74	76.71	72,438
	CSC volunteer hours*	Hour	16,108	15,194	12,955	14,982	15,014



Sustainability Performance Overview



Recognized as a 2026 Sustainability Champion by the World Steel Association



Selected as a member of 2026 S&P Global Sustainability Yearbook, and recognized as "Top 5%."

2025 —

Selected as a constituent of the 2026 Dow Jones Best-in-Class (DJBIC) "World Index" and "Emerging Markets Index."



CDP Climate Change CDP Water Leadership level (A-)

Honored with the "Taiwan's Top 10 Sustainable Manufacturing Companies" at the 2025 Taiwan Corporate Sustainability Awards (TCSA), while also receiving the "Platinum Award" for Sustainability Report in the Traditional Manufacturing category. Additionally, CSC received the Sustainability Individual Performance Awards: the "Climate Leadership Award," "Aging-Friendly Leadership Award," "Innovation Leadership Award," and "Circular Economy Leadership Award," totaling six accolades.

"Sustainability Report Silver Award" in the 2025 Global Corporate Sustainability Awards (GCSA).

Selected as one of the top 100 large companies in the "2025 Sustainable Citizen Awards" by Commonwealth Magazine.

Selected as one of the TOP 100 in the 2025 Common Wealth Talent Sustainability Awards by Common Wealth Magazine.

Honored with the "ESG Pioneer in Sustainability Award " by the British Standards Institution (BSI).

Awarded the 2025 "Outstanding Award for Net-Zero. Industry Competitiveness" by the 21st Century Foundation.

Economy

"Authorized Economic Operator (AEO)" by Customs Administration, Ministry of Finance.

"2025 Golden Vessel Award - Bulk and Sundry Cargo Terminal Operation" of the Taiwan International Ports Corporation (TIPC).

"2024 Certification of Excellent Exporters / Importers" of the Bureau of Foreign Trade, Ministry of Economic Affairs (MOEA).

Top 20% in the 12th TWSE Corporate Governance Evaluation.

Selected as a constituent stock of the "TWSE RA Taiwan Employment Creation 99 Index" in 2025.



Selected as a constituent stock of the "TWSE RAFI® Taiwan High Compensation 100 Index" in 2025.

Selected as a constituent stock of the "FTSE4Good Emerging Index" in 2025.

Granted the Taiwan Intellectual Property Management System (TIPS) certificate.



Environment

Honored as one of the best performers in all industrial voluntary GHG reductions in 2025 by the Industrial development bureau (IDB), Ministry of Economic Affairs (MOEA)

Rolling Mill Department I - Plate, Bar & Rod was awarded the Gold Award in Group A at the “2025 MOEA Energy Saving Leadership Awards.”

The Ironmaking Department received the Excellence Award in the “2025 Outstanding Business Unit Award for Water Conservation” from the Water Resources Agency, Ministry of Economic Affairs (MOEA).

Honored with the Grand Prize for Intelligent Manufacturing Transformation and Special Award for ESG Excellence at the 2025 Harvard Business Review Digital Transformation Awards.

“2025 Water Environment Patrol Team Evaluation - Corporate Contribution Award” from KSEPB.

“2024 Outstanding Private Enterprise Green Procurement Unit” from KSEPB.

“2024 Outstanding Private Enterprise Green Procurement Unit” from Ministry of Environment.

Hot-Dip Galvanized Coils (CR-Free Coating, G6) obtained the Type II Green Mark.

Interstitial Free Automobile Steel RC30 obtained the Certificate of Resource Recycling and Green Products.

In 2025, CSC expanded its UL 2809 Recycled Content Certification to include various product forms, such as Wire Rod and Bar RC60 (Recycled Content 60%), Hot Rolled Steel Coil RC20/RC30, Cold Rolled Steel Coil RC60/RC90, Electrical Steel Coil RC30, and Zinc Coated Steel Coil RC30/RC60/RC90. By integrating Group resources to enhance scrap steel smelting technology, CSC produced the Cold Rolled RC90 steel products and Galvanized RC90 steel products using 100% scrap steel for the first time and successfully obtained validation.

*RC X indicates a scrap steel content of X% and above, such as RC30 (scrap steel content of 30% and above).

Received the “4th Green Chemistry Application and Innovation Award” from the Chemicals Administration, Ministry of Environment for the “Eco-Friendly Coatings and Hot-Dip Galvanized Coils.”



“Gold Award - Manufacturing Industry” in the “2025 Happy Enterprise Poll” of 1111 Job Bank.

Ranked 10th in “the most desirable company for office workers to enter - traditional industry” by the job searching website yes123.

Received the “Family Friendly Workplace Award (FFWA)” (Large Manufacturing Enterprise Category) from “CommonWealth Education Media and Publishing” in 2025.



SUSTAINABLE OPERATION

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

CHAPTER

1.1_

Message from Top Management

In an era where global economic conditions and the challenges of climate change are increasingly intensifying, the steel industry stands at a crossroads of transformation. Faced with the daunting task of achieving carbon neutral by 2050,

sustainable development is no longer merely a demonstration of corporate social responsibility; it has become a core issue critical to the long-term survival and industrial competitiveness of an enterprise.

As the leader of Taiwan's steel industry, CSC has long pursued not only business performance but has also deeply embedded sustainability thinking into its core corporate development. CSC has participated in the S&P Global Corporate Sustainability Assessment (CSA) for 15 consecutive years and has been selected as a constituent stock on multiple occasions. In the 2025 global assessment, CSC stood out and secured second place globally within the steel industry. This milestone recognizes CSC's long-term commitment to sustainable development and demonstrates its determination to continuously improve and move forward steadily on the path of sustainable operations.



Internal and external context : Challenges and opportunities amidst the wave of transformation

Currently, the steel industry is facing unprecedented external pressure. With the domestic carbon fee collection mechanism officially launching in 2025 and the full implementation of the EU Carbon Border Adjustment Mechanism (CBAM) in 2026, "carbon pricing" has shifted from

policy discussion to a tangible operating cost that enterprises must confront. Simultaneously, downstream customers in the global carbon steel supply chain are increasingly demanding "low-carbon steel" and "product carbon footprint transparency," placing the steel industry under the dual strain of rising costs and trade barriers.

In response to the carbon neutrality trend, CSC also faces challenges regarding technology (R&D of key carbon reduction technologies), resources (stable supply of low-carbon raw materials and scrap steel), capital (immense expenditures for equipment revamp), and the talent gap resulting from declining birthrates. Striking a balance between carbon reduction and profitability is the critical trial for CSC as it moves toward sustainable operations.

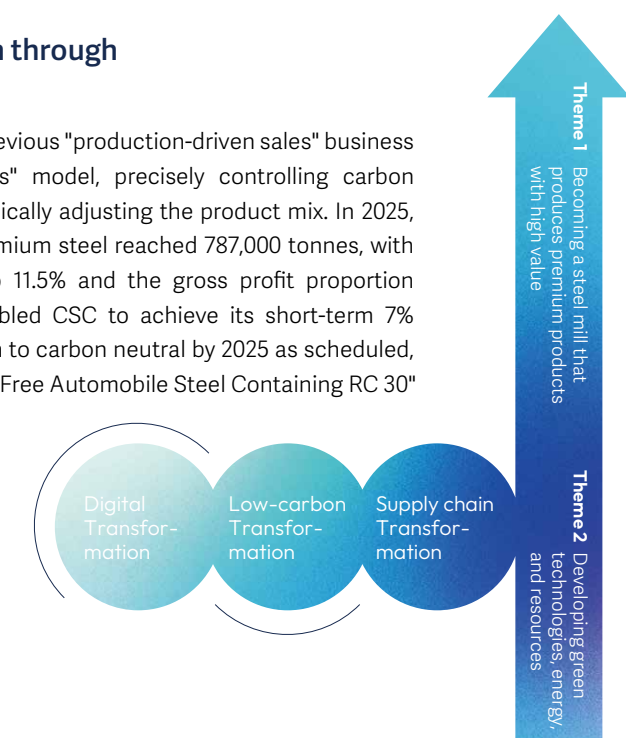
Response measures Dual Strategic Pillars and Three Transformations strategy to create green competitiveness

Facing the rapid changes in the aforementioned internal and external environments, CSC actively promote its two primary strategic pillars: "Advanced Premium Steel Plants" and the "Development of Green Technologies and Energy/Resources." By doing so, it is implementing three major transformation directions and proposing the following specific measures:

Low-carbon transformation through "carbon-driven sales"

At CSC, we have transformed our previous "production-driven sales" business model into a "carbon-driven sales" model, precisely controlling carbon emissions every quarter and dynamically adjusting the product mix. In 2025, the order quantity of advanced premium steel reached 787,000 tonnes, with the sales proportion increasing to 11.5% and the gross profit proportion exceeding 90%. This not only enabled CSC to achieve its short-term 7% carbon reduction target on the path to carbon neutral by 2025 as scheduled, but in the same year, its "Interstitial Free Automobile Steel Containing RC 30"

was also awarded the Certificate of Resource Recycling and Green Products from MOEA. Combined with high-efficiency electrical steel and special advanced premium steel for wind power, these premium products drive the value enhancement of the entire product line, creating an irreplaceable competitive advantage.





Digital transformation through

"AI empowerment for smart production":

CSC is recognized at the Harvard Business Review Digital Transformation Awards in 2025. Through the AI smart production system "Sintering Intelligent Revitalization" project, CSC achieves approximately 46,000 tonnes of carbon reduction annually and creates over 80 million TWD in economic benefits, realizing the substantial synergy of "digitalization driving low-carbonization."

Supply chain transformation through

"large-scale enterprises leading small-scale enterprises" co-prosperity

Sustainable transformation should not be a solitary journey. CSC adopts a "large-scale enterprises leading small-scale enterprises" model to spearhead the upgrading of downstream industries. Through early vendor involvement (EVI) and the provision of total solutions, it has successfully assisted downstream manufacturers in transitioning into AI server and international brand supply chains. Furthermore, by constructing high-value industrial chains, CSC enhances the competitiveness of the entire steel supply chain to achieve the sustainable goal of mutual prosperity.

While pursuing industrial upgrades, CSC also prioritizes human value. In 2025, it was honored with the FFWA from CommonWealth Education Media and Publishing. By strengthening employee support and well-being, CSC attracts cross-disciplinary talent, solidifying the foundation for long-term corporate development.

Future prospects:

Value co-creation, steady leadership

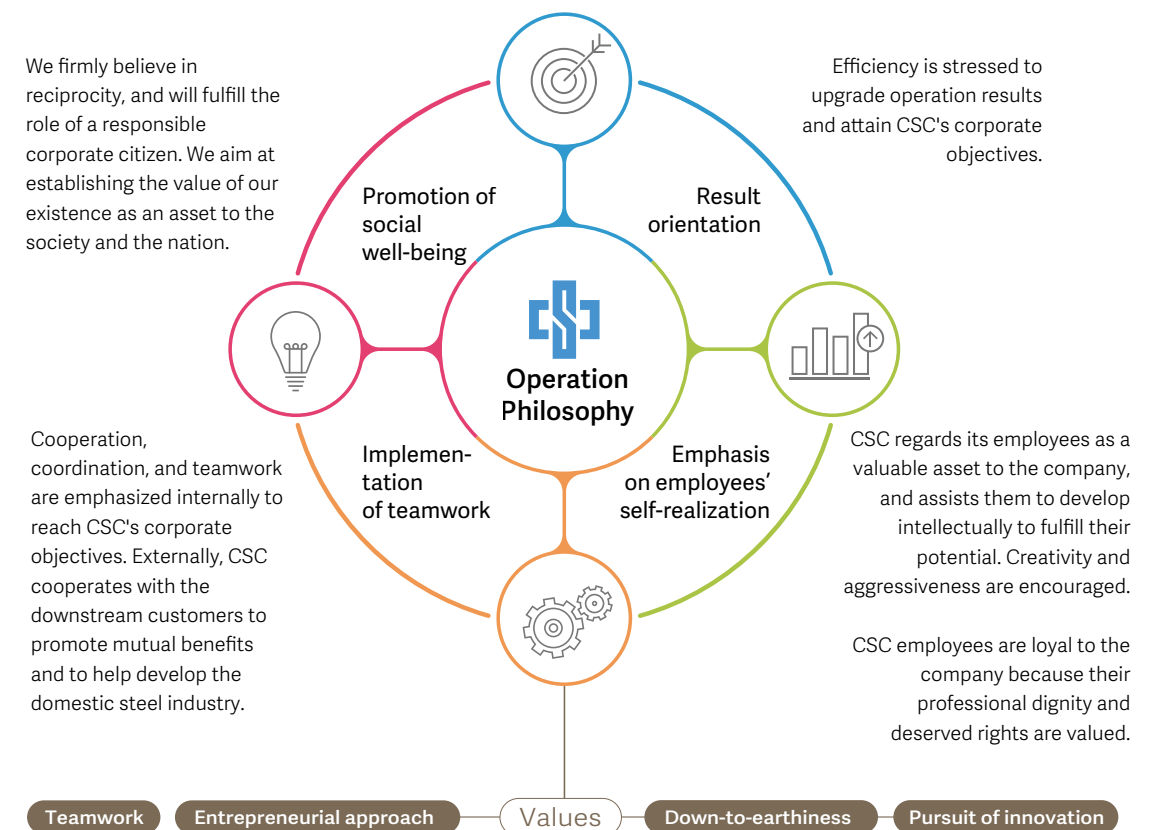
Looking towards the future, CSC will continue to pay attention to sustainable development trends at home and abroad with the vision of "We aspire to be a sustainable growth enterprise that distinguishes itself through a firm commitment to smart innovation, green energy, carbon reduction, and value co-creation." We firmly believe that "green steel" will be the greatest common denominator for the future development of the steel industry. CSC will uphold a pragmatic and steady attitude, utilizing the dual-wheel drive of digital and low-carbon technologies to achieve the "Dual-Value Enhancement" of its steel products. This approach creates value for customers and secures a premium price for CSC, realizing the co-prosperity of business performance, environmental responsibility, and social value while opening new opportunities for sustainable growth.



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



Sustainable Development Goals

CSC SUSTAINABLE DEVELOPMENT POLICY	COOPERATED STAKEHOLDERS	SDGs
Strengthen competitiveness and create profit for shareholders to ensure corporate sustainability	Shareholders/Investors	8
Integrate customer needs and enhance service competence to achieve co-prosperity	Customers	8
Take care of employee welfare and create a quality environment to facilitate workforce development	Employees and Contractors	3, 4, 5, 8, 16
Optimize the supply chain system and improve communication to share sustainable practices	Suppliers	8, 9, 17
Join professional organizations and provide a solid technology foundation for promoting industry upgrading	Academic Researchers	8, 9, 17
Support government policies and engage in construction to improve comprehensive effectiveness	Government Agencies	8, 9
Be devoted to social harmony and promote public welfare to benefit local communities	Non-governmental Organizations (NGOs) or Sustainability Associations, Communities, or Local Groups	4, 11, 12, 13, 15
Enhance safety and environmental protection measures to eliminate workplace injuries and improve pollution-reduction performance	Employees and Contractors	6, 7, 12, 13
Persist in saving energy, reducing carbon emissions, and adopting renewable resources to build a low-carbon society	Customers, Suppliers and Academic Researchers	6, 7, 11, 12, 13

THE GLOBAL GOALS

SDGs	UN SDGs Targets	Performances and Highlights	Achievement of Track Metrics (2025)	Chapter
3	3.d Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks.	Provide labor health protection services, including employee health management, occupational disease prevention, and health promotion.	4,137 people participated in health service activities. 35,376 visits to the employee clinic. 7,488 employee health examinations and 3,795 special health examinations. - Provided 536 times of consultation services.	4.4 Occupational Safety and Health
4	4.2 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.	Crear a parent-friendly environment	356 people enrolled in CSC Kindergarten. 2.2 million TWD in childbirth cash gifts.	4.2 Diverse and Happy Workplace
	4.4 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.	Provide diverse talent cultivation channels	14,741 participants in professional training. 5,684 participants in management training and workshops. 179 e-Learning materials.	4.1 Recruitment and Retention
5	5.1 End all forms of discrimination against all women and girls everywhere	Eliminate discrimination to ensure equal employment opportunity	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 Diverse and Happy Workplace 4.3 Employee Rights
6	6.4 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.	Develop diverse water sources and effectively perform water resources management	- Reclaimed water usage accounts for 61.0% of overall water usage. - The recycling rate of processed water reached 98.6%.	3.2 Green Process
7	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.	Investment in the renewable energy business	Total installed capacity of the CSC Group's solar rooftop PV system was 101.0 MW.	3.5 Green Development
	7.3 By 2030, double the global rate of improvement in energy efficiency.	Enhance energy usage efficiency and continue to make improvements	204 energy conservation projects saving 0.949 million GJ.	3.2 Green Process



SDGs	UN SDGs Targets	Performances and Highlights	Achievement of Track Metrics (2025)	Chapter
8 DECENT WORK AND ECONOMIC GROWTH	8.2_ Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value-added and labour-intensive sectors.	Enhancing product competitiveness through innovation to drive sustainable value in steel products.	Completed the development of 37 new products, 17 of which are classified as advanced premium steel.	7.2 Product Quality and Innovation
	8.8_ 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.	Implement occupational safety and health management and provide a safe working environment	905 safety and health inspections of subcontractors. The review and improvement rate of false alarms reached 100%.	4.4 Occupational Safety and Health 7.4 Supply Chain Management
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	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.	Establish an inter-industry energy and resource sharing and recycling network to improve the business conditions and enhance the competitiveness of industries	A total of 35 companies have joined the CSC-centered Industrial Ecology Network.	3.3 Circular Economy
11 SUSTAINABLE CITIES AND COMMUNITIES	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.	Improve air quality through various air pollution reduction projects	Cumulatively reduced particulates by 142.6 tonnes. Cumulatively reduced SOx by 918.2 tonnes. Cumulatively reduced NOx by 13.4 tonnes. Note: Accumulated pollutants reduction per year (since 2020).	3.2 Green Process
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.5_ By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	Recycle and reuse waste based on the concept of product life cycle	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.	Publish an annual sustainability report and update information in a timely manner through the ESG website	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.	CSC Group Education Foundation actively promotes various sustainability education activities	Organized activities in steel science education, environmental sustainability, as well as humanities and arts training for 24,000 participants.	5.3 The CSC Group Education Foundation

SDGs	UN SDGs Targets	Performances and Highlights	Achievement of Track Metrics (2025)	Chapter
13 CLIMATE ACTION	13.3_ Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	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	CSC set the base year as 2011, with a total greenhouse gas emission of 22,297,029 tonnes CO ₂ e. In 2025, the total emissions were 17,501,815 tonnes CO ₂ e, representing a reduction of approximately 21.5% compared to the base year. Completed 178 carbon reduction action plans in 2025, achieving carbon reduction of 71,500 tonnes of CO ₂ e/year.	2 Climate Change Adaption and Mitigation
15 LIFE ON LAND	15.a_ Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.	Conduct biodiversity risk assessments and adopt mitigation measures to avoid, reduce, regenerate, restore and transform	The Water Environment Patrol Team : The environmental patrol vessel was on duty for 300 days. The rubber raft was on duty for 291 days. Signing of the 'Marine Conservation & Shared Sustainability ESG Project' LOI with the OCA. A total of 147 families and 416 species of animals and plants were recorded in the factory area.	3.4 Biodiversity
16 PEACE AND JUSTICE, STRONG AND EFFECTIVE INSTITUTIONS	16.b_ Promote and enforce non-discriminatory laws and policies for sustainable development.	Through various corporate culture initiatives and the implementation of the ISO 37001 management system, we prevent potential discriminatory behaviors via organizational regulations and control mechanisms. Led and demonstrated by top management legal, we strengthen communication and enforce integrity management policies.	In 2025, CSC recorded zero major violations. Note: Cases considered as major violations and subject to proactive disclosure include: corruption or bribery, discrimination or harassment, breach of customer privacy data protection, conflict of interest violations, money laundering, or insider trading.	6.1 Strategies and Targets
17 PARTNERSHIPS FOR THE GOALS	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.	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	Participated in 132 domestic and international conferences. A total of 10 technical seminars were held in 2025, in which 417 manufacturers and 784 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.

Tracking of 2025 Target Execution

Aspect	2025 Target		Achievement Status
Governance			
Operational Finance	▲	Sales of Advanced Premium Steel reaches 11.8%.	Fail to achieve(11.5%)
Corporate Governance	●	Promote publicly listed subsidiaries to sign the TCFD initiative.	All targets achieved. While official signing activities for the TCFD initiative have concluded globally, all listed group subsidiaries have successfully adopted the TCFD framework.
	●	Publicly listed subsidiaries rank in the Top 20% in the Corporate Governance Evaluation.	
	●	Number of suppliers adopting the Supplier Code of Conduct ≥3,700.	
Environment			
GHG Management (Scope1+2)	●	Reduce carbon emissions by 3.4% or cumulative reduction of 0.763 million tonnes CO ₂ e. Note: Base year 2021.	Achieved
Air pollution	▲	Reduce 157.4 tonnes of Particulates.	The target was partially achieved. The particulate matter (PM) reduction target was not fully met due to the delay in the first-phase construction of the coke oven and coke dry quenching (CDQ) facilities. These facilities are expected to commence operation in June 2026.
	●	Reduce 803.6 tonnes of SO _x .	
	●	Reduce 11.5 tonnes of NO _x Note: Accumulated pollutants reduction per year (since 2020).	
Energy Management	●	2015-2025 annual average power saving rate >1.05%.	Achieved
Society			
Talent Development	●	The completion rate of the first year management training for new supervisors is 92%.	Some targets have been achieved, while the failure to meet others is due to the retirement of existing personnel.
	●	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%.	
Employee Care	●	Contract-based counselors to provide professional on-site service for employees of CSC and its affiliates, and expand the provision to family members.	Achieved
	●	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.	

Tracking of 2025 Target Execution

Aspect	2025 Target	Achievement Status
Society		
Occupational Safety	● Zero major occupational accidents.	A target has been achieved, while the failure to meet others is due to the employee disabling injury frequency rate (FR) exceeding the threshold in 2025.
	▲ Employee Disabling Injury Frequency Rate (FR) control value ≤ 0.18.	
	● Contractor Disabling Injury Frequency Rate (FR) control value ≤ 0.30.	

● Achieved ▲ Failed

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

Future Sustainability (ESG) Targets

Issue	Item	2026 Targets	2030 Targets	2035 Targets
Governance				
Corporate Governance	Cumulative number of suppliers adopting the Supplier Code of Conduct.	≥4,050	≥4,250	≥4,500
	Cumulative number of suppliers adopting China Steel Corporation Anti-Bribery clause.	≥1,600	≥2,800	≥4,000
	Cumulative number of suppliers adopting China Steel Corporation Anti-Corruption and Anti-Bribery Policy.	≥1,000	≥1,800	≥2,800
	Cumulative number of the important suppliers adopting ESG On-site Assessment.	11	15	20
	Cumulative number of the important suppliers receiving ESG Self-Assessment Questionnaires.	4	10	20
	ESG Evaluation Rankings of CSC Group's TWSE/TPEX listed companies.	Top 20%	Top 20%	Top 5%
Business Integrity	Regulatory compliance real-time identification rate (%)	≥96	≥97	≥97
	Number of major regulatory violations (Cases)	0	0	0
	Training coverage rate for legal compliance and business integrity (%)	≥60	≥75	≥90
	Obtain ISO 37001 certification.	Maintaining certificate validity	Maintaining certificate validity	Maintaining certificate validity
Information Security	Number of major information security incidents Note 1: Refers to company-wide cybersecurity incidents that impact operational IT systems and infrastructure, causing company losses and reputational impact.	0	0	0

Future Sustainability (ESG) Targets		2026	2030	2035
Issue	Item	Targets	Targets	Targets
Environment				
GHG	GHG Emissions (10 ktCO ₂ e).	≤2,082	≤1,664	≤1,437
Air Pollution	Reduction of Particulates (tonnes).	157.4	177.9	177.9
	Note: Accumulated pollutants reduction per year (since 2020).			
	Reduction of SO _x (tonnes).	957.6	957.6	957.6
	Note: Accumulated pollutants reduction per year (since 2020).			
	Reduction of NO _x (tonnes)	67.5	67.5	67.5
	Note: Accumulated pollutants reduction per year (since 2020).			
Energy Management	Average annual power-saving rate (from 2025)(%).	≥1.5	≥1.5	≥1.5
	Note: The calculation method of power-saving rate is based on the regulatory definitions provided by the Energy Administration, Ministry of Economic Affairs.			
Resource Recycling Management	Waste recycling ratio (%).	92	94	94.1
	Zero solidification landfill.	Achieve	Achieve	Achieve
	Recycled by-products (10 kt).	39	39	42
Water Resources	Freshwater Consumption Reduction (%).	58.4	60.4	62
	Note: Based on a water consumption of 130,000 cubic meters per day in 2017 when reclaimed water was yet to be introduced.			
Society				
Talent Retention	Return-to-work rate after parental leave(%)	≥80	≥85	≥90
	Average retention rate of top performers of the past 3 years (%).	≥98	≥98.5	≥99
	Planning and establishment of a baby daycare center.	Complete engineering construction in March.	Enrollment capacity of 50 infants	Enrollment capacity of 60 infants
		Obtain relevant licenses and complete official registration in June.		
		Commence official operations and open enrollment for 45 infants in July		
Diversity	Percentage of female employees (%)	≥3.5	≥3.6	
Talent	Training course satisfaction rate (Out of 5 points)	≥4	≥4	≥3.7
Development	Digital learning coverage rate (%)	≥30	≥35	≥4
				≥40

Future Sustainability (ESG) Targets		2026	2030	2035
Issue	Item	Targets	Targets	Targets
Society				
Employee Care	Psychological adjustment seminar satisfaction rate (Out of 5 points)	≥4	≥4	≥4
	Single networking events (Annual number of participants)	≥180	≥180	≥180
Social Involvement	Develop steel industry professionals (Number of students enrolled elective course on steel production processes).	≥260	≥260	≥260
Occupational Safety	Occupational fatalities.	0	0	0
	Employee disability injury frequency rate (FR).	≤0.18	≤0.18	Reevaluate and set the target when the contractor disability injury FR approaches the employee's target disability injury FR (0.18).
	Contractor disability injury frequency rate (FR).	≤0.28	Reevaluated and set the target annually based on the average contractor disability injury FR of the previous 5 years.	Reevaluate and set the target when the contractor disability injury FR approaches the employee's target disability injury FR (0.18).

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 2025. 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.

Stakeholder Identification

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.

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

Communication Channels and Effectiveness

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

Stakeholders	Items
 Employees	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 ensuring the employees' human rights, CSC also enhances the their skills through career development, education and training, while cultivating talent capital to strengthen the company's competitiveness
	Communication Channels → 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)
	Issues of Concern Reasonable employee salary development and talent retention tools
	CSC Response → In response to market salary trends, CSC reviews its operating conditions and plans annual employee salary adjustments. Employee salaries have been raised for 13 consecutive years (with an average of 3.23%) so far, and the average employee salary increase in 2025 was 4.3% → 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 and stabilizing equity

Communication Channels and Effectiveness

Stakeholders	Items
 Contractors	Meaning for CSC Contractors represent an indispensable part in CSC's supply chain, and are considered as comrades who thrive with CSC. Therefore, CSC's management and care towards contractors are on the same level as its employees, and CSC collaborates with contractors to improve their working conditions
	Communication Channels → 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)
	Issues of Concern Provide long-term and stable job sources, reasonable salary levels, friendly working environment, and prevent and reduce work safety accidents
	CSC Response → 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
 Customers	Meaning for CSC Sales to the customers are the main source of revenue for CSC, and "Pursuing customer satisfaction, implementing high-quality service and protecting customer rights" is CSC's highest principle when we reply to the customers' requests. CSC also exerts its overall strength to lead downstream customers in expanding product applications, promoting close communication between customers, and maintaining integrity of the industry
	Communication Channels → 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)
	Issues of Concern Macro-economic policies and steel price trends, customer services, and the sales impacts of EU CBAM, Taiwan Carbon Fee, and US tariff policies on Taiwan's steel industry.
	CSC Response → The steel market is undergoing rapid and volatile shifts, and the competition within domestic and international sales environments is intensifying; consequently, customers expect an enhanced speed of response to international market trends. 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 and promote the sustainable development of steel products. → Addresses stakeholders' concerns in a clear, balanced, and fact-based manner

Stakeholders	Items
 Customers	CSC Response → 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
 Government	Meaning for CSC CSC operates in accordance with the policies and regulations stipulated by the governmental authorities, adheres to the environmental protection concept of circular economy, and fulfills corporate social responsibilities
	Communication Channels → 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 → 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 → 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 report the implementation status to the Board of Directors
 Suppliers	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
	Communication Channels → Communication meetings, pricing meetings (quarterly) → Communication meetings for collaborative works of storage and transportation (monthly) → Occupational Safety and Health Committee of the Transport Department (monthly) → Annual traffic safety and OHS training, and joint operation agreement organization meetings

Stakeholders	Items
 Suppliers	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 health and safety hazard identification and risk assessment and prevention
	CSC Response → 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 key CSC and government regulations to enhance occupational safety awareness among employees and contractors, maintain environmental housekeeping, and minimize port waiting times → Conduct traffic, safety, and health training and awareness programs for service contractors (cleaning, landscaping, disinfection, and official laundry services), and perform routine inspections on all fire fighting equipment at the Xiaogang plant to ensure full operational functionality
 Shareholders/Investors	Meaning for CSC 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
	Communication Channels → 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
	Issues of Concern Occupational safety and health; Climate change response; Operational and financial performance
	CSC Response → Receive domestic and international institutional shareholders and held conference calls for more than 96 times → Participated in 5 domestic and foreign investor conferences → CSC engaged in exchanges with domestic and foreign investors via video conferences or emails for 17 times in 2025 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

Stakeholders	Items
 Society including local communities/ groups, journalists, NGOs/ sustainability association	Meaning for CSC Through communications with communities/groups, journalists, and NGOs/sustainability association, CSC understands the society's expectations about its corporate social responsibility. By paying attention to the local community and a sense of responsibility, CSC dedicates itself to social participation in diverse manners.
	Communication Channels → 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)
	Issues of Concern → CSC's sustainable development actions and carbon neutral plans and responses → Caring for the disadvantaged in local district
	CSC Response → Invited by the Kaohsiung City Government to attend the "2025 Forum on Sustainable Green Energy, Integrity, and Transparency: Distinguishing Between Unlawful Gains and Public Convenience" to share CSC Group's sustainable and ethical management practices → Invited by the Kaohsiung City Government to participate in the Taiwan COP5 "2025 Kaohsiung Net Zero City Forum" to share CSC's experience in resource circulation and carbon reduction → 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 August 2025, CSC participated in the "2025 Environmental NGO Communication Conference (for CSC & DSC)" convened by the Department of State-Owned Enterprise Affairs to outline future plans for air pollution control and carbon reduction → 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 2025, which benefited 1,859 individuals → Provided tuition assistance to assist children of low-income households in Hsiao Kang District in 2025, which benefited 369 individuals

Stakeholders	Items
 Researchers	Meaning for CSC CSC horizontally integrates the R&D potential of industry and academia to uncover innovative momentum within the steel industry, centering its research and development strategy on two primary pillars: "Becoming a steel mill that produces premium products with high value" and "Developing green technologies, energy, and resources." In addition to independent R&D capabilities, CSC also incorporates external research resources to uncover greater potential value.
	Communication Channels → Progress review of Engineering Research Center and the Industry -Academia Alliance (bimonthly) → Progress review of Joint Research Laboratory (interim reports of outsourced projects) and meetings with research consultants. → Proposal and final reports of ERC, JRL, and outsourced project (annually) → Keynote speeches (occasionally)
	Issues of Concern Development of steelmaking technology with high-recycled content, development of low-carbon smelting technology, technical upgrades of electrical steel for electric vehicles (EVs) and drones, carbon capture and reuse
	CSC Response → In collaboration with National Cheng Kung University and other academic institutions, CSC has developed green processes, including low-carbon steel smelting → Partnering with the Motor Research and Development Center, CSC has co-developed ultra-thin, top-grade electrical steel designed for lightweight solutions for electric vehicles and multipurpose drone motors based on a single specification; furthermore, it is targeting smart manufacturing demands to expand applications within the robotics sector → CSC continues to refine byproduct gas, carbon capture and heat recovery technologies to further reduce energy consumption during the carbon capture process



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, DJBIC and MSCI Industry Significance Matrix, etc. 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.

Understand Organizational Context

Sustainability topics from three aspects are listed according to CSC's vision and sustainable development policy by referencing international standards such as the updated GRI Universal Standards 2021, SDGs, and topics of concern to the international steel industry, as well as important industry trends, and with consideration to stakeholder feedback.



2025 Sustainability Topics List 21 topics

Identify Impacts

Identify the positive and negative impacts associated with each issue, integrate impact contents into the questionnaire, and invite external experts to provide recommendations for adjusting the contents of questionnaires.

Invited 2 external experts in 2025

Evaluate the Significance of Impacts

Invite stakeholders to respond to the impact materiality questionnaire survey, and the senior executives analyze the financial impact of sustainability issues on CSC's operations, and then evaluate the positive and negative impacts for each topic, and determine the significance of impact according to the results of questionnaires collected.

436 responses of 2025 surveys were collected from senior executives and stakeholders

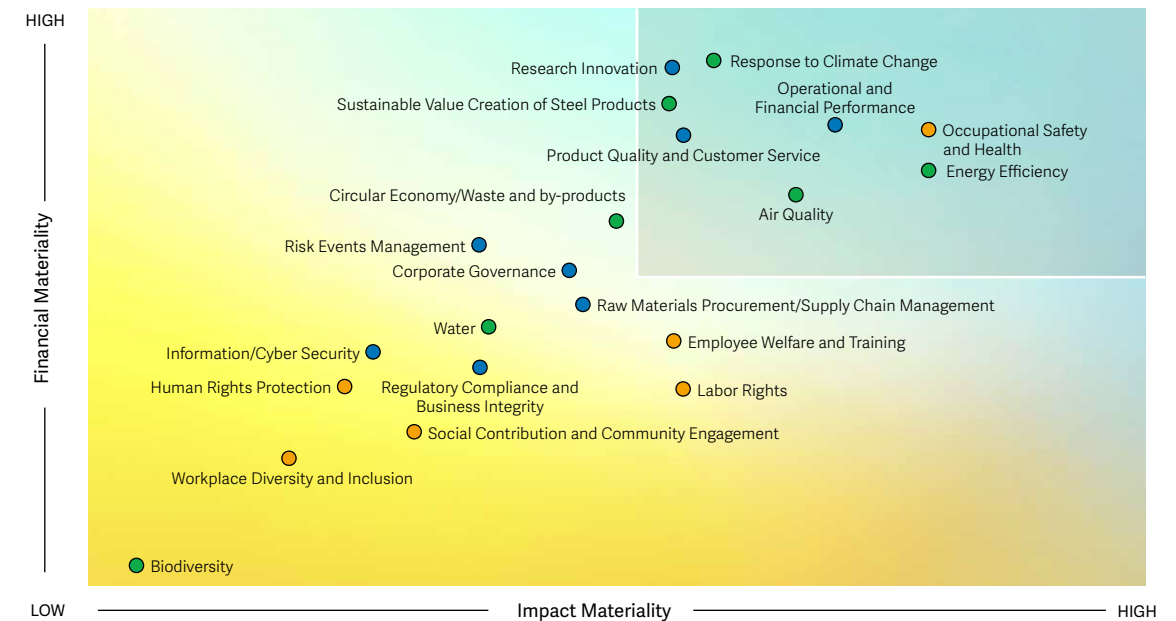
Decide the Material Topics

A double materiality matrix was compiled to evaluate topics that are highly material both in terms of internal financial impact to the company, and external economic, environmental, and people (including human rights) impacts.

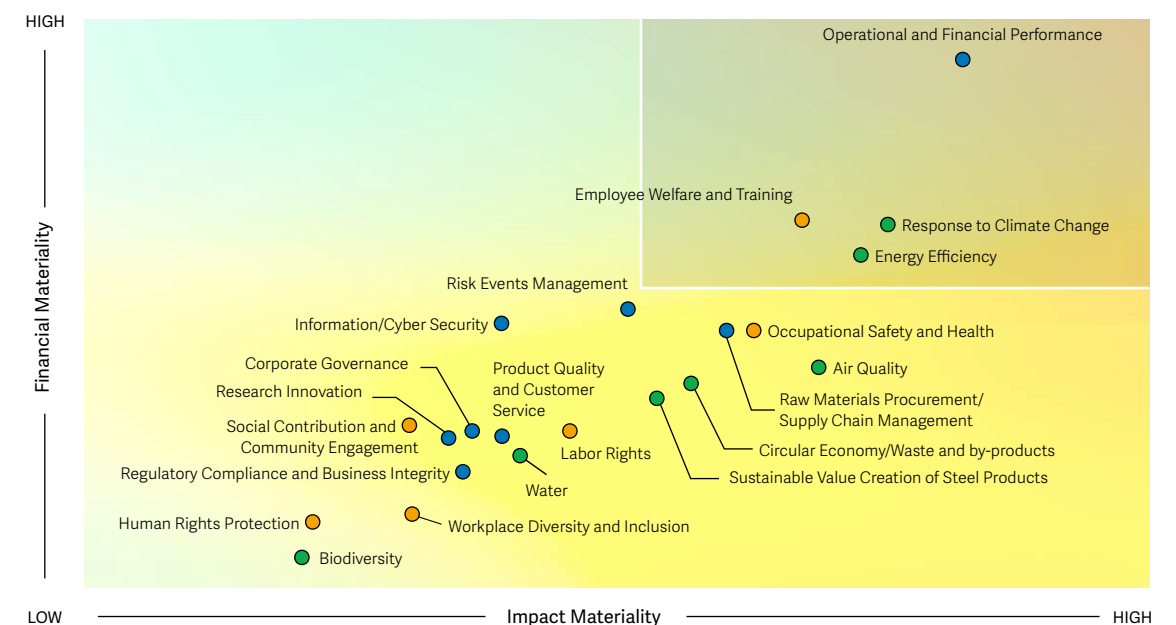
Topics identified as highly material on both axes were classified as material topics. The Material topics are examined by the Corporate Governance and Sustainability Committee team members, reviewed by senior management, and submitted for approval by the Corporate Governance and Sustainability Committee.

9 material topics in 2025

Positive impact matrix



Negative Impact Matrix



Material Topics

- Occupational Safety and Health
- Energy Efficiency
- Operational and Financial Performance
- Air Quality
- Response to Climate Change
- Research Innovation
- Sustainable Value Creation of Steel Products
- Product Quality and Customer Service
- Employee Welfare and Training



Material Topics and Impact Response

A total of 9 material topics were identified through the materiality analysis in 2025, and results were examined. Compared to 2024, one material topic "Product Quality and Customer Service" was added, while two topics, "Major Risk Events" and "Circular Economy / Waste and By-products," were removed. Internal departments of CSC identified the impact boundaries of the value chain and the specific modes of impact for each material topic, and developed descriptions for impact prevention, mitigation, and remediation measures to effectively respond to stakeholders. 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.

Material Topics	Impact management measures (Significance to the organization)	Impact boundary				Chapter	Correlated Targets	
		● Direct impact	○ Indirect impact	Suppliers	CSC			Customers
Governance								
Operational and Financial Performance	The Company continuously strengthens its cost reduction and profit enhancement initiatives while actively advancing its "Dual Cores" (the High Value-added Steel Mill and the Development of Green Technologies, Energy and Resources) and "Three Transformations" (digital transformation, low-carbon transformation, and supply chain transformation) to bolster operational resilience and mitigate the financial impacts of external environmental volatility. Concurrently, the Company maintains stable operational performance to alleviate potential negative impacts on stakeholders, including employees and shareholders. GRI Topic Standards: GRI 201 Economic Standards 2016	●					6.3	1.3 CSC Sustainability Targets-Operational Finance
Research Innovation								
Research Innovation	CSC strengthens internal R&D while maintaining close collaboration with manufacturing facilities to overcome technical bottlenecks, thereby reducing costs and increasing efficiency. Simultaneously, it aligns its strategies with environmental and market dynamics, mitigating operational risks through the development of low-carbon products to achieve both economic benefits and green competitiveness while consolidating its leadership in the steel industry. GRI Topic Standards: CSC Indicators	○	●	●			7.2	7.2 Research Innovation
Product Quality and Customer Service								
Product Quality and Customer Service	Product quality and customer service are the foundational pillars for CSC to successfully penetrate new industries and high-end markets, drive organizational transformation and upgrading, and maintain its competitiveness. By leveraging customer feedback on steel performance, CSC continuously upgrades product quality; furthermore, in response to the shift toward hyper-competition in the global steel landscape, it integrates AI, SCM, and optimizing e-commerce applications to accelerate its ability for customer demands. GRI Topic Standards: CSC Indicators	○	●	●	○		7.3	7.3 Quality Control and Customer Service

Material Topics	Impact management measures (Significance to the organization)	Impact boundary				Chapter	Correlated Targets
		● Direct impact		○ Indirect impact			
		Suppliers	CSC	Customers	Community		
Environment							
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. GRI Topic Standards: GRI 102: Climate Change 2025		●	○		2.1	1.3 CSC Sustainability Targets-2025GHG Management/Future targets GHG
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; Power plant I renovation and Upgrading Project), and promote District Energy Integration and development of green energy to reduce environmental impacts. GRI Topic Standards: GRI 103: Energy 2025	○	●	○	○	3.2.1	1.3 CSC Sustainability Targets-Energy Management
Air Quality	In coordination with the Executive Yuan's Air Pollution Control Action Plan, the Company will invest 34.059 billion TWD in 6 air pollution improvement projects in 2025-2029, which will reduce and prevent impacts on the environment by reducing Par. by 41.0 tonnes/year, SOx by 233.57 tonnes/year, NOx by 127.82 tonnes/year, and VOCs by 73 tonnes/year. GRI Topic Standards: GRI 305: Emission 2016		○		●	3.2.2	1.3 CSC Sustainability Targets-Air Pollution
Sustainable Value Creation for Steel Products	While forward-looking internal R&D deployment may incur short-term costs, it ultimately transforms into long-term competitive advantages. By establishing industry alliances, CSC extends the influence to downstream customers and the entire industrial chain, providing high value-added (value performance, VP) products to spearhead industrial upgrading and achieve the goals of value chain co-prosperity and sustainability. GRI Topic Standards: CSC Indicators	○	●	●		3.5	3.5 Sustainable Value Creation of Steel Products
Society							
Employee Welfare and Training	CSC provides competitive talent retention measures and maintains a continuous focus on the equity and development of employee remuneration. Comprehensive orientation and training are arranged immediately upon the hiring of new employees; furthermore, CSC consistently reviews and progressively implements mandatory training for various positions to enhance the knowledge and skills essential for professional career development. Within the scope of available resources, CSC provided appropriate welfare benefits 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. GRI Topic Standards: GRI 401: Employment 2016 GRI 404: Training and Education 2016	○	●	○	○	4.2	1.3 CSC Sustainability Targets-Talent Retention, Talent Development, Employee Care

Material Topics	Impact management measures (Significance to the organization)	Impact boundary				Chapter	Correlated Targets
		● Direct impact	○ Indirect impact				
		Suppliers	CSC	Customers	Community		
Society							
Occupational Health and Safety	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. GRI Topic Standards: GRI 403: Occupational Health and Safety 2018	●	●	●	○	4.4	1.3 CSC Sustainability Targets -Occupational Safety

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
Business Integrity	https://www.csc.com.tw/csc_e/esg/cg/cg2.html
Social Contribution and Community Engagement	https://www.csc.com.tw/csc_e/esg/soc/soc3_cp.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

CLIMATE CHANGE

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

CHAPTER

2

Material Topic

2.1_

Respond to Climate Change Material Topic



Corresponding
UN SDGs



2025 Highlights

CSC participated in the Carbon Disclosure Project (CDP) Climate Change Questionnaire in 2025 and was given A- (Leadership level) in the "Climate Change" and "Water Security" modules. CSC participated in the Industrial Development Administration's Selection of Top-performing Manufacturers in Greenhouse Gas Voluntary Reduction in 2025, and was awarded for 15th consecutive year.



Policy or Commitment

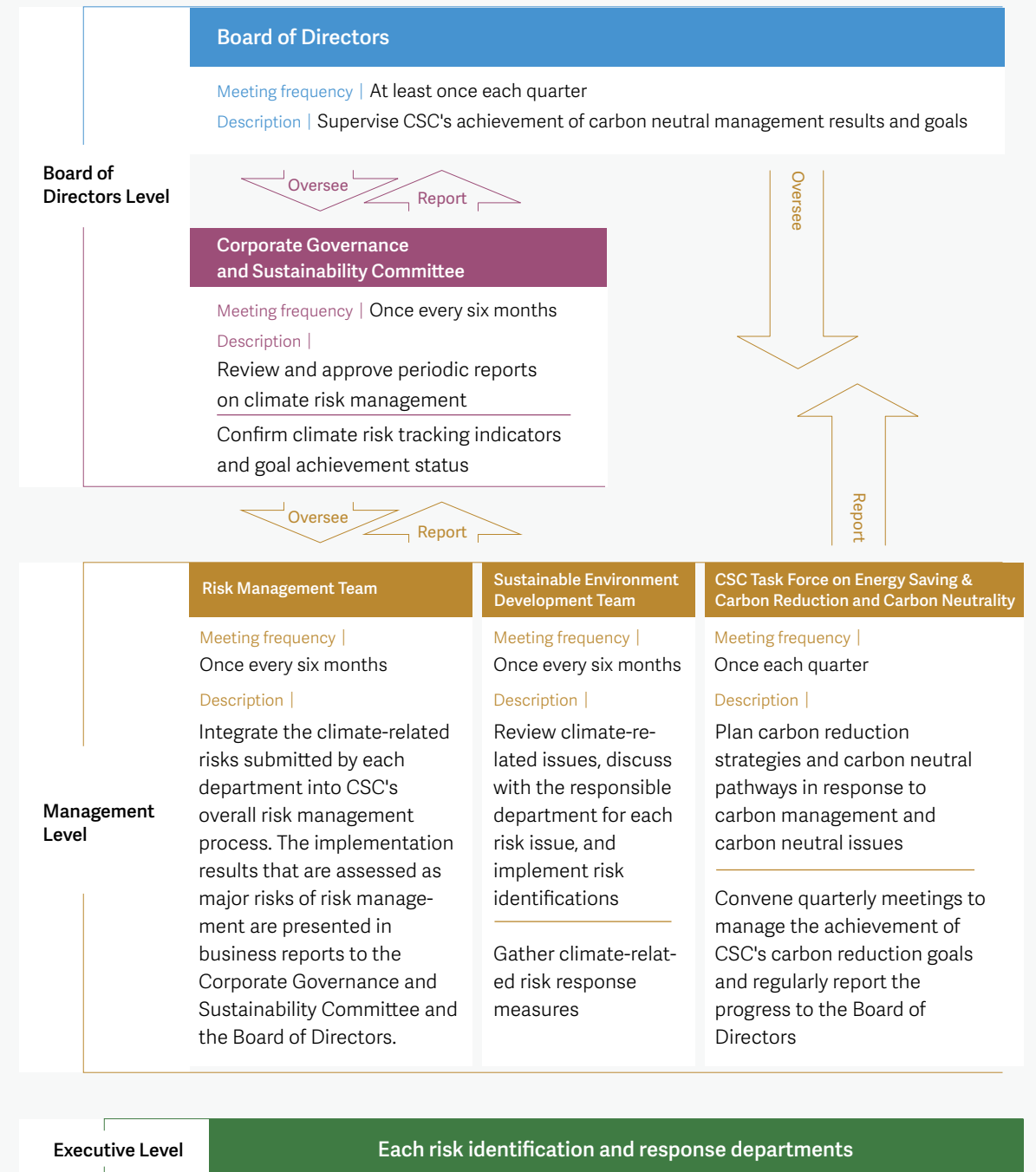
In the 2025 Global Risks Report published by the World Economic Forum, extreme weather events are ranked among the top two short- and long-term risks in terms of severity. With the World Steel Association expressing full support for the Paris Agreement, and Taiwan setting a net-zero carbon emission target 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 pathways for carbon emission reduction.

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 CSC Task Force on Energy Saving & Carbon Reduction and Carbon Neutral. 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



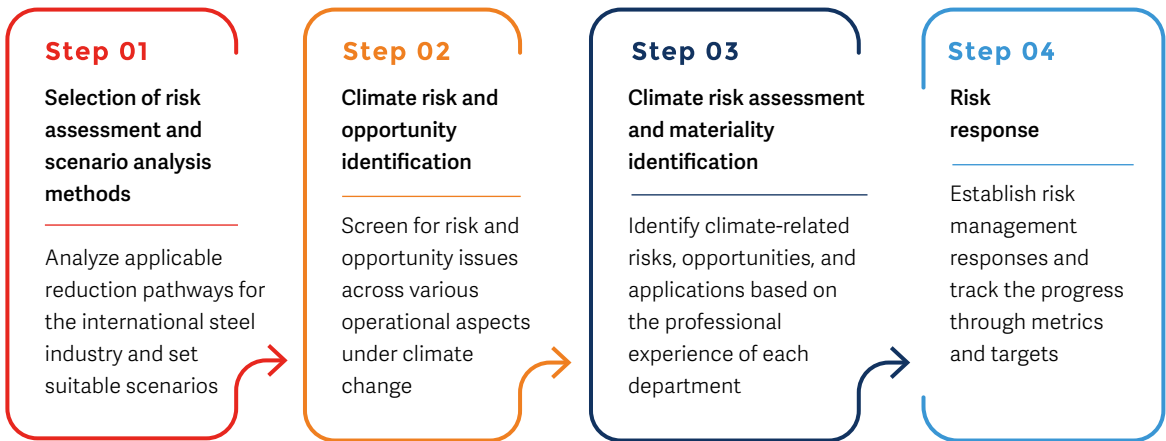
Implementation results: Chronicle of the CSC Task Force on Energy Saving & Carbon Reduction and Carbon Neutrality
https://www.csc.com.tw/csc_e/esg/env/env1.html

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 from climate change. For specific measures for each procedure, please refer to the following process:



To effectively assess the impact of climate change on its strategies and operational goals, CSC conducts quantitative scenario-based analyses and discussions focused on its core business, which encompasses the entire upstream and downstream value chain of the steel industry. This process aims to strengthen operational resilience and facilitate the formulation of proactive response measures. Detailed below is CSC's specific approach to scenario analysis:

Value chain	Risk category		Time horizon	Scope of analysis	Climate scenario
Major raw material suppliers	Transition risks	Market	2026-2050	Global	IEA STEPS 、 IEA NZE
	Physical risks	Acute	2021-2100	Specific countries	SSP 2-4.5 、 SSP 5-8.5
Government	Transition risks	Policy and regulations	2030-2050	Taiwan	IEA STEPS 、 IEA NZE
CSC	Transition risks	Technology			
	Physical risks	Acute, chronic	2021-2100		SSP 2-4.5 、 SSP 5-8.5
Customers	Transition risks	Market	2021-2050	Global	IEA STEPS 、 IEA NZE



*The Net Zero Emissions (NZE) and Stated Policies Scenarios (STEPS) assumptions of the International Energy Agency (IEA) are based on the World Energy Outlook 2025 (WEO) 2025.

*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

CSC referenced the World Energy Outlook 2025 (WEO 2025) research report published by the International Energy Agency (IEA) to evaluate technological transition pathways and market trends within the global steel industry. Specifically, CSC utilized parameters from the Net Zero Emissions (NZE) and Stated Policies Scenarios (STEPS) to serve as the basis for discussing its strategic transition planning.

In this climate scenario analysis, CSC has focused on the two primary policy scenarios mentioned above. Beyond re-evaluating the assumptions of STEPS, CSC has conducted more rigorous simulations under the NZE scenario to deeply explore its operational resilience. CSC analyzes key transition drivers, such as carbon pricing and the breadth of policy coverage, and integrates these factors with corporate strategies and operational goals as a basis for identifying subsequent risks and opportunities.

Climate scenario	Steel demand	Carbon pricing	Breadth of policy coverage
IEA NZE	Overall growth is sustained, though the magnitude of growth varies slightly between scenarios.	Global carbon prices remain high, providing a sufficient incentive to drive the widespread adoption of clean technologies.	National policies are increasingly converging toward a unified framework.
IEA STEPS		Carbon prices remain higher in advanced economies compared to the prices in emerging markets and developing economies.	Notable divergence in policies remain among countries.

Physical Risk Scenario Analysis:

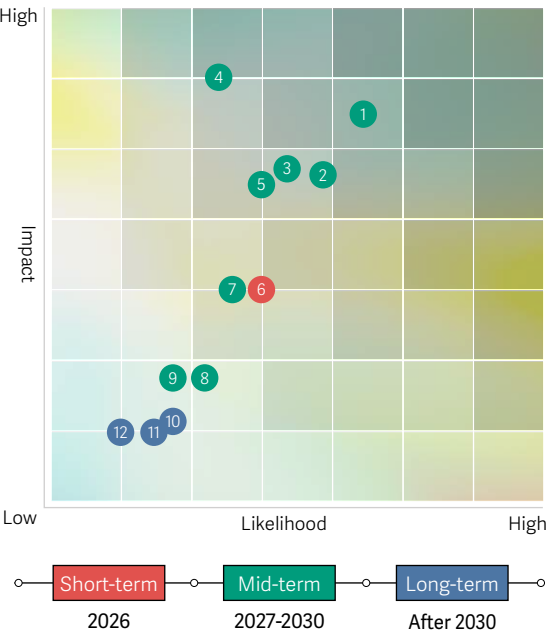
CSC conducts scenario analysis of potential future physical risks in the value chain, utilizing scenarios outlined by the Intergovernmental Panel on Climate Change (IPCC), specifically the high emissions scenario (SSP5-8.5) and the intermediate emissions scenario (SSP2-4.5). The analysis process is divided into three stages: First, CSC utilizes the IPCC Working Group I (WG1) Climatic Impact-Driver Framework to identify potential risk factors. Second, by referencing climate scenario data, such as the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP), and disaster risk information, CSC evaluates the degree of impact in conjunction with the specific operational characteristics of each department. Finally, the results are consolidated into a climate risk matrix, and planned adaptation measures are implemented as necessary. Regarding the identified acute and chronic physical risks, an overview of each climate-related disaster is provided below.



Climate-related Risks and Opportunities Matrix

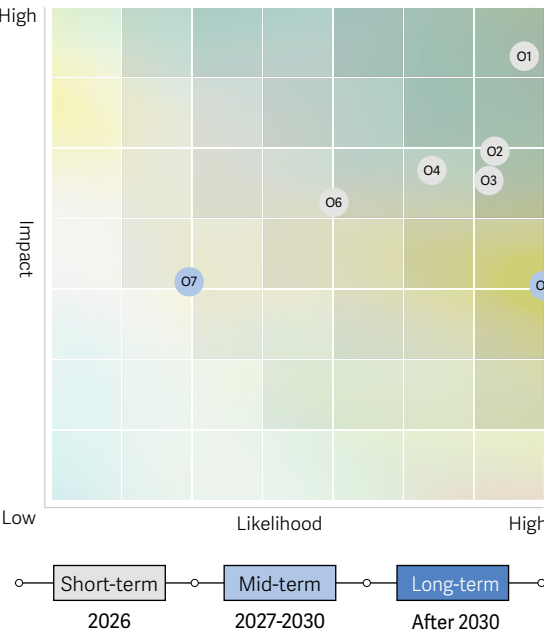
Based on the TCFD scenario analysis framework, CSC has summarized 7 transition risks, 5 physical risks, and 7 opportunity issues. Assessed by each risk identification department, the results are based on factors such as the time of occurrence, likelihood of occurrence, and degree of impact, which are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

Climate-related risk matrix



Risk category	Risk factor
1	Technology R&D of carbon neutral technology of the steel industry
2	Market Transition of raw materials
3	Technology Planning of low-carbon energy policy
4	Policy and regulations Implementation of the carbon fee mechanism
5	Policy and regulations Insufficient support for climate transition policies leads to competitive risks.
6	Acute Extreme weather events, such as typhoons, floods, and wildfires (raw materials)
7	Reputation Investors/Financial institutions' willingness to invest in and provide loans to CSC
8	Chronic Extreme high heat affects power stability.
9	Market Changes in steel demand from downstream customers
10	Acute Extreme weather events, such as typhoons and floods (operations)
11	Chronic Water shortages caused by changing climate patterns
12	Chronic Rising sea levels leading to flooding in ports due to storm surges

Climate-related opportunities matrix



Opportunity type	Opportunity factor
1	Products and services Provide high-strength structural steel to enhance climate resilience
2	Resource efficiency Reduce product energy consumption through smart processes and energy saving.
3	Market Develop motor vehicle/renewable electricity related material supply chains
4	Products and services Provide low carbon steel products to downstream industries
5	Market Participate in carbon trading market
6	Energy sources Expand renewable electricity and energy storage related facilities
7	Market Comply with requirements of financial institutions to obtain low interest rates

Mitigate Risks During Low-carbon Transition and Seize Corresponding Opportunities

Based on the prioritization of climate-related risks, the top four material risks and two material opportunities were selected for further value chain impact analysis and response strategy formulation; furthermore, in consideration of stakeholder concerns regarding physical risks, the highest-ranking physical risk from the assessment was also integrated into this scope

●○○ Upstream / ●○○ Own operation / ○○○ Downstream

Transition risks/ opportunities	Scenario analysis	Impact on CSC operations	Impact on the value chain	CSC's response strategies	Metrics and targets
Transition risk - R&D of carbon neutral technology of the steel industry	In a low-carbon emissions scenario, the fossil fuel-reliant steel industry must maintain sustained investment in R&D, and application of low-carbon steel making technologies to achieve net zero objectives.	Investment in the R&D of new steelmaking technologies would lead to the increase of R&D costs.	Taiwan ○○●	Continue to conduct the coupling analyses of energy flow, carbon flow, material flow, and cost to advance carbon neutral pathways. Actively engage in industry-academia collaboration projects and focus on emerging low-carbon steelmaking technologies, including: charging of low-carbon ferrous burdens into BF, replacing coal injection with hydrogen-rich injection in blast furnaces, increasing the use of scrap steel to reduce hot metal consumption, and carbon capture and utilization.	Carbon emission ≤ 20.82 million ton CO ₂ e in 2026. Carbon emission ≤ 16.64 million ton CO ₂ e in 2030.
Transition risk - Transition of raw materials	In the a low-carbon emissions scenario, high-quality iron ore resources, including reduced iron and steel scrap, may face intensified competition due to decarbonization plans of industry peers, potentially leading to price volatility in raw materials.	Various alternative low-carbon iron sources have been incorporated into the assessment scope of carbon-neutral technology planning; however, increasing use of these materials may lead to higher operating cost.	Global ●●○○	Examine various alternative low-carbon iron sources and include them into the scope of assessing CSC's carbon-neu-tral technology planning. Search for stable and cost-effective low-carbon iron sources.	
Transition risk - Planning of low-carbon energy policy	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 technolo-gies in the steel industry.	If CSC continued to reduce purchased electricity through low-carbon energy, operation-al costs would increase.	Taiwan ○○●	Installed solar power systems within plants, making every effort to meet short-term and medium-term demands for renewable energy. Jointly establish an energy trading platform with major domestic companies to ensure renewable electricity sources and control costs. Continue to review long-term carbon reduction strategies for low-carbon energy demand.	

Mitigate Risks During Low-carbon Transition and Seize Corresponding Opportunities

Transition risks/ opportunities	Scenario analysis	Impact on CSC operations	Impact on the value chain	CSC's response strategies	Metrics and targets
Transition risk - Implementation of the carbon fee mechanism	CSC evaluates the impact of carbon fees based on not only "Fee-Charging Rates of Carbon Fees" by announced Taiwan's Ministry of Environment, but also international cases of carbon tax and carbon emission trading.	Products need to bear the cost of carbon emissions, resulting in the increase of operating costs.	Taiwan ○●○	Propose Self-determined Reduction Plans to secure eligibility for preferential rates to mitigate impacts. Advance the development of emerging steelmaking technologies to reduce CSC's carbon emissions and the carbon cost of its products.	
Opportunities - Reduce product energy consumption through smart processes and energy saving.	In the low-carbon emissions scenario, the steel industry will be required to achieve annual reductions in energy consumption. In the low-carbon emissions scenario, artificial intelligence (AI) can contribute significant decarbonization potential.	The emission reduction plans and smart transformation projects proposed by each department will serve to optimize operational efficiency and reduce operational expenditure.	Taiwan ○●○	Set energy conservation targets and develop related programs to continuously optimize energy efficiency. Continue to advance projects with carbon reduction benefits, including smart transformation, energy conservation, and equipment monitoring (e.g., Development of Digital Intelligent Temperature Control System for the Hot Rolling Mill Reheating Furnace project and the Sintering Intelligent Revitalization project). CSC plans to implement 21 smart steel plant initiatives.	Starting from 2025 Annual average power saving rate ≥ 1.5% in 2026. Annual average power saving rate ≥ 1.5% in 2030. Annual average power saving rate ≥ 1.5% in 2035.
Opportunities - Provide high-strength structural steel to enhance climate resilience.	In order to adapt to recurring climate hazards, governments worldwide would continue to strengthen the resilience of public infrastructure. In the low-carbon emissions scenario, the government must incentivize procurement of environmentally friendly and sustainable products to facilitate the expansion of the green product markets.	Strengthen public infrastructure and national resilience projects in line with policies, leading to the increase of steel demand and CSC's revenue.	Global ○●●	Continue to invest in the R&D of high-strength structural steel products, actively supporting national mid- to long-term infrastructure planning, including urban renewal and bridge reconstruction projects. Monitor green transition trends in domestic and international public works, entering the low-carbon construction market through the development of low-carbon steel and product certifications.	In 2026, advanced premium steel products and premium steel products are projected to account for 12.8% and 50.4% of total sales volume, respectively. In 2030, advanced premium steel products and premium steel products are projected to account for 20.0% and 51.2% of total sales volume, respectively.

Climate Change Adaptation Strategies

●○○ Upstream / ○●○ Own operation / ○○○ Downstream

Physical risks	Scenario analysis	Impact on CSC operations	Impact on the value chain	CSC's response strategies	Metrics and targets
Physical risks - Extreme weather events, such as typhoons and floods (raw materials)	IPCC AR6 ^{Note1} 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).	Issues regarding the supply of raw materials caused by extreme weather events may result in interrupted supply chains or production.	Specific countries ●●○	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, which concerns costs of around 0.6% of total capital expenditure. 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 , with material preparation and scheduling conducted in advance.	Goals for maintaining uninterrupted operations Maintain diverse raw material sources and distribute supply across multiple regions.

Note 1: The Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC)



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Actions on Climate Change Adaptation

Low-carbon Transition Plan

In response to global carbon neutral challenges and evolving market dynamics, CSC has launched its "Dual Cores and Three Transformations" management strategy. With a primary focus on developing Advanced premium steel plants and the green energy industry, the strategy drives three critical pivots: digital transformation, low-carbon transformation, and supply chain transformation. Regarding its low-carbon transformation practices, CSC has set carbon reduction targets, with a long-term goal of achieving carbon neutral by 2050, and has formulated various strategies to map out its carbon neutral roadmap.

Based on comprehensive technical and resource feasibility assessments, CSC has mapped out practical carbon reduction measures to continuously refine its pathway towards carbon neutral. Aligning with Taiwan's carbon fee system implemented in 2025 and referencing the "Industry-Specific Reduction Rates" under the SBTi spirit, CSC has selected 2021 as its base year. During the period from 2025 to 2030, CSC will deploy seven core carbon reduction measures: "Renewable Energy," "Improve energy Efficiency," "Increasing Scrap Use," "Charge Low Carbon Ferrous Burden Into Blast Furnace," "Switching Cogeneration Boilers To Low-carbon Fuels," "Improving Energy Efficiency Via Equipment Addition Or Replacement," and "Co-production Between Steel And Petrochemical Plants." Through these measures, CSC has set a target to achieve a 25.3% reduction in Scope 1 and Scope 2 emissions by 2030 compared to the 2021 base year, with Scope 2 calculated using the market-based method and the target encompassing biogenic CO₂ emissions. Furthermore, the long-term planning toward carbon neutral will be driven by five forward-looking strategies: "Replace coal injection with hydrogen," "Electrification," "Carbon-Free Fuels," "CCUS," and "Hydrogen Reduction Process." Aiming to achieve carbon neutral by 2050, CSC demonstrates its resolute commitment to environmental protection and sustainable development. In 2025, CSC completed 178 carbon reduction action plans, achieving an annual carbon reduction of 71,500 metric tons of CO₂e (Scope 1 + Scope 2). From 2021 to 2025, a cumulative total of 1,046 carbon reduction action plans were completed, resulting in an annual reduction of 1.4516 million metric tons of CO₂e (Scope 1 + Scope 2), representing a 6.51% decrease compared to the 2021 base year.

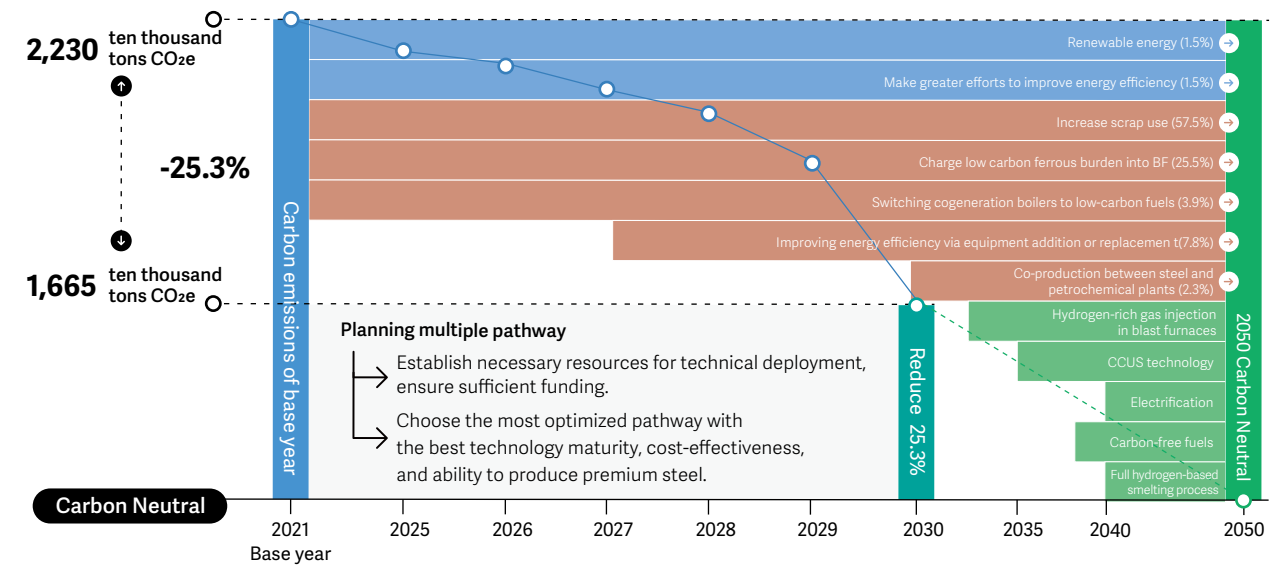
Internal Carbon Price

Since 2024, CSC has maintained an internal carbon price (ICP) of TWD 300 per tonne of CO₂e, in line with the carbon-fee rates announced by the Ministry of Environment. The ICP is utilized to assess the feasibility of capital expenditures (CAPEX) and R&D projects, and to promote low-carbon production processes and technological innovations that enhance the Company's carbon-reduction performance.

The capital expenditure budget for 2025 is 13.45 TWD billion, of which 2.29 TWD billion is for carbon reduction capital expenditure, accounting for about 17% of the total capital expenditure budget; and 810 TWD million is for climate adaptation capital expenditure, accounting for about 6% of the total capital expenditure budget.



CSC Path Planning for Carbon Reduction and Carbon Neutral



Supplementary description of medium and long-term strategies

	Hydrogen-rich gas injection in blast furnaces SCHEDULE SETTING DESCRIPTION This strategy is implemented in two stages: equipment installation and safety assessment, followed by on-site stability testing. Provided that critical conditions are met, implementation is expected to commence after 2032. DESCRIPTION OF QUALIFYING CONDITIONS - Long-term, stable and commercially feasible sources of hydrogen-rich gas - Equipment installation and hydrogen-rich gas costs
	Carbon capture, utilization, and storage (CCUS) SCHEDULE SETTING DESCRIPTION In coordination with the government's CCS storage site planning, the implementation schedule is projected for 2035. DESCRIPTION OF QUALIFYING CONDITIONS Cost-effective supporting measures for storage sites and transportation and storage infrastructure.
	Electrification SCHEDULE SETTING DESCRIPTION Based on current assessments, this initiative will only yield carbon reduction benefits once the electricity carbon emission factor falls below 0.3 kg CO ₂ e/kWh; consequently, implementation is projected to commence after 2040. DESCRIPTION OF QUALIFYING CONDITIONS Electricity carbon emission factor <0.3 kg CO ₂ e/kWh

Supplementary description of medium and long-term strategies

	Carbon-free fuel SCHEDULE SETTING DESCRIPTION Based on the assessment and forecasts of international advanced steel plants, and considering that the commercial maturity of hydrogen and ammonia energy applications is estimated for 2040, the implementation schedule for this strategy is set for 2040.	DESCRIPTION OF QUALIFYING CONDITIONS Commercially viable resources such as hydrogen and ammonia, along with the corresponding transportation and storage measures.
	Full hydrogen-based smelting process (Iron Ore → DRI → EAF → Steel) SCHEDULE SETTING DESCRIPTION This initiative involves significant uncertainty, as it requires the integration of technology (hydrogen metallurgy), resources (stable and affordably priced green hydrogen and green power), and funding (equipment upgrades). Given that international advanced steel plants have categorized this as a long-term plan, implementation is likewise projected to commence after 2040.	DESCRIPTION OF QUALIFYING CONDITIONS - Commercialization of hydrogen metallurgy technology - Stable and affordable green hydrogen and green power - Expenditures for affordable raw materials, green hydrogen, green power, and equipment installation.



Action Plan | Pathway to Carbon Neutral and Carbon Reduction Strategy Planning

To achieve carbon neutral, CSC has established a Mid- to- Long Term Two-Stage Carbon Neutral Path Planning, outlining the key strategies and milestones for its transition toward carbon neutral target. 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 that of 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 technolo-

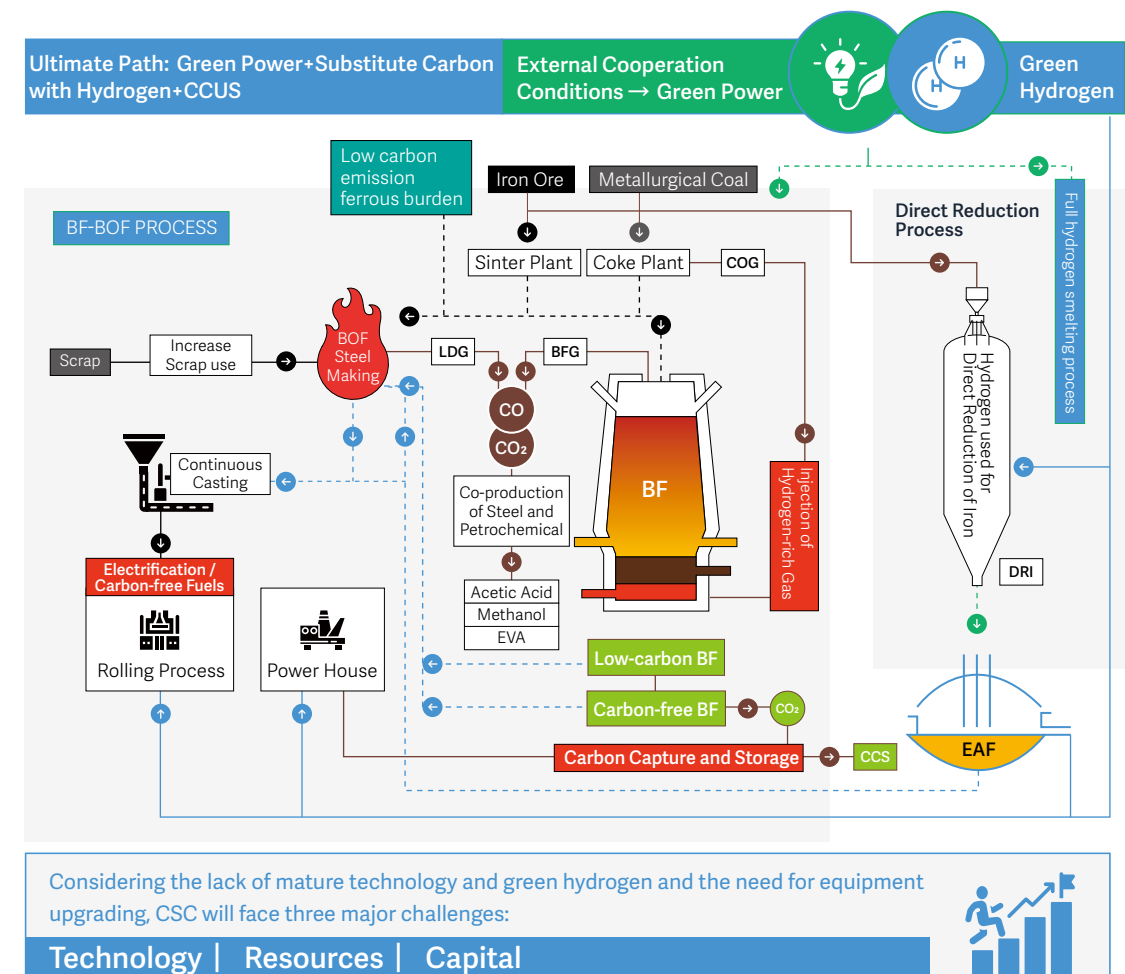
gies, despite their carbon reduction potential. In addition, raw material supply restrictions and market competition have compounded existing challenges. Therefore, similar to other steel mills worldwide, CSC currently encounters a number of problems in some of its strategies, such as a lack of mature 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.

To address these challenges, CSC continues to strengthen its low-carbon R&D capabilities and cross-departmental collaboration while advancing a data-driven decarbonization strategy. CSC has conducted integrated coupling analyses of carbon, energy, material, and cost flows across the carbon neutral pathway, supported by scientific feasibility assessments and scenario-based simulations under various future energy scenarios. To support this effort, ISO 14404 framework has been adopted to establish a comprehensive energy and material balance baseline across the manufacturing processes. The resulting simulation outputs are aligned with ISO14064, delivering a robust foundation for emissions quantification

and verification. This approach enables CSC to evaluate the carbon reduction potential, resource requirements, and operational impacts of various decarbonization technologies prior to deployment. Through continuous review and optimization of the carbon neutral pathway, CSC is able to navigate the complexities of large-scale manufacturing systems while ensuring that decarbonization strategies deliver both environmental benefits and long-term operational resilience.



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	2023	2024	2025
Scrap ratio	4.37%	4.40%	4.50%

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 2025 a total of 1,898 reduction projects were implemented and the cumulative reduction reached 2.035 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 2025.



◀ Recognized as an Outstanding Enterprise in Industrial Greenhouse Gas Reduction in 2025

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 2025, CSC expanded its UL 2809 Recycled Content Validation to include various product forms, such as Wire Rod and Bar RC60 (Recycled Content 60%), Hot Rolled Steel Coil RC20/RC30, Cold Rolled Steel Coil RC60/RC90, Electrical Steel Coil RC30, and Zinc Coated Steel Coil RC30/RC60/RC90. By integrating Group resources to enhance scrap steel smelting technology, CSC produced the Cold Rolled RC90 steel products and Galvanized RC90 steel products using 100% scrap steel for the first time and successfully obtained validation. In 2025, the total order volume of recycled steel products reached 80,000 tonnes, reaching the target of 55,000 tonnes.

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 equipment. The number of projects, the amount of subsidy, and benefit of carbon reduction in the past 5 years are as follows:

Year	2021	2022	2023	2024	2025	Total
Number of Projects	7	6	6	5	9	33
Amount of Subsidies (TWD)	692,684	788,459	544,040	510,537	283,000	2,818,720
Carbon Reduction (kg CO ₂ e)	6,767	145,251	2,663	8,526	850.17	164,057

This project not only demonstrates the achievements of cross-sector greenhouse gas reduction

collaboration in Kaohsiung City, but also stands as the first voluntary emission reduction project jointly accomplished through industry-government-academia cooperation, further underscores the Company's determination to actively support local government carbon reduction policies.

Public-Private Collaboration in Applying for Voluntary GHG Reduction Credits

In 2025, CSC partnered with the Kaohsiung City Environmental Protection Bureau to apply for a voluntary GHG reduction project by supporting the replacement of outdated lighting fixtures with energy-efficient LED lighting at Singda Elementary School. The project was submitted to the Ministry of Environment (MOENV) for certification of voluntary GHG reduction credits. This initiative not only demonstrates the achievements of cross-sector emission reduction efforts in Kaohsiung City but also represents the first voluntary GHG reduction project jointly completed through collaboration among government, industry, and academia. It further underscores CSC's commitment to supporting government initiatives and advancing local decarbonization policies.



Action Plan | Product Carbon Emission Inventory

To improve its own carbon management and enable downstream customers to effectively conduct carbon footprint assessments of their products, CSC analyzed the carbon footprint information of 22 major carbon steel product categories in 2025. This analysis serves as the foundation for formulating decarbonization strategies for carbon steel products; for the full results of the carbon footprint inventory, please refer to the CSC ESG official website.



ISO 14067 Certificate
https://www.csc.com.tw/csc/esg/pdf/ISO_14067.pdf

Action Plan | Stakeholder engagement for transformation projects

While promoting low-carbon transformation, CSC remains committed to the principles of a just transition and recognizes the potential impacts this process may have on its employees. To this end, CSC integrates employee well-being into its transformation strategy, actively planning measures to mitigate

any adverse effects. Guided by the spirit of continuously enhancing human capital, CSC provides regular skills training. In the event of organizational restructuring or production line realignment, CSC assists employees in transitioning to suitable roles and provides the necessary training to help them adapt to new responsibilities or work arrangements. Furthermore, CSC regularly convenes labor-management meetings and hosts departmental communication meeting across all plants. These platforms offer a transparent environment for employees to express views and offer suggestions; CSC actively listens and responds to this feedback to ensure employees are fully informed and can transition smoothly.

Action Plan |

Internal low-carbon transformation implementation measures

CSC continues to drive internal low-carbon transformation and the implementation of carbon reduction actions through systematic training and incentive mechanisms. In terms of capacity building, CSC organized 8 specialized training sessions on energy conservation and carbon reduction within its Creative Development Activities (CDA) in 2025. Facilitated by internal experts from the Environmental Protection Department, these sessions totaled 8 hours of instruction with 221 participants, strengthening employees' technical knowledge and practical application of carbon reduction strategies. Furthermore, a total of 59 sustainability and energy-conservation training sessions were conducted throughout the year, reaching 1,295 participants and totaling 2,982 training hours, thereby deepening the organization's collective capacity for low-carbon transformation.

Regarding action promotion and incentives, CSC has established the "Guidelines for Greenhouse Gas Reduction Incentives" to encourage employees to proactively propose specific, quantifiable carbon reduction initiatives. These initiatives are directly linked to CSC's annual targets for total greenhouse gas emissions and carbon emission intensity. By utilizing this performance-oriented incentive system, CSC fosters cross-departmental collaboration and ensures continuous improvement in its environmental performance. In 2025, CSC distributed 957,944 TWD in carbon reduction incentives, effectively enhancing employee engagement and the momentum for innovative proposals. These incentives promote the advancement of carbon reduction measures through a bottom-up approach, gradually internalizing these practices as a core component of the organization's daily operations.

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 2025 is shown below ^{NOTE 1}

Scope 1								
Direct GHG emissions ^{NOTE 2}	Baseline(2021)		2023		2024		2025	
	tonne	tCO ₂ e	tonne	tCO ₂ e	tonne	tCO ₂ e	tonne	tCO ₂ e
CO ₂	20,934,329.201	20,934,329.201	16,800,804	16,800,803.600	17,579,171.619	17,579,171.619	16,359,549.5188	16,359,549.5188
CH ₄	44.27	1,239.594	47.54	1,326.397	26.43	740.081	24.8474	693.243
N ₂ O	6.32	1,725.005	2.04	557.002	1.87	511.466	1.9224	524.815

Action Plan |

Obtained emission reduction credits from two greenhouse gas offset projects

In 2025, CSC completed the third monitoring and data collection for the Project for the Change of Transportation Mode at Hualien Quarry. Following successful external verification and approval by the Ministry of Environment Review Committee, the project was awarded a total of 1,878 tonnes of CO₂e in offset credits. Additionally, CSC completed the second monitoring and data collection for the Offset Project for Energy Saving by Hot-Charge Rolling in 2025; upon passing external verification and the Ministry of Environment's review, this project secured a total of 42,267 tonnes of CO₂e in offset credits.

Scope 1								
Direct GHG emissions ^{NOTE 2}	Baseline(2021)		2023		2024		2025	
	tonne	tCO ₂ e	tonne	tCO ₂ e	tonne	tCO ₂ e	tonne	tCO ₂ e
SF ₆	0.0018	45	0.0014	35.28	0.0029	73.08	0.0029	73.08
HFCs	1.4600	2,233.800	3.71	6,732.7476	14.3917	6,591.529	3.6747	6,690.828
Total emissions(Scope 1)	20,939,573	tCO ₂ e	16,809,455	tCO ₂ e	17,587,087	tCO ₂ e	16,674,784	tCO ₂ e

Scope 2				
GHG emissions ^{NOTE 3} (tCO ₂ e)	Baseline(2021)	2023	2024	2025 (IV)
Location-based	1,357,458	1,263,334	1,182,375	1,140,354
Market-based	1,357,456	1,249,102	1,166,325	1,127,031

Scope 3			
GHG emissions (tCO ₂ e)	2023	2024	2025
Purchased goods and services	125,993.17	101,937.13	123,318.27
Capital goods	1,017.74	576.15	260.53
Fuel-and-energy-related activities (not included in Scopes 1 or 2)	1,012,053.87	1,043,501.15	1,043,056.48
Upstream transportation and distribution for goods	423,018.44	427,123.33	444,658.45
Waste generated in operations	1,408.56	1,114.36	1,357.00
Business travels	187.34	233.39	316.51
Employee commuting	4,984.61	4,944.37	4,752.10
Upstream leased assets	187.45	163.89	156.94
Downstream transportation and distribution for goods	390,072.27	331,871.37	192,896.34
Processing of sold products	115,728.50	104,825.64	92,286.80
Use of sold products	227.06	0	0
End-of-life treatment of sold products	5,636.75	5,636.75	2,483.61
Downstream leased assets	1,705.03	1,611.02	1,416.21
Franchises	716.72	690.43	648.09
Investments	9,234,671.21	9,012,569.32	7,414,273.14
Total emissions (Scope 3)	11,317,609	11,036,798	9,321,881

- Note 1 : The boundary of the Company's greenhouse gas inventory is defined using the operational control approach, encompassing major operating sites such as the head office and headquarters building. The inventory boundary aligns with the disclosure scope of this report, representing CSC's standalone data. The calculation methodology utilizes the emission factor method, with factor sources including the Emission Factor Management Table published by the Ministry of the Environment, World Steel Association factors, and emission factors derived from the carbon content tested at CSC plants.
- Note 2 : Scope 1 emissions exclude perfluorocarbons (PFCs) and nitrogen trifluoride (NF3), and carbon dioxide (CO₂) emissions from biogenic sources have been deducted. In 2025, biogenic CO₂ emissions totaled approximately 10,612 tonnes.
- Note 3 : Scope 2 emissions originate entirely from purchased electricity and therefore contain only carbon dioxide (CO₂), with zero emissions of methane (CH₄) and nitrous oxide (N₂O).
- Note 4 : The 2025 Scope 2 emission results were calculated using the 2025 electricity emission factor announced by the Energy Administration of the Ministry of Economic Affairs, which results in differences from the values presented in the annual report.
- Note 5 : Taking 2021 as the base year, the greenhouse gas inventory was conducted in accordance with the new ISO 14064-1:2018 standard. The external verification body is DNV Business Assurance Co., Ltd. According to the verification results issued by DNV, the Company's greenhouse gas inventory meets the reasonable assurance level.
- Note 6 : The 2025 electricity emission factor published by the Ministry of Economic Affairs was adopted.
- Note 7 : The Company's greenhouse gas emission results are calculated using the latest Global Warming Potential (GWP) values published by the IPCC, and the GWP values from the IPCC Sixth Assessment Report (AR6) have been adopted since 2021.

🔗 For more details 【Scope 3 GHG emissions】 <https://www.csc.com.tw/csc/esg/env/env1.html#env1>



Action Plan | Participate in domestic and international climate initiatives

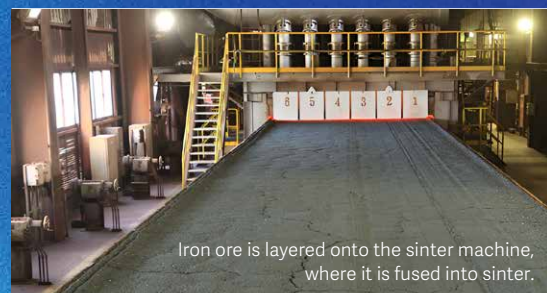
CSC continues to advance energy conservation and carbon reduction efforts while actively engaging in domestic and international climate-related initiatives. Apart from continuously participating in international initiatives such as CA100+ and the Carbon Disclosure Project (CDP), and various climate action programs organized by the World Steel Association, CSC also engages 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.



Featured case:

CSC is recognized at the Harvard Business Review Digital Transformation Awards for its low-carbon transformation results

To implement the "Dual Cores and Three Transformations" strategy, CSC is leveraging digital transformation to drive low-carbon transformation. This is exemplified by the "Sintering Intelligent Revitalization" project at the sintering plant, which accounts for 10% of total carbon emissions. By integrating AI and Internet of Things (IoT) technologies, CSC utilizes digital empowerment to address critical pain points in the sintering process, including raw material efficiency, energy consumption, and environmental protection.



Iron ore is layered onto the sinter machine, where it is fused into sinter.

The project utilizes four primary smart manufacturing strategies: "Raw Material Chemical Control," "Sinter Machine Speed Control," "Sintering Flue Gas Emission Control," and "Core Equipment Stability," to analyze raw material chemical properties in real time and ensure precise burdening, utilizing AI technology to control sinter machine speeds and implementing smart flue gas emission systems to optimize environmental performance and energy efficiency. Additionally, the project features a predictive monitoring and diagnostic system for waste gas exhaust fans, allowing for proactive maintenance planning to prevent unexpected equipment anomalies and production shutdowns.

Through these measures, CSC achieves an annual reduction of 46,000 tonnes of carbon (equivalent to the carbon sequestration of approximately 120 Da'an Forest Parks), while saving 1.156 million kWh of electricity and 13,000 tonnes of water. This project earned two prestigious honors at the 5th Harvard Business Review Digital Transformation Awards: the "Grand Prize for Intelligent Manufacturing Transformation" and the "Special Award for ESG Excellence." This achievement demonstrates CSC's success in institutionalizing tacit knowledge into data-driven governance, effectively realizing sustainable competitiveness through the principle of "Digital Leadership for Low-Carbon Transformation."

ENVIRONMENTAL PROTECTION

- 3.1_ Environmental Concepts and Management
- 3.2_ **Material Topic** Green Process
- 3.3_ Circular Economy
- 3.4_ Biodiversity
- 3.5_ **Material Topic** Sustainable Value Creation of Steel Products

CHAPTER

3



3.1_

Environmental Concepts and Management

Vision

To be a trustworthy steel company of global distinction that pursues growth, environmental protection, energy saving, and value innovation.

Concepts

- ☑ To be eco-friendly by achieving KPI (key performance indicator) targets at/close to top international standards.
- ☑ To demonstrate synergy through effective use of internal and external energy and resources.
- ☑ To achieve low-carbon, low-pollution, and high-value targets by accelerating Best Available Techniques and renewable energy applications.
- ☑ To support the government's policy of a low-carbon economy by developing energy-efficient and emission-reducing products and engaging in new green businesses.

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.

Name of System	Coverage of Employees
ISO 14001 Environmental Management System	100%
ISO 50001 Energy Management System	100%
CNS 45001/ISO 45001 Occupational Health and Safety Management System	100% ^{Note}

Note: The workplaces covered by the system are the main areas where contractors perform their work. Hence, the system includes 100% of contractor personnel.



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 EHS 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 of the roles and responsibilities regarding the EHS policy and its 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 EHS, promote zero accident, green energy, energy conservation and carbon reduction, management of waste and pollution prevention. Enhance performances of EHS 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 2 project-based environmental load analyses, including the replacement project of the casting mold section for the No. 1 slab continuous casting machine at the Steelmaking Department, was completed in 2025.

Environmental Accounting

By the end of 2025, CSC has invested 105.9 billion TWD in various environmental protection facilities. Amongst them, air pollution control accounted for 69%, water pollution control accounted for 13%, and energy saving and GHGs accounted for 11%, waste pollution control accounted for 6%, and others accounted for 1%.

Energy and Environmental Investments

Items (100 million TWD)		2023	2024	2025
Capital Expenditure	Energy and Environmental Investments	80.4	85.6	62.7
Recurrent Expenses	Government Charges and Fees	1.9	1.7	1.8
	R&D	2.4	2.5	2.1
	Depreciation	11.5	10.3	11.2
	Operation and Maintenance	54.5	61.1	54.2

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 three environmental violation fines in 2025. 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	2023	2024	2025
Target	≤5 counts/year		≤4 counts/year
Pollution	-	Air pollution	Air pollution
Issuer	-	KSEPB	KSEPB
Counts / Fine (TWD)	0/0	1 ^(Note) /1 million	3 ^(Note) /1.39 million

Note 1: Of the three fines issued in 2025, the first concerned the non-enclosed collection of fine coke at the MS7 silo and an inconsistency between the new flow of ES7Q recycled material and the existing permit. CSC subsequently filed for a permit modification, which was officially approved in March 2025. The second fine involved a leak in the MC1 coke oven gas enclosed pipeline due to structural damage; repairs were completed on the same day as the inspection. The third fine resulted from a fire during exhaust fan construction, which caused an exhauster trip; while process gas was diverted to the emergency flare for combustion, incomplete combustion led to particulate matter (PM) emissions. In response, CSC conducted rush-repairs to minimize the impact and has since overhauled the maintenance procedures and risk assessments for the exhauster system.

Note 2: The reporting year for the aforementioned data is based on the issuance date of the fines by the Environmental Protection Bureau. Of the fines recorded in 2025, two originated from incidents in 2024, while one occurred in 2025.



3.2 _
Green Process

Unit of CS 1 tonne	
2025	
Inputs	Outputs
Item	Item
Volume per tCS	Volume per tCS
Iron Ore	Liquid Sulfur
1,528.96 kg	0.62 kg
Coal	Light Oil
681.33 kg	6.30 kg
Flux Material	Coal Tar
327.36 kg	18.07 kg
LS Oil	Iron Oxide Powder
0.0240 GJ	2.35 kg
NG	Water Discharge
1.3884 GJ	2.08 kg
Purchased Electricity	Air Pollutants
1.1585 GJ	SOx
Makeup Water	0.524 kg
(New Water & Reclaimed Water)	NOx
5.11 kg	0.606 kg
Steel Scrap	VOCs
119.62 kg	0.030 kg
Ferroalloy	Par.
15.40 kg	0.219 kg
Refractory	By-products
10.96 kg	563.64 kg

Water consumption per unit CS=(Makeup water-The equal volume of water of steam sold)/Volume of CS

Material Topic



3.2.1_Energy

2025 Highlights

Rolling Mill Department I - Cold Rolled Products participated in the "2025 MOEA Energy Saving Leadership Awards" and won the "Group A Gold Award"

According to regulatory requirements, energy users must achieve an annual electricity saving rate and an average annual electricity saving rate of at least 1.5% from 2025 to 2028. CSC currently achieved a completed electricity saving rate of 2.77% for the year 2025, significantly outperforming the legal requirements.

In line with the government's green energy policy, CSC has installed a total of 529 kW of solar power generation systems for self-use, with self-generated and self-consumed green electricity reaching approximately 480,000 kWh in 2025. Furthermore, CSC has been procuring green electricity since 2023, obtaining approximately 28.59 million kWh of metered green electricity in 2025.

With the continuous promotion of District Energy Integration in Linhai Industrial Park, CSC sold 1.369 million tonnes of steam produced from district energy integration in 2025, which can reduce approximately 329,000 tonnes of CO₂e in greenhouse gas emissions.

In 2025, CSC's energy target was set at 22.89 GJ/tCS (5,466 MCal/tCS). The actual energy consumption was 22.70 GJ/tCS (5,421 MCal/tCS), meeting the target.

The fourth Energy Saving Action Plan (2021 to 2025) has been successfully completed. From 2021 to 2025, CSC achieved a cumulative energy savings of 7.789 million GJ, representing a target achievement rate of 295% and fully accomplishing the predefined goals.

Policy or Commitment

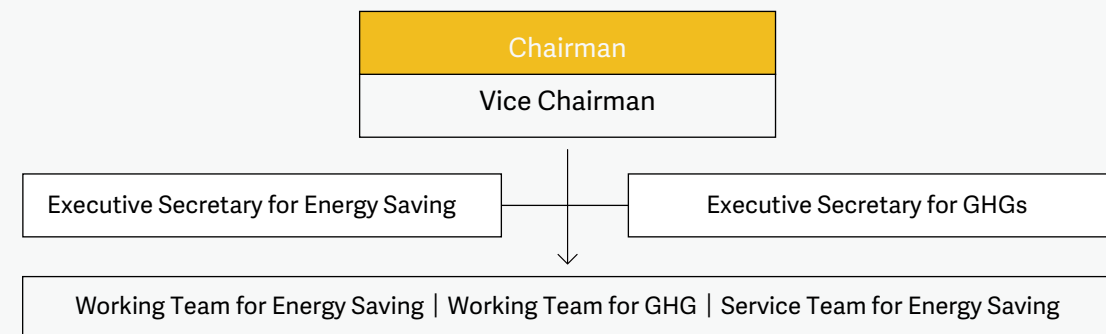
CSC mainly implements energy management through the Energy Conservation Committee and control of the energy management system (ISO 50001) to achieve the goals of energy conservation, carbon reduction and continual improvement. The Committee was formed and chaired by VP of Production Division. The Committee 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.

Furthermore, the latest version of the Energy Policy was updated on September 5, 2025; through this policy, CSC commits to "continuous improvement, regulatory compliance, risk management, energy conservation and carbon reduction, and training and communication." CSC continues to improve energy performance with the ISO 50001 energy management system PDCA spirit, enhance energy efficiency (such as the installation of CDQ1/2 dry quenching waste heat recovery systems and the Power Plant I equipment decommissioning and upgrade project), and promote district energy integration and development of green energy to reduce environmental impacts.

Energy Policy

Continual Improvement	Implement smart management, continuously improve energy performance, support energy-efficient designs and green procurement, and remain dedicated to sustainable operations.
Legal Compliance	Implement legal identification, comply with energy regulations, and fulfill corporate social responsibility.
Risk Management	Perform energy reviews, provide full resources and information required to achieve targets, eliminate potential energy waste, and strengthen the resilience of the energy system.
Energy Saving and Carbon Reduction	Promote deep energy saving and district energy integration, develop the green energy industry, and introduce low-carbon energy to become an environmentally friendly green steel enterprise.
Training and Communication	Improve employees' awareness of energy conservation and responsibilities, promote communication on internal and external issues, seize new energy technology opportunities, establish consensus, and popularize applications.

The Energy Conservation Committee





Action Plan | Energy Management System

To enhance energy performance, CSC successfully passed the ISO 50001 verification in 2011 after an external assessment by the British Standards Institution (BSI). Furthermore, CSC completed the transition to the ISO 50001:2018 standard in 2019, securing the updated certification. In 2025, ISO 50001:2018 passed the verification by the BSI. The certificate is valid until July 7, 2028.

Energy audits to identify opportunities for improving energy performance

To enhance energy efficiency and management performance, CSC conducts annual energy reviews to identify and manage significant energy-using equipment, establish energy performance indicators, uncover improvement opportunities, and formulate specific energy-conservation programs. Additionally, to prevent energy waste, CSC performs regular on-site inspections to rectify inefficient energy use and schedules annual internal audits to ensure the continuous effectiveness of the energy management system. To deepen the institutionalized operation of energy management, CSC continues to undergo certification by external verification institutions every year. Through the oversight of the management system and the initiatives of the Energy Conservation Committee, CSC achieves its goals of energy saving, carbon reduction, and continuous improvement.

Quantitative goals for energy conservation

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 2026 is ≤ 5,466 Mcal/tCS (22.89 GJ/tCS).

Energy intensity target

Project (Unit)	2023	2024	2025	2026
Energy intensity target (GJ/tCS)	≤5,436*	≤5,475	≤5,466	≤5,466
Energy intensity target (GJ/tCS)	≤22.76	≤22.92	≤22.89	≤22.89
Actual energy intensity (GJ/tCS)	5,504	5461	5,421	-
Actual energy intensity (GJ/tCS)	23.04	22.86	22.70	-
Achievement Status	Failed*	Achieved	Achieved	-

NOTE*: The Energy intensity target is pragmatically formulated based on the production capacity and equipment maintenance schedules of the current year. In 2023, the target was not met because the actual crude steel output fell below the production volume planned in the operating budget.

Actions to reduce energy use

In 2025, CSC completed a total of 204 energy-conservation projects, achieving a total energy saving of 949,000 GJ and reducing energy costs by 861 million TWD. Key initiatives included the schedule optimization of the billet mill, among others.

Energy Efficiency Initiatives

Category	2023		2024		2025	
	Projects	achievements (GJ)	Projects	achievements (GJ)	Projects	achievements (GJ)
Electricity	151	734,192	129	290,839	141	378,022
Fuel Gas	25	258,237	21	555,707	15	499,246
Industrial Gas	7	19,508	8	38,287	3	20,889
Steam	11	250,005	2	24,033	5	12,105
Water System	139	24,833	20	1,438	26	29,714
Other	25	1,976,739	13	498,041	14	9,108
Total	358	3,263,514	193	1,408,345	204	949,084

Evaluating energy consumption reduction progress

In order to achieve energy conservation and carbon reduction and respond to mandatory greenhouse gas reductions in advance, CSC started the "Energy Saving Action Plan" in 2005. To date, four phases of the five-year plan have been completed, with each phase successfully achieving its total targets. During the fourth phase (2021–2025), CSC completed 1,308 energy-conservation projects, reaching 295% of the phase's total target. The fifth phase (2026–2030) of the plan will continue to be promoted. Furthermore, the 2025 annual achieved electricity saving rate reached 2.77%, exceeding the requirement of the Energy Administration, MOEA, that "energy users shall achieve an annual and average annual electricity saving rate of at least 1.5% for the period 2025–2028."

Five-year Energy Saving Action Plan and Targets

Phase	I	II	III	IV
	Energy Saving Action Plan	Energy Saving Action Plan	Energy Saving Action Plan ^{NOTE}	Energy Saving Action Plan ^{NOTE}
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	1,308
Performances (GJ)	8,930,444	12,623,202	6,253,473	7,788,868
Achieving Rate	103%	139%	165%	295%

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.

Use clean or green 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 self-use solar power generation systems; in 2025, the total self-use green electricity and certificates reached 480 MWh (with some sites issuing certificates starting from February 19, 2025). In addition, CSC began purchasing green power in 2023, and obtained a total of 28.59 million kWh of green electricity and certificates in 2025.

In 2024, renewable energy accounted for 1.36% of CSC's purchased electricity; in 2025, renewable energy accounted for 1.19% of its purchased electricity. In alignment with national policies, CSC will continue to expand its use of renewable energy to enhance energy conservation, reduce carbon emissions, and lower costs.

Invest in innovation or R&D to reduce energy consumption

Smart low-carbon burdening: Development of carbon reduction technologies for blast furnaces

The ironmaking process is the primary source of CSC's carbon emissions, and the hot metal produced by blast furnaces serves as the core raw material for the steelmaking process. To address this, CSC is actively developing four key innovative technologies focused on reducing emissions within the blast furnace process. By effectively lowering overall carbon emissions at the source, these initiatives drive the realization of CSC's carbon reduction goals.

- 1 Sinter basicity optimization:** Establishing sinter specifications to mitigate blast furnace risks
- 2 Blast furnace burden composition softening-melting test:** Determining optimal burdening conditions
- 3 Blast furnace burden particle flow and distribution simulation:** Proposing optimal burden distribution solutions
- 4 Smart burdening system:** Achieving rapid and precise calculations to overcome material variation constraints

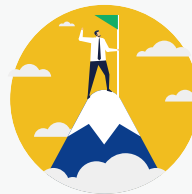
Upon completion, this action project is expected to reduce carbon emissions by approximately 1.3 million tonnes per year, resulting in annual carbon fee savings of 400 million TWD and a reduction in hot metal costs of 1.7 billion TWD, demonstrating significant results.



Action Plan | Energy Management System

Providing employees with energy efficiency training and education to cultivate and enhance energy conservation awareness

In 2025, a total of 697 participants attended education and training sessions related to energy conservation, energy consumption, and energy efficiency. The training was targeted at operators and maintenance personnel of Significant Energy Use (SEU) equipment, focusing on energy-saving operations and operational controls. Furthermore, CSC provided management system orientations for energy management personnel and regularly promoted energy guidelines and shared energy-saving case studies through various meetings. These initiatives aim to enhance employees' energy conservation awareness, thereby achieving the objectives of energy efficiency optimization and continuous improvement.



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.

Internal fuel consumption (A)					
	Energy Sources	Activity	2023	2024	2025
Non-renewable energy	Coal	Manufacturing	172,104,025 GJ	177,098,607 GJ	168,415,138 GJ
	Natural Gas	Manufacturing	11,159,359 GJ	10,172,297 GJ	10,559,716 GJ
	Diesel	Operating vehicles	94,302 GJ	94,706 GJ	91,125 GJ
	Gasoline	Operating vehicles	4,776 GJ	4,282 GJ	3,987 GJ
	Low-Sulfur Fuel Oil	Manufacturing	134,060 GJ	89,958 GJ	182,885 GJ
	Others (such as Creosote)	Manufacturing	27,193 GJ	30,460 GJ	29,086 GJ
Total			183,523,715 GJ	187,490,310 GJ	179,281,937 GJ
Purchased electricity consumption (B)					
	Category	Energy Sources	2023	2024	2025
Non-renewable energy	Electricity	Taipower	9,104,411 GJ	8,923,840 GJ	8,708,247 GJ
renewable energy	Electricity	CSC Solar	103,733 GJ	121,922 GJ	102,944 GJ
Total			9,208,144 GJ	9,045,762 GJ	8,811,191 GJ

Self-generated renewable electricity consumption (C)					
Category	Energy Sources	Activity Project	2023	2024	2025
Electricity	Solar photovoltaic	Electricity consumption	211 GJ	1,422 GJ	1,742 GJ
Total			211 GJ	1,422 GJ	1,742 GJ
Self-generated electricity sold (D)					
	Category	Energy Sources	2023	2024	2025
Non-renewable energy	Steam	by-products	3,939,561GJ	4,103,071 GJ	4,070,786 GJ
	Fine coke	by-products	3,064,259GJ	3,088,990 GJ	2,687,599 GJ
	Coke oven gas	by-products	5,122GJ	0GJ	0GJ
	Light oil	by-products	2,239,344GJ	2,156,510GJ	2,129,778 GJ
	Coal tar	by-products	5,361,089GJ	5,579,608GJ	5,208,594 GJ
Total			14,609,375GJ	14,928,179GJ	14,096,757 GJ
Net energy consumption (A+B+C)-D			178,122,695GJ	181,609,315GJ	173,998,113 GJ

節能標竿獎金獎

中國鋼鐵股份有限公司軋鋼一廠



Featured case

Rolling Mill Department I (Plate, Bar & Rod) was awarded the Gold Award in Group A at the 2025 MOEA Energy Saving Leadership Awards

In response to the shifts in the global steel market and the impending challenges posed by the European Carbon Border Adjustment Mechanism (CBAM), CSC has centered its approach on the "Dual Cores and Three Transformations" strategy —

This dual-axis framework—comprising the development of advanced premium steel plants and the advancement of green technologies and energy resources—drives transformation in three key areas: digital, low-carbon, and supply chain, to comprehensively enhance product competitiveness. Only by precisely managing the costs and benefits of every unit of energy and every kilogram of carbon emissions can the industry move forward steadily on the path toward energy conservation and carbon reduction.

CSC's Rolling Mill Department I has responded to the government's "Deep Energy Saving" policy by actively implementing energy service company (ESCO) technical services. Last year, the facility proposed 34 energy-conservation projects, reducing energy costs by nearly 80 million TWD and cutting carbon emissions by over 12,000 tonnes. By leveraging the Group's internal R&D capabilities, Rolling Mill Department I accurately identified the root causes of energy consumption on its production lines, utilizing AI algorithms for prediction and optimization to achieve

significant energy-conservation results. A notable example is the optimized automatic furnace temperature control module, which employs digital smart technology for the precision temperature control of the billet heating process. Additionally, the reheating furnace blowers utilize a staged pressure-reduction design, employing smart dynamic control to reduce energy consumption. This specific measure alone reduced carbon emissions by 279 tonnes, delivering impressive results.

Overview

Sustainable Operation

Climate Change

Environmental Protection

Corporate Commitment

Social Responsibility

Corporate Governance

Value Creation

Appendix

"The greatest challenge in this process remains the changing of long-standing habits; it requires constant advocacy, the understanding that every small effort eventually converges into a significant stream," observed Liang-Chih Ping, General Superintendent of Rolling Mill Department I. He noted that as AI is integrated into every operational stage, employees are beginning to realize that energy conservation is more than just a statistical performance, it has become the rhythm and commitment of their daily work,

which in turn accelerates the pace of transformation. Looking ahead, CSC is actively exploring hydrogen metallurgy and increasing the utilization of low-carbon material sources. By integrating smart systems with data management, CSC will establish comprehensive short-, medium-, and long-term energy conservation plans. Through the sharing of best practices and the tracking of performance metrics, CSC aims to foster a sustainable corporate culture characterized by plant-wide engagement.

Material Topic



Corresponding UN SDGs

3 GOOD HEALTH AND WELL-BEING

11 SUSTAINABLE CITIES AND COMMUNITIES

3.9 11.6

3.2.2_Air Pollutants

2025 Highlights

Achieved 2025 emission intensity targets.

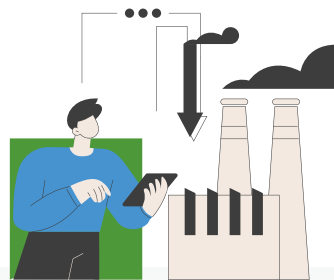
Emission Intensity (kg/tCS)	Target value	Actual Value	Accomplishment
Sulfur Oxides (SOx)	0.530	0.523	Yes
Nitrogen Oxides (NOx)	0.690	0.604	Yes
Particulates (Par.)	0.285	0.219	Yes

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 2025 to March 2026, which can reduce 133.08 tonnes of Particulates (Par.), 247.86 tonnes of Sulfur Oxides (SOx), 340.03 tonnes of Nitrogen Oxides (NOx), and 11.19 tonnes of Volatile Organic Compounds (VOCs).

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 2025, CSC continued to adopt and maintain 390 m² of green space on the school campus.

70

Policy or Commitment



Air Pollution Management

Strengthen the management of 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 permits of the establishment, modification, 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 47.059 billion TWD and planned an air pollution improvement plan for 2020-2029. 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	—	-
	1st phase of enclosed coal storage construction	14.9	—	—	-
2024	2nd phase of enclosed coal storage construction	16.7	—	—	-
2026	1st phase of coke oven and coke dry quenching construction	20.5	—	—	36.5
	Overhaul of Power Plant I (BTG-9/10)	—	154.0	56.0	-
2027	2nd phase of coke oven and coke dry quenching construction	20.5	—	—	36.5
	#10 Boiler Desulfurization and Denitrification		22.86	8.52	
2028	#9 Boiler Desulfurization and Denitrification		54.44	1.76	
2029	#12 Boiler Desulfurization and Denitrification		2.27	61.54	
Total		177.9	1,037.17	139.32	73

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 133.08 tonnes, SOx emission by 247.86 tonnes, NOx emission by 340.03 tonnes, and VOCs by 11.19 tonnes from September 2025 to March 2026.

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 boilers 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 emissions dramatically.
NOx	CSC has finished a number of air pollution improvement projects, such as De-NOx equipment of #6-8 boilers and #1-4 sinter, and low-NOx burners to reduce NOx emissions 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.
Dioxin	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 catalysts were added to the sinter plants to reduce Dioxin emissions.
PM _{2.5}	Bag filters, electrostatic precipitators, wet scrubbers, dust screen and water / chemical stabilizer spraying equipment were installed to reduce PM _{2.5} 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 PM _{2.5} precursor (SOx, NOx, VOCs) emissions.
Ozone Depleting Substances	To control ozone-depleting substances, CSC integrates air conditioning, 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	2023	2024	2025	EIA Commitment Limit
SOx (tonnes/year)	4,163	4,080	3,979	34.9 tonnes/day
NOx (tonnes/year)	5,209	4,982	4,591	34.6 tonnes/day
Par. (tonnes/year)	1,776	1,830	1,665	19.5 tonnes/day
VOCs (tonnes/year)	306	264	226	—
Dioxin (g-TEQ/year)	3.11	3.15	2.12	—
Ozone Depletion Potential Values ⁽ⁱ⁾				
Total (tonnes, CFC-11 equivalent)	7.03 X 10 ⁻²	5.84 X 10 ⁻²	5.65 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 VOCs includes CSC's Hsiao Kang Plant (including Cold-Rolling Plant III), Hualien Quarry, Yongguang Plant, and the Kwang Yang storage yard.



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 the 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 2025, creating a better campus environment for students by effectively improving the air quality on campus.

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

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		2023	2024	2025	2026
Water Intensity ⁽ⁱ⁾ (t/tCS)	Target value	4.90	4.90	5.10	5.10
	Actual Value	5.04	5.10	5.11 ⁽ⁱⁱ⁾	
New Water Intensity (t/tCS)	Target value	2.50	2.10	2.10	2.00
	Actual Value	2.16	2.03	1.84	

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: Due to poor market conditions from the second half of 2023 to 2025, adjustments to production volume led to the increase of water consumption per unit crude steel.



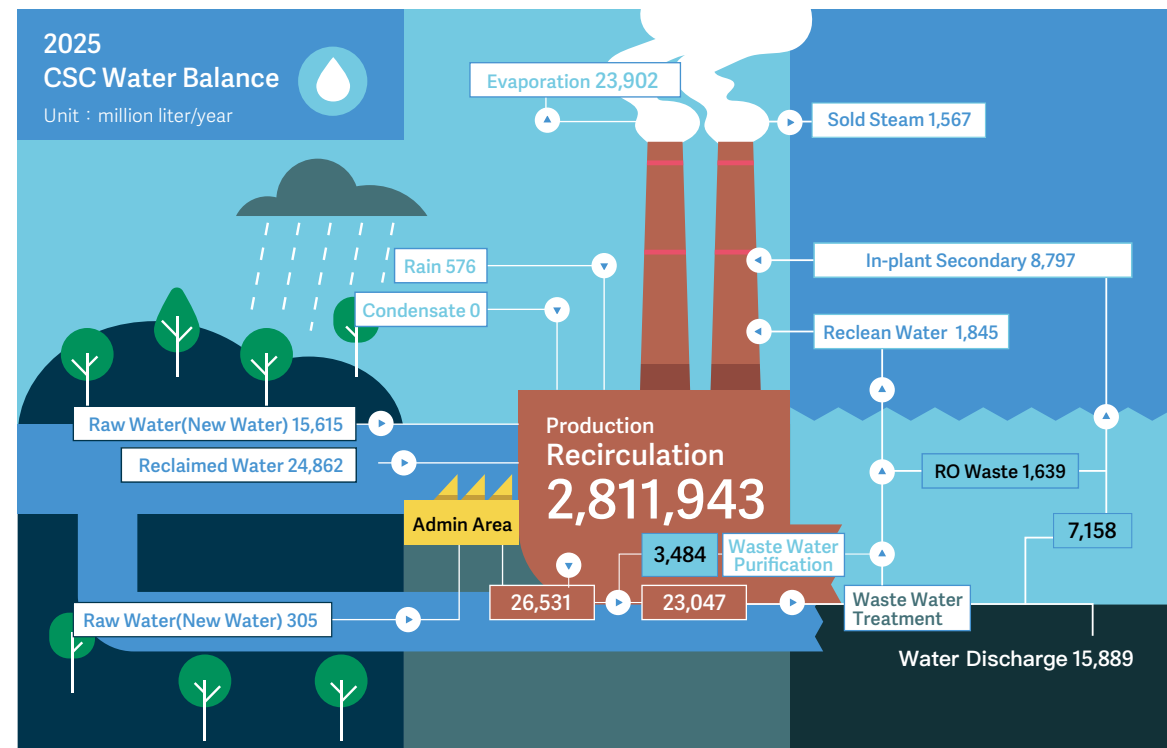
Diverse Water Sources - Urban Sewage Recycling

The main source of reclaimed water is Kaohsiung City's domestic sewage, which is deaminated with nitrogen, and treated with UF and RO. In 2025, CSC collected approximately 17,976 million liters of reclaimed water from Fengshan Creek (including replacement fulfillment for the Hofa Industrial Park reclaimed water), and 6,886 million liters of reclaimed water from Linhai Industrial Park. In 2025, the average daily new water consumption of CSC has decreased by about 43,6 million liters, freshwater withdrawal accounted for 39.0% of total water withdrawal and the new water consumption per unit of steel slab is 1.84 tonnes/tCS, which is lower than the last year value of 2.03 tonnes/tCS.

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

For more details

[Water Resource Management] https://www.csc.com.tw/csc_e/esg/env/env3.html
[Reclaimed water] https://www.csc.com.tw/csc_e/esg/env/env3_1.html



Year Unit : Million liters	2023	2024	2025
Production Process Water Recirculation	2,802,252	2,735,849	2,811,943
Processing Water Recycling Rate ⁽ⁱ⁾	98.5%	98.5%	98.6%
New Water Withdrawal	18,623	17,978	15,920
Urban Reclaimed Water ⁽ⁱⁱ⁾ Usage	22,339	24,228	24,862
Water Discharge	14,527	16,789	15,889
Water Consumption ⁽ⁱⁱⁱ⁾	26,435	25,417	24,893

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 WaterUsage.

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

Water Pollution Prevention⁽ⁱ⁾

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 it to the sea via Yanshuigang River, and thus effectively minimizing wastewater pollution.

In 2025, the total discharge was 15,889 million liters, the average Chemical Oxygen Demand (COD) and Suspended Solids (SS) were 29.6 mg/L and 7.3 mg/L respectively, which are superior to statutory effluent standards.

Year	2023	2024	2025	Statutory Standards
COD (mg/L)	33.2	30.9	29.6	<100
SS (mg/L)	6.3	7.5	7.3	<30
Ammonia (mg/L)	2.8	2.6	3.2	<20

3.3_

Circular Economy

3.3.1_ Waste and Byproduct Management

CSC has established waste management targets in short-, medium-, and long-term phases, with a core focus on enhancing waste recovery and reuse while promoting zero solidification landfill. In 2025, CSC achieved a waste recovery and reuse rate of 94.8%. Moving forward, CSC will continue to monitor government trends in the circular economy and environmental policy, as well as amendments to waste management regulations. Based on external requirements and operational needs, CSC will conduct timely reviews and apply rolling adjustments to its management objectives and practices to ensure regulatory compliance and drive continuous improvement.



Action Plan | 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:

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.

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 2025, CSC sold 74,000 tonnes of sludge-coal fly ash mixture in total.

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 2025, CSC recycled about 70,000 tonnes of used refractory materials, of which 67% were recycled within its plants and 33% were used outside its plants, thereby minimizing the impact of these materials on the environment.



Action Plan | 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.

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 474,754.45 tonnes of waste generated in total and produced 62.42 kg of waste per metric ton of crude steel in 2025. The resource utilization rate of waste reached 94.8%, with 94.5% 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.
- In 2025, CSC produced 4.287 million tonnes of by-products from manufacturing processes (wet basis).

Statistics of CSC waste

Unit: tonnes

Item	Type of Waste	Quantity of Waste		
		2023	2024	2025
General Industrial Waste	Waste refractory	88,073.39	87,801.59	64,589.34
	Sludge	192,726.15	185,096.32	185,260.99
	Fly ash	220,872.82	216,389.68	208,632.39
	Other	15,458.31	15,870.10	16,222.35
Total of General Industrial Waste		517,130.66	505,157.68	474,705.07
Hazardous Industrial Waste	Chromic sludge	33.50	13.04	49.38
Total of Hazardous Industrial Waste		33.50	13.04	49.38
Total Waste		517,164.16	505,170.72	474,754.45

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		2023	2024	2025
Recycled General Industrial Waste	Onsite	468,358.86	459,780.93	425,341.45
	Offsite	22,248.01	19,163.4	24,699.82
Recycled Hazardous Industrial Waste	Onsite	33.50	13.04	49.38
	Offsite	0	0	0
Total Recycled Industrial Waste (A)		490,640.37	478,957.37	450,090.64
Total Recycled Byproduct (B)		4,953,363.05	4,888,070.58	4,974,053.24
Total Recycled material (A)+(B)		5,444,003.42	5,367,027.95	5,424,143.88
Waste diversion rate from landfill		94.9%	94.8%	94.8%
Percentage of Waste Recycled Onsite		95.5%	96.0%	94.5%
Percentage of Waste Recycled Offsite		4.5%	4.0%	5.5%

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	2023	2024	2025
Off-site incineration (With energy recovery)	301.92	184.38	188.27
On-site incineration (Without energy recovery)	26,221.87	26,028.98	24,475.54
Total weight of waste generated (Directly disposed)	26,523.79	26,213.36	24,663.81

Note: All hazardous industrial waste has been fully resource-recycled and reused, and therefore no waste was directed to disposal

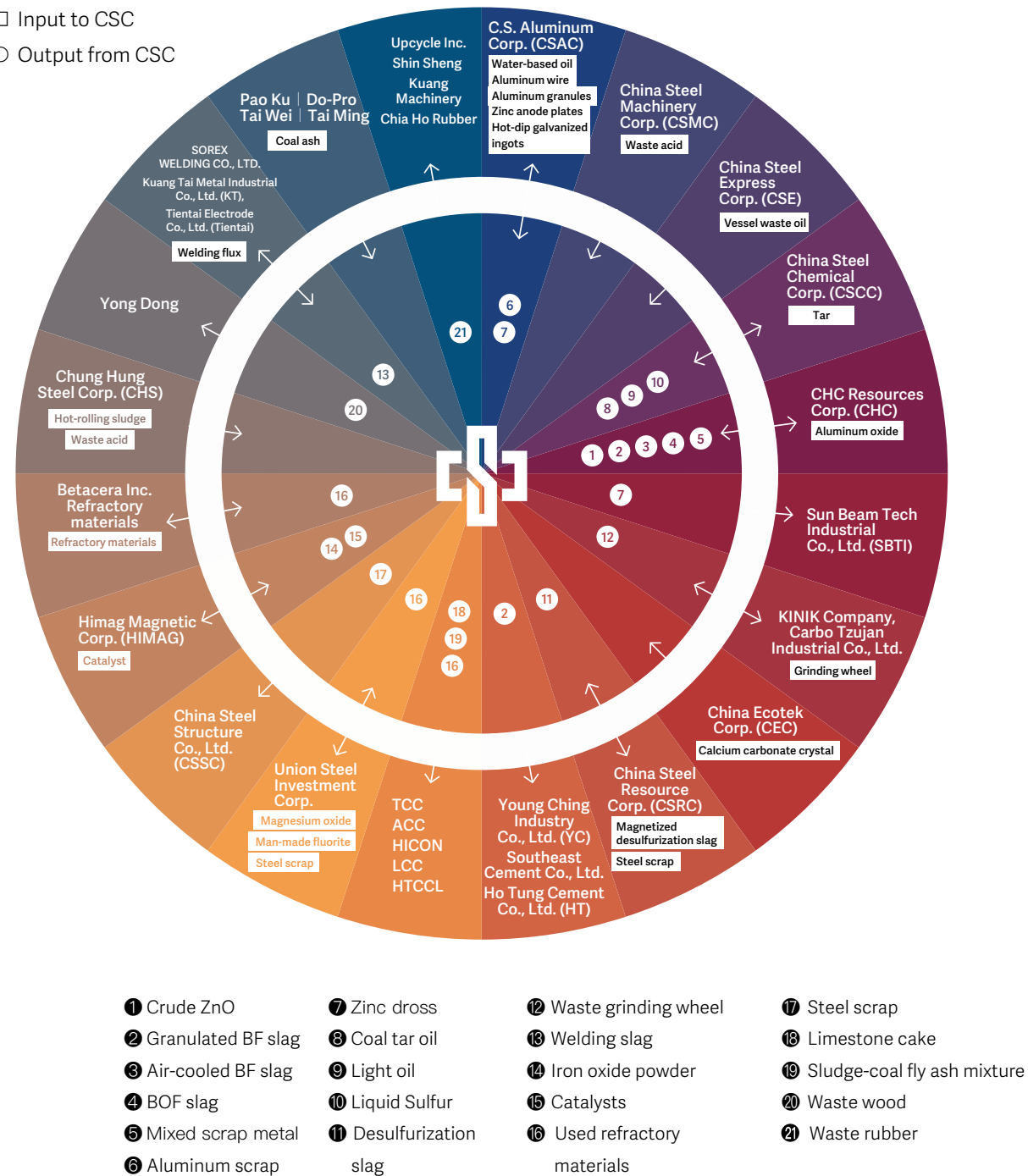
For more details [Circular Economy] https://www.csc.com.tw/csc_e/esg/env/env7.html



3.3.2 Industrial Ecology Network

In 2025, the industrial ecology network centered around CSC contained 35 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.

- Input to CSC
- Output from CSC

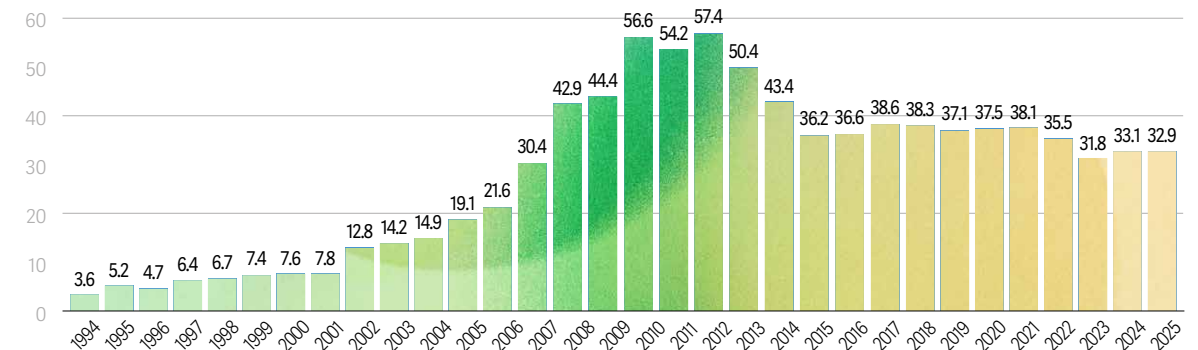


3.3.3 District Energy Integration

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 2025 was 1.369 million tonnes, saving 4.159 million GJ (equivalent to 105,000 kL of low-sulphur oil.) In terms of reducing GHG emissions and improving air pollution, it reduced 329,000 tCO₂e of GHG, 1,001 tonnes of SO_x, 694 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

Unit: 10,000 tonnes CO₂e

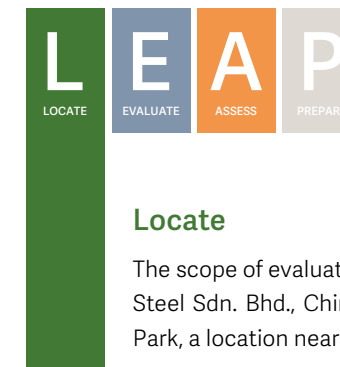
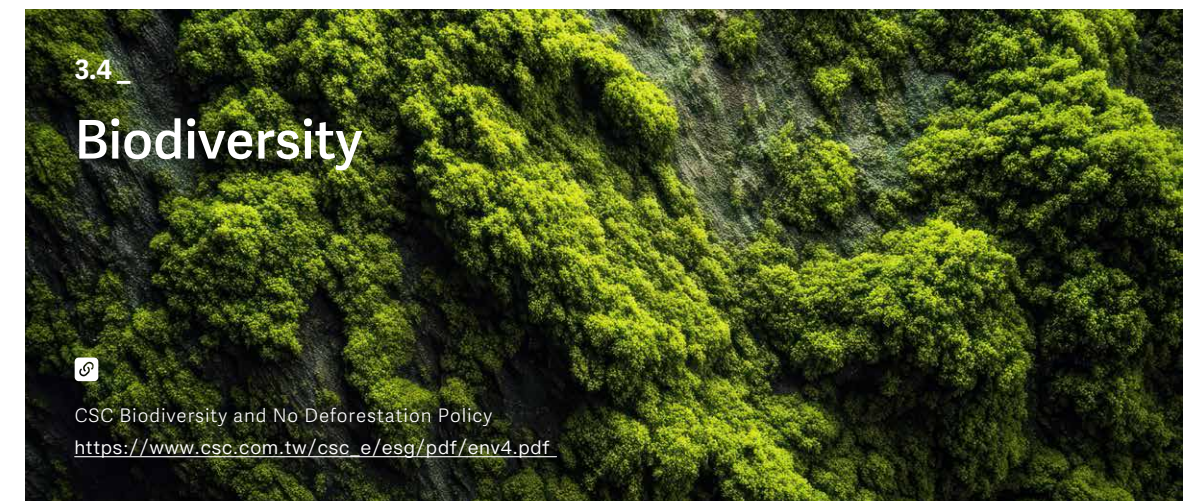
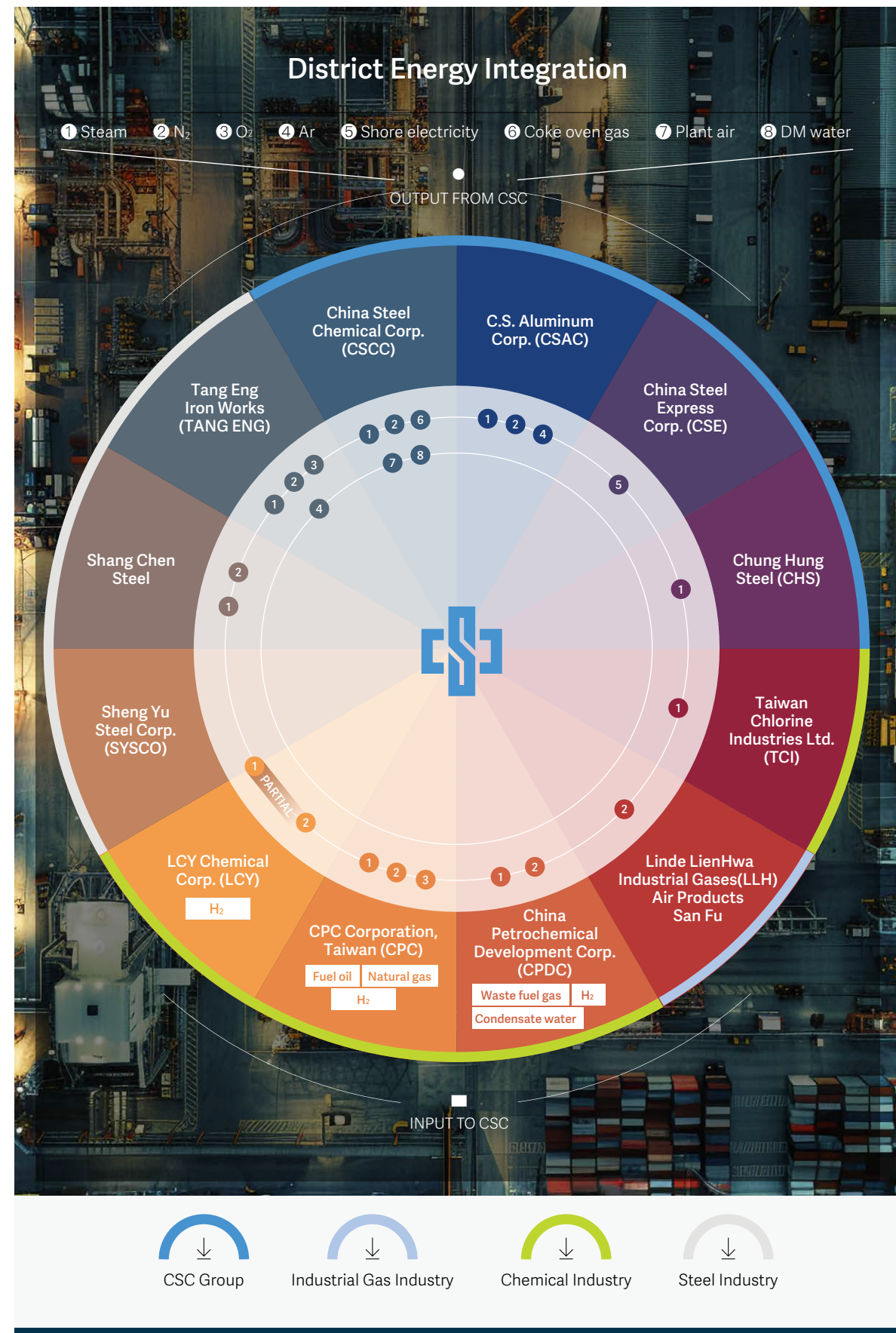


Note: I. GJ = 1 billion joules

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 1.369 million tonnes of steam sold in 2025 is equivalent to the use of 105,000 kL of low-sulfur oil.

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

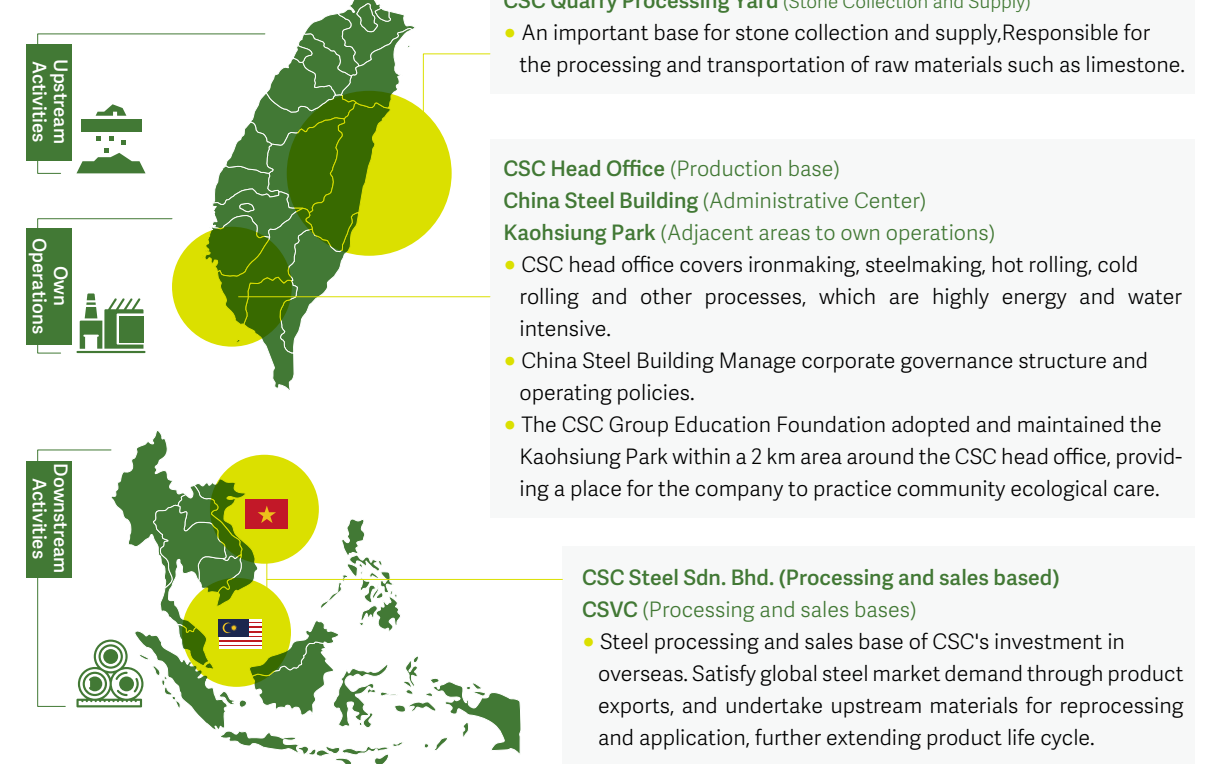
- Energy saving: The heat value of low-sulfur oil conversion is cited from the average detected heat value of CSC in 2025, which was 9,430 Mcal/kL.
- Air pollutant reduction: The calculation and coefficients were in line with the calculation of emission amount for the air pollution control fee of stationary sources by MOENV.
- 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 (Calculations from 2024 onward utilize the Greenhouse Gas Emission Factors announced by the Ministry of the Environment on February 5, 2024).



Biodiversity Risk Management

CSC adopted the LEAP (Locate, Evaluate, Assess, Prepare) methodology recommended by the Taskforce on Nature-related Financial Disclosures (TNFD) as the core framework for assessing nature-related dependencies and impacts.

Scope of Identification



CSC applied the Biodiversity Risk Filter and Water Risk Filter developed by the World Wide Fund for Nature (WWF) to analyze the risk of the value chain. Based on the cross-comparison of risk results, those locations that fall into the high-risk range of both biodiversity risk and water risk are identified as priority areas.

The Head Office and Quarry Processing Yard are identified as priority areas based on the result of biodiversity risk assessment, while the head office is identified as a priority area based on the result of water risk assessment. Therefore, CSC combined the cross-comparison results and decided to select the head office as the priority area.

		Biodiversity Risk Filter		Water Risk Filter		Water-Basin Risk		Water-Operational Risk	
		Physical	Reputation	Physical	Regulation	Reputation	Physical	Regulation	
Upstream Activities	CSC Quarry Processing Yard								
Own Operations	CSC Head Office								
	China Steel Building								
Adjacent areas to own operations	Kaohsiung Park								
Downstream Activities	CSC Steel Sdn. Bhd.								
	CSVC								

Risk Level High Middle Low Not involved

Evaluate

Assess

Based on the analysis results, CSC identified its head office as a priority area in the value chain. Utilizing the ENCORE tool, CSC conducted questionnaire surveys to analyze the primary of nature-related dependencies and impacts. The results showed that operating activities are highly dependent on water flow regulation, while greenhouse gas emissions have a higher impact on the natural ecosystem.

Evaluate Dependencies and Impacts

ENCORE: Steel Industry's Natural Dependence and Impact Drivers
Dependencies: Water Supply, Climate Adaption, ...(12 items)
Impacts: Noise/Light, GHG, ...(7 items)

In addition, through collaborative workshops with relevant departments, CSC identified major nature-related risks and opportunities, and formulated corresponding strategies, targets, and action plans.



For more details [TNFD]
https://www.csc.com.tw/csc_e/esg/env/env4_2.html

Questionnaire in Company

ENCORE Rating	Business Relevance
Vulnerability	Dependency /Impact duration

Potential Nature-related Dependencies and Impacts of CSC

Dependencies	Water Flow Regulation Services	Water Supply	Water Purification Services	Rainfall
	Solid Waste Remediation	Flood Mitigation Services	Storm Mitigation Services	Climate Adaption
	Air Filtration Services	Noise Attenuation Services	Soil and Sediment Retention Services	Other Sensory Mitigation
Impacts	GHG	Air Pollution	Waste	Soil/Waste Water Pollution
	Volume of Water Use	Noise, Light	Land Use	

Level of Concern High Middle Low Very Low

Biodiversity Assessment

To fulfill our commitment to biodiversity, CSC periodically conducts biodiversity assessments and commissioned the Department of Biological Sciences, National Sun Yat-sen University to plan ecological investigation for CSC's sites and establish the baseline for species in 2 years. The investigation was conducted quarterly, and the contents include land animals (mammals, birds, amphibians, reptiles, and butterflies) and plants. For full results, please refer to the Biodiversity section of the CSC website.

Photographed during the investigation



Taiwan Barbet



Chloropus



Chinese Striped-necked Turtle



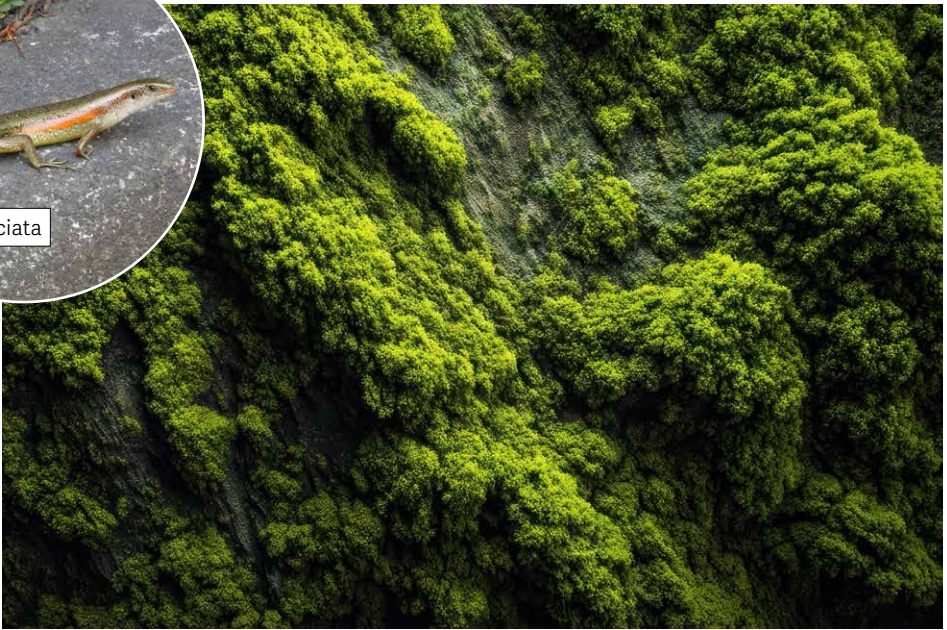
Mabuya multifasciata

The results of this survey were utilized to establish a category of ecological indicator species for the plant site. Among these, "balance indicator species" are used to assess the overall health of the site's ecosystem; therefore, changes in apex predators at the top of the food chain, such as the Brown Shrike (*Lanius cristatus*) and the Malayan Night-Heron (*Gorsachius melanolophus*), are typically used as indicators. Furthermore, "environmental indicator species" are employed to monitor changes in habitat quality. Recommended species for this category include bats, the Eurasian Tree Sparrow (*Passer montanus*), the Light-vented Bulbul (*Pycnonotus sinensis*), and the Chinese Stripe-necked Turtle (*Mauremys sinensis*).

Moving forward, CSC will conduct plant site ecological surveys in three-to-five-year cycles, with at least one additional survey scheduled before 2030. Using the results of the initial survey as a baseline, CSC will perform comparative analyses to track changes in species diversity and environmental quality within the plant sites. By implementing ecological check protocols and nature-based solutions, CSC aims to maintain ecological balance and achieve the goal of No Net Loss (NNL) of biodiversity.



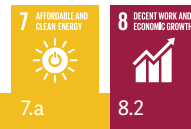
For more details [Biodiversity]
https://www.csc.com.tw/csc_e/esg/env/env4.html





3.5 Sustainable Value Creation of Steel Products

Corresponding UN SDGs



2025 Highlights

Successfully developed various products with recycled content, including Wire Rod and Bar RC60 (Recycled Content 60%), Hot-Rolled Steel Coil RC30 (Recycled Content 30%) for Tinplate Use, Cold-Rolled RC60/RC90, Galvanized RC30/RC90, and Electrical Steel Coil RC30 (Recycled Content 30%)

*RC X indicates a scrap steel content of X% and above, such as RC30 (scrap steel content of 30% and above).

By 2025, CSC Solar Corp.'s solar photovoltaic system capacity will reach 0.4 MW (cumulative installed capacity of 101.0 MW)

CSC Solar Corp. contributed 113 million kWh of green power in 2025

The Hot-Dip Galvanized Coils (CR-Free Coating, G6) successfully obtained CSC's second Type II Green Mark.

Interstitial Free Automobile Steel RC30 received the Certificate of Resource Recycling and Green Products, with order volumes for steel products with recycled content reaching a record high

Policy or Commitment

CSC's core vision "to be a sustainable growth enterprise driven by a steadfast commitment to smart innovation, green energy, carbon reduction, and value co-creation" serves as the foundation for the continued implementation of its "Dual Cores and Three Transformations" strategy. This strategy includes actively promoting the two primary axes of "Advanced Premium Steel Plants" and the "Development of the Green Energy Industry," while fully accelerating the three major transformations: "digital transformation," "low-carbon transformation," and "supply chain transformation." By directing R&D resources toward key technologies and critical application areas, CSC aims to enhance product differentiation and added value, effectively integrating sustainable management concepts into product development and process innovation.

Short-term targets (2026)

CSC Solar Corp. set a target of 106.6 MW of cumulative installed solar photovoltaic system capacity, which can contribute **approximately 115 million kWh of green power per year.**

Number of recycled content verification certificates ≥ 14

Mid-term targets (2029)

CSC Solar Corp. set a target of 110 MW of installed solar photovoltaic system capacity, which can contribute **approximately 120 million kWh of green power per year.**

Number of recycled content verification certificates ≥ 15

Long-term targets (2033)

CSC Solar Corp. set a target of 120 MW of installed solar photovoltaic system capacity, which can contribute **approximately 126 million kWh of green power per year.**

Number of recycled content verification certificates ≥ 15

3.5.1 Green Products

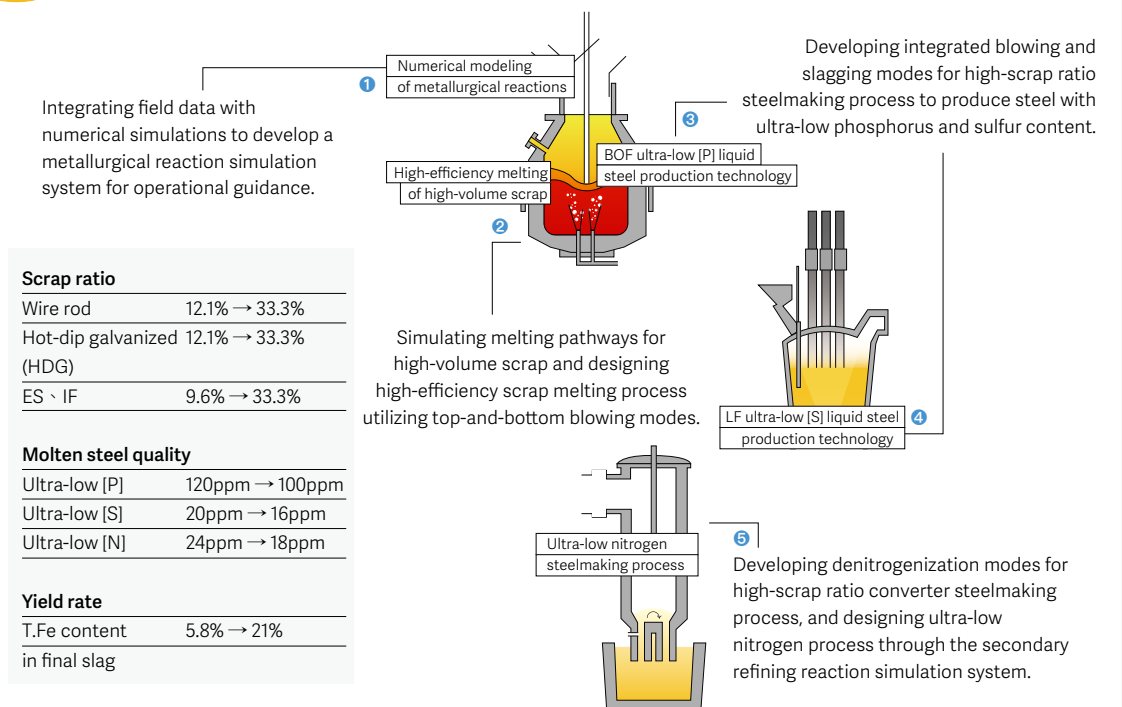
CSC is committed to developing steel products with a high recycled content. For instance, by using molten metal charging technology in Electric Arc Furnaces (EAF), CSC was able to surpass the 30% scrap limit for Basic Oxygen Furnaces (BOF). Scaling up from RC12, RC20, and RC40 to the latest RC60, CSC has increased the proportion of scrap to 60% and obtained the UL 2809 Recycled Content Validation. In 2025, CSC obtained a total of 14 certificates for its products with recycled content, including Wire Rod and Bar RC60 (Recycled Content 60%); Hot Rolled Steel Coil RC12, RC20, and RC30; Cold Rolled Steel Coil RC12, RC20, RC60, and RC90; Zinc Coated Steel Coil RC12, RC20, RC30, RC60, and RC90; and Electrical Steel Coil RC30.

For wire rod and bar products, CSC utilized the EAF process featuring hot metal charging at Dragon Steel Corporation (DSC) to develop RC60 steel for fasteners. For hot-rolled products, Steel for Tinplate RC30 was developed for electronic components; CSC also assisted customers in obtaining the UL 2809 RC30 certification, strategically positioning these green steel products for the Southeast Asian market. CSC also developed the Cold-Rolled RC60 and RC90 products; the Galvanized RC90 and Ultra-Low Carbon Interstitial-Free Steel RC30 products; and Electrical Steel RC30 product.

In response to the global transition toward low-carbon transformation, CSC continues to advance the research and development of low-carbon process technologies while assisting downstream customers in establishing carbon inventory capabilities. Furthermore, CSC is deepening its scrap recycling and reuse mechanisms, leading the domestic steel industry steadily toward carbon reduction targets. By expanding the supply of green steel, CSC not only enables customers to enhance product competitiveness and secure high-value orders, but also drives collaboration across the supply chain to co-create sustainable value, ultimately achieving a low-carbon transformation throughout the entire industrial value chain.



Action Plan | Development of Low-carbon-emission Steelmaking Process Technology



Implementation Results

By combining metallurgical numerical simulation with the development of green steel products, CSC provides customers with high-quality products that meet the goals of the low-carbon, digital, and supply chain transformations. CSC has successfully developed SGCC, ES, and IF steels with high recycled content. Notably, it overcame production bottlenecks for IF Steel RC30, making it one of only two steel manufacturers globally capable of providing this product. In addition, in response to rising global environmental awareness and the trend toward carbon neutrality, major brands of PC and server chassis have signaled a demand for steel with higher recycled content. Dragon Steel Corporation (DSC) belonging to CSC Group advanced its steelmaking technologies to break through technical hurdles, successfully developing the "Galvanized RC90" product manufactured via a 100%-scrap-based Electric Arc Furnace (EAF) process, which sets a milestone for recycled content in steel products. In 2025, the total order volume for RC steels reached 80,000 tonnes.



▲ "Interstitial Free Automobile Steel containing 30% Recycled Content" is ideally suited for processing into complex interior and exterior automotive body panels.



▲ Director Chun-Yu Wang (right) of the Environmental Protection Department represented CSC in accepting the certificate from Chen-Hua Wu (left), Director of the Sustainable Development Division of the Industrial Development Administration.



Featured case:

Interstitial Free Automobile Steel RC30 obtained the Certificate of Resource Recycling and Green Products

As the world moves steadily toward carbon neutrality, major automakers are actively seeking low-carbon materials that offer both high performance and sustainability. Interstitial-free steel (IF steel) is an ultra-low nitrogen steel grade characterized by a superior crystal-line structure and minimal impurity content, providing excellent deep-drawing properties and ductility. However, the production of IF steel for automotive applications must meet stringent requirements for high-purity molten steel. Consequently, in the traditional basic oxygen furnace process, the scrap ratio that could be added to such high-grade steel was previously limited to approximately 10%.

In recent years, CSC has actively pursued the development of low-carbon processes, successfully overcoming challenges in basic oxygen furnace heat balance and molten steel regulation through innovative technologies such as "Basic Oxygen Furnace Thermal Compensation," "Rapid Melting of High-Volume Scrap," and "Secondary Refining Temperature Control." Furthermore, by integrating big data-driven digital models to precisely calculate process parameters, CSC achieved a breakthrough by increasing the scrap steel ratio to 30%, successfully producing several high-recycled-content products, including "Interstitial Free Automobile Steel Containing 30% Recycled Content." The "Interstitial Free Automobile Steel Containing 30%

Recycled Content" developed by CSC obtained the UL 2809 RC30 certification for galvanized products in 2025 and was awarded the "Certificate of Green Recycled Product" by the MOEA. These honors demonstrate the concrete achievements of CSC in promoting the circular economy, implementing environmental sustainability, and deepening green manufacturing.

3.5.2_Green Industry Development

Solar Photovoltaics (PV)

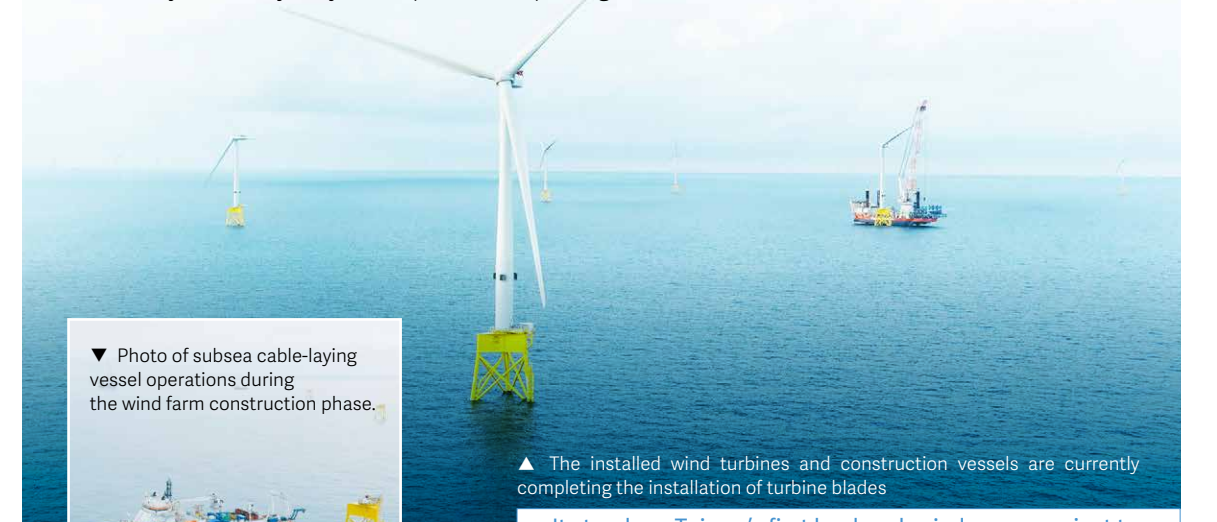
CSC actively responded to the renewable energy policy. In October 2016, CSC combined companies within the group to establish the CSC Solar Corp., which is responsible for promoting the development of CSC's solar power generation business.

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 2025, 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 101.0 MW, and the cumulative power generation had reached about 764 million kWh. In the future, CSC Group can contribute at least 110 million kWh of green electricity and 52,000 tonnes of CO₂ reduction annually.

Note: Calculated based on the 2024 power emission factor of 0.474 kg CO₂e/kWh, as announced by the Ministry of Economic Affairs on August 14, 2025.

Wind power generation

The Zhong Neng Offshore Wind Farm (constructed and operated by China Steel Power Corporation) was initiated by CSC and jointly developed with Copenhagen Infrastructure Partners



▼ Photo of subsea cable-laying vessel operations during the wind farm construction phase.

▲ The installed wind turbines and construction vessels are currently completing the installation of turbine blades

It stands as Taiwan's first landmark wind power project to integrate local industry with international investor

Located approximately 10 to 18 kilometers off the coast of Dacheng and Fangyuan Townships in Changhua County, the wind farm consists of 31 wind turbines, each with a 9.5 MW capacity, totaling an installed capacity of 294.5 MW. Offshore construction commenced in the first quarter of 2023, with all

turbines successfully grid-connected in 2024. In April 2025, the project officially obtained its electricity license and achieved full commercial operation. In 2025, the Zhong Neng Offshore Wind Farm generated 800 million kWh of electricity, representing an annual carbon reduction of approximately 380,000 tonnes of CO₂e.



▲ The co-branded themed train by Kaohsiung Rapid Transit Corporation (KRTC) and Japan's Randen, passing through the Kaohsiung Software Technology Park

Green Transportation with Low-carbon Light Rail Transit

In response to government policy, CSC collaborated with the National Development Council and the Veterans Affairs Council under the Executive Yuan, integrating multiple corporate partners to establish the Kaohsiung Rapid Transit Corporation (KRTC) in December 2000. This partnership officially launched the Kaohsiung MRT project, which successfully commenced operations in 2008, ushering in a new era of rail transit for the city.

Building on this legacy, the completion of the Kaohsiung Circular Light Rail in 2024 has further integrated the urban transit network. KRTC not only aligns its operations with government initiatives and optimizes transportation efficiency but also regards "sustainable management" as its core mission. In fulfilling this commitment, KRTC has entered into an operation and maintenance (O&M) contract with the Kaohsiung City Government, assuming full responsibility for the operation and maintenance of the Kaohsiung Circular Light Rail. In 2025, Kaohsiung Light Rail's ridership reached a record high of 13.34 million passenger trips, serving as a testament to the commitment of CSC and the Kaohsiung MRT team to cultivating local roots and serving the public.



▲ The Kaohsiung Rapid Transit Corporation (KRTC) hosted the event "Kaohsiung Light Rail: A Journey Through Children's Imagination – My Light Rail, My Painting," where Mayor Chi-Mai Chen and his delegation participated in painting the front of the train. During the ceremony, the mayor officially named the newly decorated train the "Children's Art Tram."



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

CORPORATE COMMITMENT

- 4.1_ Recruitment and Retention
- 4.2_ **Material Topic** Diverse and Happy Workplace
- 4.3_ Employee Rights
- 4.4_ **Material Topic** Occupational Safety and Health

CHAPTER





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 Taiwan External Trade Development Council (business majors), and recruitment from funded master's programs of industry-academia collaboration (engineering majors). 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: achieving recruitment targets, ensuring person-job fit, providing in-service training, supporting further research, and fostering diversified development.

To strengthen workplace diversity, equity, and inclusion (DEI), CSC continues to implement concrete measures, including the establishment of a fair and transparent remuneration structure to ensure no gender-based pay gaps. Additionally, it provides support benefits such as family care leave, parental leave, and flexible work arrangements to help employees achieve a better work-life balance. Furthermore, CSC provides on-the-job training and professional development courses tailored to specific roles and individual needs, supporting the continuous learning and growth of every employee. Through CSC's corporate culture and knowledge management platforms, it offers opportunities for employees to share their expertise and skills, fostering positive intergenerational exchange and encouragement while creating a fair workplace environment rich with diverse development opportunities.

4.1.1 _ Workforce

The total number of new employees in 2025 was 116, mainly aged 20 to 30 from the southern region of Taiwan, which helped increase local youth employment opportunities. Since 2011, an average of 471 people have been hired each year, and the new hire turnover rate was 9.5% in 2025.

Year		2023		2024		2025	
New Hires	Employees	%	Employees	%	Employees	%	
Distribution							
Total		365	3.79%	260	2.73%	116	1.25%
Gender	Male	340	3.53%	244	2.56%	100	1.08%
	Female	25	0.26%	16	0.17%	16	0.17%
Region	Northern	4	0.04%	6	0.06%	1	0.01%
	Central	21	0.22%	12	0.13%	1	0.01%
	Southern	340	3.53%	241	2.53%	113	1.22%
	Eastern	0	0.00%	1	0.01%	1	0.01%
	Others	0	0.00%	0	0%	0	0.00%
Age	19-29	202	2.10%	137	1.44%	62	0.67%
	30-39	135	1.40%	109	1.15%	49	0.53%
	≥40	28	0.29%	14	0.15%	5	0.05%

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 administrative personnel with mental or physical disabilities, CSC has also employed visually impaired masseurs to help relieve employees' stress and promote their physical and mental health.

Category	Number of Hired in 2025	
	Indigenous Peoples	Employees with Disabilities
Male	8	2
Female	2	1
Total	10	3

4.1.2 _ Workforce Structure

By the end of 2025, the CSC workforce consisted of 16,857 people, of whom 9,246 were regular employees (8,898 males and 348 females), 7,570 were contractors (6,075 males and 1,495 females; mainly maintenance and operations contractors), and 41 were dispatched workers (1 male and 40 females, mainly for clerical or administrative tasks 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.

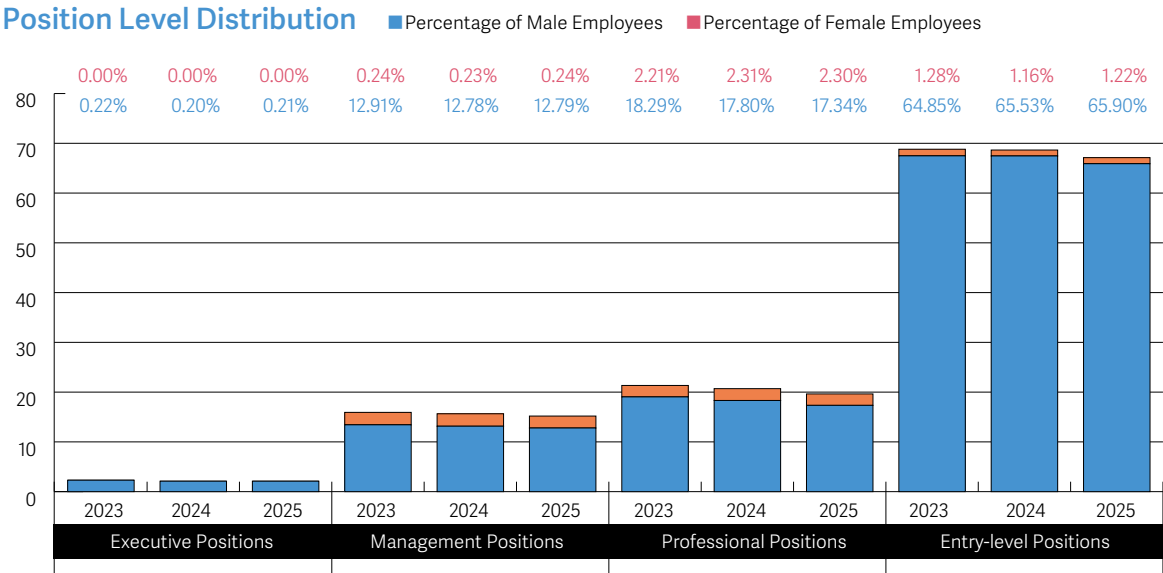
The average age of employees was 42.99 and the average tenure was 14.76 years. All of the regular employees are from Taiwan, no foreign employees were hired. CSC is an integrated steel plant. There are more male employees than female employees due to the industrial characteristic, resulting in an unbalanced gender ratio. However, CSC remains steadfast in building a diverse workplace. The company has set a target for the female employee ratio to be ≥3.6% by 2030. At the end of 2025, the female employee ratio was 3.76%, and the ratio of female managers was 1.80%. In the department other than production functions, such as administration, finance, and planning, female employees accounted for 28.53%.

Event	Category	2023		2024		2025	
		Employees	%	Employees	%	Employees	%
Total ^{Note}		9,621	100%	9,518	100%	9,246	100%
Gender	Male	9,262	96.27%	9,166	96.30%	8,898	96.24%
	Female	359	3.73%	352	3.70%	348	3.76%
Region	Kaohsiung	9,524	98.99%	9,449	99.27%	9,191	99.41%
	Taipei	14	0.15%	12	0.13%	5	0.05%
	New Taipei	32	0.33%	6	0.06%	0	0.00%
	Hualien	15	0.16%	15	0.16%	15	0.16%
	Overseas	36	0.37%	36	0.38%	35	0.38%
Age	18-29	1,393	14.48%	1,199	12.60%	988	10.69%
	30-39	2,940	30.56%	2,947	30.96%	2,843	30.75%
	40-49	3,020	31.39%	3,225	33.88%	3,367	36.42%
	50-59	904	9.39%	865	9.09%	929	10.05%
	≥60	1,364	14.18%	1,282	13.47%	1,119	12.09%
Education	Doctorate	204	2.12%	201	2.11%	205	2.22%
	Master	2,039	21.19%	2,038	21.41%	2,001	21.64%
	Bachelor	4,871	50.63%	4,894	51.42%	4,810	52.02%
	Junior college	761	7.91%	729	7.66%	692	7.49%
	Senior high/ Vocational and below	1,746	18.15%	1,656	17.40%	1,538	16.63%

Note 1: 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 reporting year.

Item	Category	Contractors			Dispatched workers		
		2023	2024	2025	2023	2024	2025
Total number of non-employees		7,725	7,490	7,570	44	41	41
Gender	Male	6,297	6,081	6,075	2	1	1
	Female	1,428	1,409	1,495	42	40	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 reporting year.



Note: For each year, the proportions of male and female employees within each job category add up to 100%.
Note: Percentages are calculated based on the total number of employees in the respective year as the denominator. "Professional positions" comprise engineers and administrative professionals, while "entry-level positions" encompass production-line technicians and supporting administrative personnel.

4.1.3_Compensation Management

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 overall remuneration of CSC's senior executives (including the President) is linked to CSC's business management performance, with 10% of their employee remuneration distributed from company profit tied to ESG performance.

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. In 2025, the average remuneration of regular employees in non-managerial positions was 1.265 million TWD, and median was 1.197 million TWD.

Learn more about "full-time non-executive employee salary information"
<https://esggenplus.twse.com.tw/inquiry/info/individual?companyCode=2002&year=2024>

Item	Year		
	2023	2024	2025
(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	4.3~8.6	4.1-8.2	5.0
(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	-2.2~-2.5	0	-11.28*

Note: * The significant decrease in the ratio in 2025 was mainly due to: (1) an increase in the annual total compensation of the highest-paid individual resulting from a promotion; and (2) a decline in the median percentage increase of annual total compensation for all employees (excluding the highest-paid individual), mainly affected by reduced variable compensation due to the Company's operating performance in 2025. As the annual compensation changes moved in opposite directions, the ratio changed significantly.

4.1.4_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 the termination of employment contract or file a grievance within 30 calendar days from the date of personnel change. If grievance is rejected, employees can request the termination of employment contract within 10 calendar days following the grievance rejection notice. 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 2025, the number of employees who resigned totaled 370, representing a turnover rate of 4.00%. This marks a slight increase of approximately 0.12% compared to 2024. Of these, 257 employees were aged 60 and above, accounting for 69% of the total turnover, a figure consistent with the 68% recorded in the previous year. This trend is primarily attributed to reaching retirement age, indicating that turnover is largely due to natural demographic shifts in the workforce structure; overall, CSC's employee turnover remains stable. Additionally, due to the nature of the industry, CSC maintains a higher proportion of male employees, resulting in a higher number of male resignations in 2025.

General Employees Turnover Rate in 2023-2025

Category	Event	2023		2024		2025	
		Employees	Rate (%)	Employees	Rate (%)	Employees	Rate (%)
General employee turnover number and rate		414	4.30%	369	3.88%	370	4.00%
Voluntary turnover number and rate		411	4.27%	366	3.85%	365	3.95%
Gender	Male	403	4.19%	353	3.71%	357	3.86%
	Female	11	0.11%	16	0.17%	13	0.14%
Region	Northern	5	0.05%	5	0.05%	10	0.11%
	Central	6	0.06%	9	0.09%	9	0.09%
	Southern	403	4.19%	353	3.71%	351	3.80%
	Eastern	0	0.00%	2	0.02%	0	0.00%
	Others	0	0.00%	0	0.00%	0	0.00%
Age	18-29	26	0.27%	47	0.49%	38	0.42%
	30-39	48	0.50%	48	0.50%	49	0.53%
	40-49	25	0.26%	17	0.18%	19	0.21%
	50-59	9	0.09%	6	0.06%	7	0.08%
	≥60	306	3.18%	251	2.64%	257	2.78%

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 2025 was: 96 people. (the turnover rate was 1.04%)

Parental Leave

CSC policies regarding parental leave comply with government regulations. The rate of employees returning to work after parental leave is 91.7% in 2025 which shows the friendliness and the adaptability of colleagues when they return to the workplace.



THE GLOBAL GOALS

Corresponding UN SDGs

4

QUALITY EDUCATION

8

DECENT WORK AND ECONOMIC GROWTH

4.4

8.8

4.2_Diverse and Happy Workplace

2025 Highlights

- Received the “Family Friendly Workplace Award (FFWA)” (Large Manufacturing Enterprise Category) from “CommonWealth Education Media and Publishing” in 2025.
- Planning the establishment of an infant care center to complement the existing kindergarten and provide a comprehensive early childhood care system

Policy or Commitment

CSC prides itself on being a benchmark for employee well-being and considers its employees to be an important asset for sustainable operations. 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 was held to value the voices of employees, and the results of the survey are discussed and improvement strategies are proposed.

4.2.1_Welfare

CSC highly values employee well-being. To create an attractive working environment. The CSC Joint Employee Welfare Committee, comprised of 27 representatives from labor, management, and subsidiaries, coordinates and drives various welfare initiatives. The committee operates an employee welfare society which manages facilities including employee cafeterias, recreation center, convenience store, single dormitories, gym, laundromat, and reading rooms. Depending on their nature, these facilities are also open to contractor personnel and local residents. In addition, CSC provides commuting allowances, travel subsidies, and a flexible benefits point system, allowing employees to customize their benefits based on personal needs. By maintaining a comprehensive welfare system and regularly hosting leisure and family-centered activities, CSC promotes work-life balance and strengthens the bond between employees and their families, and enhances overall cohesion. This approach ultimately attracts young talent to the steel family and secures a solid foundation for the enterprise’s sustainable development. In November 2025, the CSC Joint Employee Welfare Committee conducted its annual Welfare Society Customer Satisfaction Survey. This survey evaluated several dimensions, including products quality, service quality, environmental quality, pricing, responsiveness to feedback, and overall performance; the response rate was 6.43%. The Investigation data showed a high level of satisfaction with the overall service quality of the welfare society, yielding an average score of 85.3. However, we are not content with this result and are continuously refining our welfare initiatives in response to societal transformation and changing demands, to ensure that we deliver the highest quality of service to our members.

Furthermore, to enhance the support system for employee childcare, CSC is currently planning the establishment of an infant care center. This facility will integrate seamlessly with our existing kindergarten to build a comprehensive early childhood care service. The infant care center has already finalized contracts with an operating vendor and completed the overall spatial design; we are currently moving forward with construction, licensing applications, and operational preparations, with student enrollment to commence once official registration is approved. Going forward, employees will enjoy discounted fees/rates for their children, creating a supportive workplace atmosphere that empowers our team to balance their career and family care.



Event	Summary
Cafeteria	The CSC Joint 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 services.
Employees Dormitory	Priority will be given to new employees whose original residence is outside Kaohsiung city; there were 794 people in 2025.
Transportation Subsidy	To promote public transportation, CSC provided special subsidies for the "TPASS Kaohsiung City 399 TWD Monthly Commuter Pass" promotion project. In 2025, an average of approximately 581 employees applied each month, with the company subsidizing about 57,000 TWD per month. In addition, CSC operated 15 shuttle bus routes to support employee commuting, with about 550 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 2025, the CSC Employee Welfare Committee distributed a total of 2.20 million TWD in childbirth cash gifts to (including 1.61 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 2025, it received a total of 13,108 applications and awarded a total of 22.32 million TWD.
Group Insurance from the Employee Welfare Committee	In order to enhance the protection and welfare of all employees, the CSC Joint 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 Joint 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 Joint Employee Welfare Committee has set up 39 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 Joint 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. Starting in 2024, carotid artery ultrasound examinations were introduced for high-risk employee groups to facilitate the early detection of potential cardiovascular diseases. For further information please refer to the Chapter 4.4.2 Health Care.



Action Plan | Physical and mental health of employees



CSC is dedicated to fostering work-life balance for its employees. In addition to full compliance with government labor regulations and working hour standards, it prioritizes the diverse professional and personal needs of employees across different age groups. To assist employees with family responsibilities, such as childcare and school transport, CSC has implemented a flexible working hours system. After approval from the department 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. Employees may also flexibly utilize work hour reduction for childcare to support their childcare and family responsibilities, enabling them to achieve a better work-life

balance. For new hires, CSC provides annual leave benefits that exceed regulatory requirements, granting one day of leave after only three months of service to alleviate the pressure of managing unforeseen emergencies.

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 its own employees, CSC also extended these counseling services to employees of the Group and their family members. Based on counseling topics, Associate Professor Chen Cheng-Chih from Kaohsiung Medical University and Clinical Psychologist Fang Chun-Chieh from the Mental Health Center were invited as speakers for seminars on "Workplace Communication" and "Family Management" to help employees relieve psychological stress.



At the same time, since 2024, CSC has hired visually impaired masseurs to provide massage services 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 a dual-care objective.

Each year, Evergreen LOHAS seminars are held to promote and share information on retirement care entitlements, 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.

Through these measures, CSC is dedicated to addressing the needs of employees across all life stages, from new recruits to those approaching retirement, ensuring everyone can balance their professional and personal lives in a supportive environment while continuing to grow and maximize their potential.

Action Plan | 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	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	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-day 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-day leave stated by the Regulations of Leave-Taking of Workers of the Ministry of Labor.

Action Plan | 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.

Action Plan | 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. It also established a talent pool for retirees. To support the seamless reintegration of senior employees rehired post-retirement, CSC provides shared office spaces to facilitate communication and collaboration with the broader workforce. Furthermore, CSC highly values the experience and expertise of senior professionals. Through tailored work arrangements and ongoing technical support, it empowers these employees to maximize their potential within their teams and continue contributing within a safe and supportive environment. 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.

Additionally, CSC maintains the "CSC Retiree Website," which provides retirees with access to relevant information, including the latest corporate news, Group announcements, and updates on travel, clubs, welfare, and entertainment. The portal also offers resources regarding retirement benefits, senior learning, health and medical care, semi-monthly publications, and employee press clippings. By providing this diverse range of information, CSC enables retirees to stay informed and maintain a strong, positive relationship with the organization.



Implementation Results

Use of work hour reduction for childcare :

A total of 3,662 employees used the work hour reduction for childcare in 2025, totaling 3,662 hours. CSC adheres to relevant labor laws and regulations to establish comprehensive family care support mechanisms, encouraging employees to take necessary leave with peace of mind without compromising their career development. Prioritizing work-life balance, CSC continuously optimizes its family-friendly initiatives. Through institutional safeguards and the cultivation of a supportive organizational culture, CSC aims to create a sustainable workplace environment that harmonizes professional advancement with family responsibilities.

Employee stock ownership trust :

As of the end of 2025, the participation rate in the new employee stock ownership trust system reached 38%. Through this initiative, CSC aims to enhance employees' sense of engagement and organizational cohesion while further stabilizing its equity structure. Looking at the overall program, employee participation in the stock ownership trust reached 94.1% of CSC's workforce at the end of 2025. With 2.87% 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.

Psychological counseling services :

In 2025, CSC invited Associate Professor Cheng-Chih Chen of Kaohsiung Medical University and Clinical Psychologist Chun-Chieh Fang of the Mental Health Center to lead the "Psychological Adjustment Seminars." These two sessions, focused on the themes of "Family Management" and "Workplace Communication," were attended by a total of 129 employees. Post-seminar evaluations indicated high levels of satisfaction, with participants reporting significant benefits from the sessions.

Retiree Talent Pool

Furthermore, as of the end of 2025, CSC's retired talent pool comprised 526 individuals, with cumulative re-hires exceeding 600 person-times. These professionals span multiple fields, including ironmaking, steelmaking, electromechanical maintenance, and engineering, providing CSC with vital technical support and the inheritance of invaluable experience.



Labor Union of China Steel Corporation and CSC jointly held the 2025 Charity Family Day at Weiwuying Metropolitan Park, Kaohsiung ▲

Featured case

Building "corporate compassion" through "well-being" and "supportive empowerment"

CSC upholds the core philosophy that "talent is the foundation of the enterprise," consistently regarding employees as partners in shared growth while continuously deepening its employee care and family-friendly systems. From childcare support to flexible working hours, CSC takes concrete actions to alleviate the pressures of family care. CSC has continually refined its benefits system, providing flexible benefit points, four festive grants, birthday gifts, marriage subsidies, childbirth subsidies, and educational scholarships for employees' children. Furthermore, since 2024, CSC has offered on-site psychological counseling services, ensuring employees have access to professional and secure channels for mental



The Electrical & Control Department hosted the 2025 family bonding activity

health support. CSC encourages employees to participate in diverse club activities, and hosting an average of 600 club events annually, regularly organizing corporate anniversary event, union family day, corporate retreat and family bonding activities. Employees are invited to take part with their family members, so that family members can visit the company and experience the corporate culture and care. In addition to the existing kindergarten, CSC is planning to establish an infant care center to gradually build a comprehensive early childhood care and support system. The infant care center finalized its contract with an operating vendor and completed its overall spatial design in 2025. Currently, construction, licensing applications, and operational preparations are underway, with official operations expected to commence in mid-2026.



◀ The CSC Charity Club organized the "Mid-Autumn Love: Reaching Out to Rural Communities" initiative

Furthermore, CSC distinguished itself among 169 competing firms to earn the 2025 "Family Friendly Workplace Award" (Large Manufacturing Enterprise Category) from "CommonWealth Education Media and Publishing." This accolade underscores the substantive achievements and brand influence of CSC in the areas of family friendliness, talent sustainability, and workplace well-being.

4.2.2 Training Framework and Career Development



Action Plan | 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 2025, 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 2025 amounted to 57,955,000 TWD, with an average annual training time of 24.9 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.



Photos of AI-related training courses in 2025.



Photos of AI-related training courses in 2025.

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 business supervisors. These courses aim to enhance field specialists' fundamental knowledge of digital transformation, train data engineers to use Python for practical machine learning and deep learning applications, assign relevant supervisors to participate in forums, and provide online learning platforms for employees to gain insights into the latest AI trends. A total of 718 employees received AI-related training in 2025. In addition, 4 digital transformation seminars were held in 2025 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 course satisfaction reaching 4.5 out of 5 in 2025. In addition, most trainees were able to apply their learning to work. By the end of 2025, the proportion of professional personnel completing AI general courses reached 95%. In 2025, a total of 110 of AI digital transformation projects were promoted, with benefits of approximately 161,340 thousand TWD. CSC also organized the AI Achievement Award to encourage employees to apply AI in practical scenarios and further

promote smart technology projects. In 2025, through the "Sintering Intelligent Revitalization Project", CSC won the "Grand Prize for Intelligent Manufacturing Transformation" and the "Special Award for ESG Excellence" at the Harvard Business Review Digital Transformation Awards, highlighting CSC's achievements in smart manufacturing and sustainable development.

Action Plan | Talent lifelong learning development framework

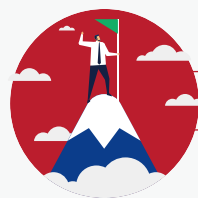
In accordance with the "CSC Talent Cultivation and Development Framework," CSC organizes general training for all levels, providing diverse training channels, including internal training, outsourced training, knowledge management, and e-Learning. In response to the retirement trend, CSC has consistently 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



Action Plan | 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 13 consecutive years (with an average of 3.23%).



Implementation Results

Overview of Training Statistics in Recent Years

Item / Year	2023	2024	2025
Total Training Expenditure (TWD Million)	46.2	54.5	57.9
Average Training Expenditure per Employee (TWD)	4,798	5,731	6,268
Total Training Hours	265,609	264,685	229,961
Average Training Hours per Employee	27.6	27.8	24.9

Average Training Hours by Category in Recent Years

Category / Year		2023	2024	2025
Position Level	Senior Management	18.99	18.19	21.61
	Middle Management	28.57	22.94	38.53
	First-line Management	38.70	39.88	29.23
	Non-management Employees	22.38	21.89	19.66
Age	≤ 30	36.96	39.04	28.76
	31~50	23.83	23.20	22.08
	≥ 51	14.98	14.03	16.06
Gender	Male	27.6	27.3	25.0
	Female	28.5	28.5	24.8

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.

Freedom of Association and Collective Bargaining

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** : 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 236 meetings were held in 2025, with a total of 4,274 participants

■ **CSC sponsored the Labor Union of China Steel Corporation and organized relevant forums** : 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 2025, the union conducted 4,547 group meetings and applied for 3,434,400 TWD in tea refreshment subsidies.

■ **Labor rights education and training** : For union representatives, supervisors, and mediation members, courses on "Labor Conditions Inspection Practices and Analysis," and "Labor Union Organization Operations" are offered.

🔗 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>

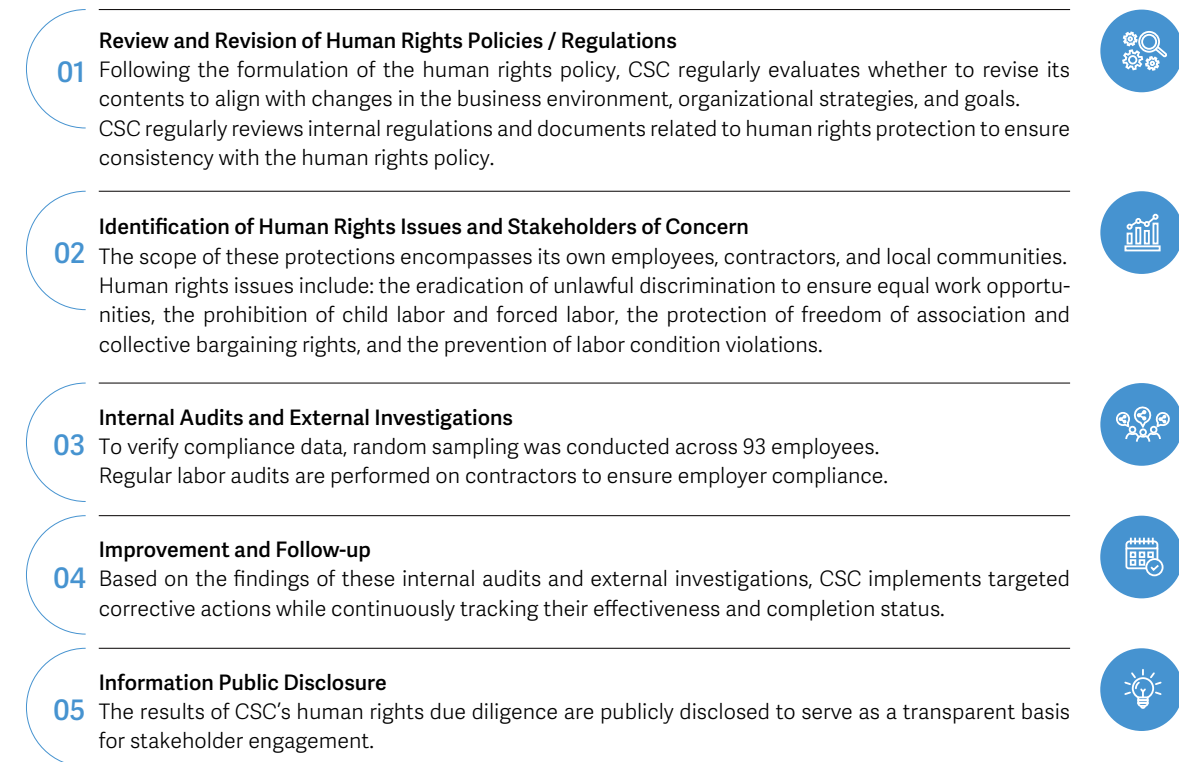
4.3.3_Human Rights Protection

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 2025, and proposed improvement measures based on results, in hopes of lowering the probability of human rights risks.

Human rights due diligence flowchart



Material Human Rights Issues	Investigation Subjects	Preventive and Mitigation Measures	2025 Investigation Results and Remedial Actions	
Elimination of unlawful discrimination to ensure equal employment opportunities	Employees of the Company	Interview training is provided to interviewers, emphasizing the prohibition of discrimination and compliance with the Employment Service Act and related regulations.	■ No internal or external complaints or government penalties were reported during the year. ■ In the event of any internal or external complaints or government penalties, the Company will initiate internal investigation procedures to clarify the facts, scope of impact, and responsibilities; provide psychological counseling and necessary assistance to affected individuals as appropriate; and strengthen anti-discrimination education and training.	Number of Mitigation Measure Implementation Sites in 2025 3
Prohibition on child labor		Identity verification is conducted during the application stage, with further verification performed during the interview and onboarding stages.	■ No internal or external complaints or government penalties were reported during the year. ■ In the event of any internal or external complaints or government penalties, the Company will immediately terminate the improper employment in accordance with applicable laws; clarify responsibilities and impose disciplinary actions on personnel responsible for management oversight failures; and strengthen pre-employment age verification procedures.	
Prohibition on forced labor		Working hours are managed through system controls in compliance with applicable laws and regulations, and employees are encouraged to schedule leave during off-peak work periods.	■ No internal or external complaints or government penalties were reported during the year. ■ In the event of any internal or external complaints or government penalties, the Company will reiterate relevant labor laws and regulations internally to ensure that employees are fully informed of their rights and that supervisors have a clear understanding of applicable legal requirements.	
Freedom of association and collective bargaining rights		1.CSC Labor Union covers 100% of full-time employees with membership qualification. 2.Labor-management meetings are convened monthly, and a dedicated platform is established for employees to track the progress of proposals online.	■ No internal or external complaints or government penalties were reported during the year. ■ In the event of any internal or external complaints or government penalties, the Company will continue to provide diversified two-way labor-management communication mechanisms to foster an open environment for expression and dialogue; support the independent operation of the Labor Union and labor-management meetings; uphold fairness and transparency in the election and operation of employee representatives; and continue to safeguard employees' rights to freedom of association and collective bargaining, while maintaining effective communication with the Labor Union to ensure that negotiations are conducted on the basis of equality and mutual respect.	



Material Human Rights Issues	Investigation Subjects	Preventive and Mitigation Measures	2025 Investigation Results and Remedial Actions	
Provision of a safe and healthy working environment	Employees of the Company	1.Introduced the ISO 45001 Occupational Health and Safety Management System and maintained certification.	5 cases of employee disabling injury accidents occurred in 2025. In accordance with ISO 45001, incident investigations were conducted following each event, including root cause analysis, risk reassessment, formulation and implementation of corrective actions, and verification of effectiveness, along with strengthened employee training. Increased the frequency and intensity of inspections on on-site operations and working environments. For personnel in special work environments who were listed under Level 4 management after the special health examination, the Company has confirmed that workplace conditions comply with regulatory requirements, provided enhanced training on the use of protective devices, and conducted ongoing monitoring of employee health conditions.	Number of Mitigation Measure Implementation Sites in 2025 3
		2.Established an Occupational Health and Safety Policy and set up an Occupational Safety & Hygiene Committee, which convenes meetings every two months to oversee occupational safety and health management and ensure employee health and safety.		
Violations of labor conditions	Subcontractors (Third-party Employees)	3.Continue to conduct certification-based training programs to strengthen safety awareness.	No internal or external complaints or government penalties were reported during the year. In the event of any identified violations, points will be deducted in performance evaluations and penalties will be imposed in accordance with contractual terms. Subcontractors will be required to propose corrective action plans, and improvements will be continuously monitored with deadlines for completion. If no improvement is observed after multiple audits, contract termination will be evaluated.	Number of Mitigation Measure Implementation Sites in 2025 16 (On-site Engineering Contractors)
		4.Implement health management practices to enhance the prevention and monitoring of occupational injuries and illnesses.		

Material Human Rights Issues	Investigation Subjects	Preventive and Mitigation Measures	2025 Investigation Results and Remedial Actions	
Air pollution control	Neighboring communities	CSC's Environmental Monitoring Center has established 6 air quality monitoring stations and 2 electronic display boards to provide surrounding air quality information to the public. In addition, 31 continuous monitoring systems are installed to monitor the concentration and total emissions of conventional pollutants.	No complaints were received from neighboring communities during the year. In the event of any complaints from neighboring communities, the Company will promptly report pollution incidents to local environmental protection authorities and relevant regulatory agencies to ensure compliant handling.	Number of Mitigation Measure Implementation Sites in 2025 1

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 and Benefits.
Employee Welfare Committee 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 2025 are shown in the table below.

Course topic	Course format	Number of trainees	Total training hours
Sexual harassment prevention promotion and training for managers at all levels and relevant personnel (Note)	Online/In person	1,947	973.5
Sexual harassment prevention and promotion of complaint channels for new employees	Online/In person	116	58

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 2025, CSC conducted 8,031 hours of human rights-related training with 2,797 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, 10,097 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

4.4.1 _ Occupational Safety



2025 Highlights

CSC secured funding from the Occupational Safety and Health Administration to establish an XR training system at the Immersive Simulation Center, with equipment installation scheduled for completion between 2026 and 2027.

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

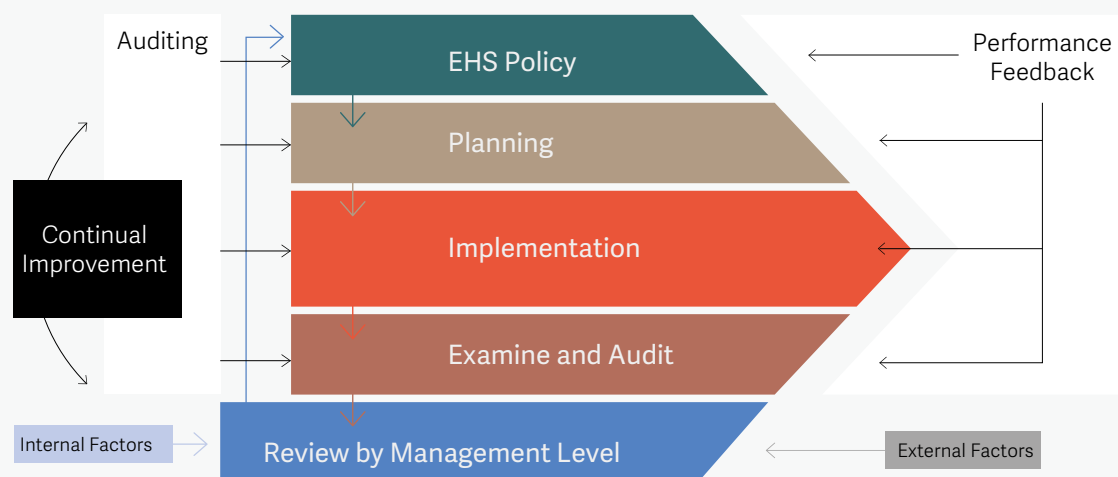
The occupational safety and health management in CSC is mainly based on the occupational safety and health management system (ISO 45001 & CNS 45001). With the continuous improvement of the PDCA, the "Occupational Safety and Health Committee (OSH Committee)" also convenes meetings regularly to review 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

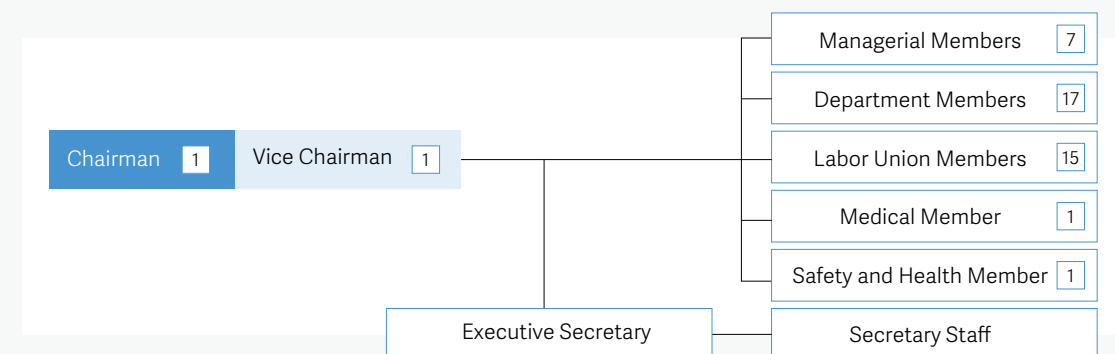
For continual improvement on our management in occupation safety and health, CSC introduced the occupational safety and health management system (OSHMS) in 2000, and obtained certifications on OHSAS 18001 (2002) and TOSHMS (2008, TOSHMS is also known as CNS 15506). The scope of safety and health management 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 discloses OSH management performance in the annual shareholder 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	2023		2024		2025	
Type	Control Limit	Performance	Control Limit	Performance	Control Limit	Performance
Employee Disabling Frequency Rate (FR)	≤0.18	0.1	≤0.18	0.1	0.18	0.25
Number of Employee Disabling by Traffic Accidents in Commute ^{Note}	≤9	22	≤9	29	-	-
Contractor Disabling Frequency Rate (FR)	≤0.3	0.05	≤0.3	0.37	0.3	0.23
Zero major occupation accident	Zero Fatality	Achieved	Zero Fatality	Not Achieved	Zero Fatality	Achieved

Note : 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.



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 2025, a total of 94 new employees 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 and other entities in offering 26 courses with a total of 436 trainees in 2025. 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. Subsequently, a renewal and extension application was filed in 2024, extending the permit validity for an additional two years through 2026.

Trainee	Course	Sessions	2023		2024		2025	
			Persons	Sessions	Persons	Sessions	Persons	Sessions
Employees and Contractors	On-the-job training for radiation protection staff, radiation staff and inspection staff for radioactive steel building materials	5	447	5	496	5	510	
	Transportation Safety Training	22	245	4	225	-	-	
	Basic training on safety management of explosion-proof electrical equipment	1	42	-	-	-	-	
	Production safety basic training	-	-	-	-	-	-	
	Respiratory Protection and Safety Harness Application Training	1	60	-	-	-	-	
	Seminar on labor safety and fire prevention products	-	-	1	33	-	-	
Employees	Workplace Misconduct Prevention and Communication Skills Training	5	324	2	260	3	339	
	Education and training on hazard prevention in limited space operations	-	-	1	30	3	103	
	Physical safety Training	61 (3 types)	678	82 (5 types)	837	42 (5 types)	382	

Trainee	Course	Sessions	2023		2024		2025	
			Persons	Sessions	Persons	Sessions	Persons	Sessions
Employees and Contractors	Occupational Safety and Health Act Note	74 (11 types)	2,706	71 (11 types)	2,465	76 (14 types)	2,441	
	Fire prevention and safety training	-	-	6	190	5	143	
	Fire brigade training	-	-	4	127	4	100	
Contractors	Training for replacing contractor certificates	83	4,148	65	2,475	69	3298	
	Physical safety training for replacing contractor certificates	1	6	-	-	-	-	
	Training for supervisors in contractor high-hazard operations	15	313	9	229	8	161	
	On -Job Training for Supervisors of High-Risk Operations Conducted by Contractors	15	445	12	378	12	159	
	Fire Watch Training for Hot Work Operations	34	611	19	459	20	467	
	Motorcycle Defensive Driving Physical Training	-	-	8	75	3	31	

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 2025, safety observation and audit of site by managers (including site inspection) totaled 76,743 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 2025, 635 near misses were reported** (including 182 falls, 99 collisions, 68 objects drop, 123 commuting-related, and 163 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 2025, work environment inspection was completed on 3,144 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 2025, CSC recorded a number of work-related accidents among full-time employees, including 5 disabling injuries, 13 minor injuries, and 16 medical incidents; contractor work-related incidents include 4 disabling injuries, 11 minor injuries, and 14 medical incidents in the same year. On the other hand, employee commuting accidents were also reported in 2025, including 27 minor injuries and 25 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)
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
2025	Employee	19,930,862	0	5	13	16	0	0.25	0.25	1.71
	Contractor	17,563,766	0	4	11	14	0	0.23	0.23	1.65

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	Sprain	Objects Drop	Others
2025	Employee	1	1	0	2	0	1	0	0	0
	Contractor	1	0	0	0	0	1	1	0	1

Minor Injuries

Year	Category	Falling	Pinch	Rolling	Cut & Bruise	Improper action	scald	Collision	Traffic Accidents During Job Duties	Objects Drop	Others
2025	Employee	3	4	0	3	0	0	2	0	0	1
	Contractor	2	3	0	1	0	0	1	0	2	2

Medical treatment

Year	Category	Falling	Pinch	Rolling	Electric shock	Cut & Bruise	Improper action	scald	Collision	Traffic Accidents During Job Duties	Objects Drop	Inhalation	Others
2025	Employee	4	1	0	0	2	0	6	1	2	0	0	0
	Contractor	2	2	0	0	3	0	2	0	4	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. In 2025, the Labor Standards Inspection Office conducted 21 on-site inspections. The routine inspections identified one deficiency and two recommendations regarding the periodic inspection of hazardous equipment within the Utilities Department, noting that certain procedures were not implemented in accordance with the Occupational Safety and Health Facilities Management Regulations. Subsequently, CSC has completed all necessary improvements based on these recommendations.



Improvement Measures |

Improvement measures for the Energy Management System (EM) Panel

1 During an EMS IGBT module replacement operation, a CSC employee inadvertently brushed against a maintenance tool while reaching for equipment. Although the main power switch for the panel had been switched off, the tool made contact with the 460V live side of the switch, triggering an electric arc that resulted in burns to the employee's right hand, neck, and forehead.

2 In response to this incident and to enhance the safety of electrical panel maintenance, CSC has installed insulation cover plates or appropriate barriers on all live terminals of 220V or higher within its facilities. This measure effectively isolates line-side circuits and terminals, preventing personnel contact and eliminating the possibility of tools being placed on or inside circuit breakers. Furthermore, CSC utilized this incident as a safety case study to conduct comprehensive re-education for all maintenance personnel.

	2023	2024	2025
Issuer	None	KLSIO	KLSIO
Count/Fine (TWD)	None	1 Note I/100,000	4 Note II/600,000

Note I: 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.

II: In 2025, CSC was fined a total of 600,000 TWD by the Labor Standards Inspection Office, Labor Affairs Bureau, Kaohsiung City Government. This included a fine of 100,000 TWD following an investigation into an electric arc burn injury involving a Steelmaking Department employee; the Labor Standards Inspection Office determined that the incident constituted a violation of Article 6, Paragraph 1, Subparagraph 3 of the Occupational Safety and Health Act and Article 256 of the Regulations for the Occupational Safety and Health Equipments and Measures. Furthermore, regarding the 2024 fatal entrapment incident involving a contractor employee from Hongshu Co., Ltd. at the Steelmaking Department's dust collector baffle, the Labor Standards Inspection Office identified violations of Article 6, Paragraph 1, Subparagraph 1; Article 26, Paragraph 1; and Article 27, Paragraph 1, Subparagraphs 2 and 3 of the Occupational Safety and Health Act. Consequently, separate fines of 200,000 TWD, 150,000 TWD, and 150,000 TWD were imposed, respectively.



Featured case

Development and application of key human-machine collaborative technologies for overhead cranes



In response to talent shortages, product damage, and industrial safety issues, CSC independently developed the Human-Machine Collaborative Overhead Crane System. Human-machine collaboration for overhead cranes consists of two primary components: a remote control system and a semi-automatic auxiliary system. The remote control system utilizes high-speed wireless networks characterized by high bandwidth, low latency, and massive connectivity to simultaneously transmit control commands and feeds from 12 cameras. This allows operators to control overhead cranes from a remote environment via real-time imagery, eliminating the occupational safety risks associated with boarding and descending from cranes. The semi-automatic auxiliary system integrates point-to-point autonomous navigation with AI-guided coil positioning

to assist operators in accurately gripping steel coils, thereby reducing product damage. Furthermore, the automated point-to-point movement reduces the labor time required for repetitive manual tasks, significantly optimizing the working conditions for crane operators. In the future, CSC aims to integrate multiple cranes for collective remote operation, providing a comprehensive solution to labor shortages and talent acquisition challenges.

4.4.2_ Health Care

CSC Clinic manages on-site occupational health services, focusing on employee health management, occupational disease prevention, and health promotion. Our primary responsibilities include providing first aid, conducting health examinations, organizing health events, and delivering clinical services to employees.

In addition to analyzing and classifying health examination results, our occupational medicine physicians 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 workplace adjustments.

CSC has developed an online health management system integrated with our occupational safety and health system. In addition to allowing employees to make appointments with various specialists, the platform automatically notifies colleagues of pre-arranged health examinations, provides online access to health reports, and offers trend charts tracking medical data dating back to 1997—enabling employees to review their health status at a glance. Furthermore,



by utilizing an internal occupational safety cloud database, the system automatically identifies personnel in high-risk environments who require specialized health check-ups and tracks their physical condition regularly.

Given the vast layout of the facility, CSC began deploying Automated External Defibrillators (AEDs) across our plants in 2018 to improve emergency response efficiency. Additional units have since been added based on operational needs, bringing the total number of AEDs to 75 as of 2025. To strengthen our emergency response network, we provide dedicated AED training to designated first-aid personnel; in 2025 alone, a total of 558 employees completed this 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 536 times in 2025, in which the majority of issues were family, workplace and self, and outlook on life. Over the years, services were provided a total of 3,695 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 collaborates with 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. In 2025, the number of medical visits was 35,376. Through its strong partnerships with these local hospitals, the clinic also provides patient referral services.

The clinic's health management platform offers online health consultation services to address employees' medical inquiries. As of December 31, 2025, the website had accumulated over 712,000 visits. Furthermore, a shortcut was integrated into the CSC mobile app, allowing employees to conveniently view their historical health examination reports and schedule clinic appointments directly from their phones.

Health examination

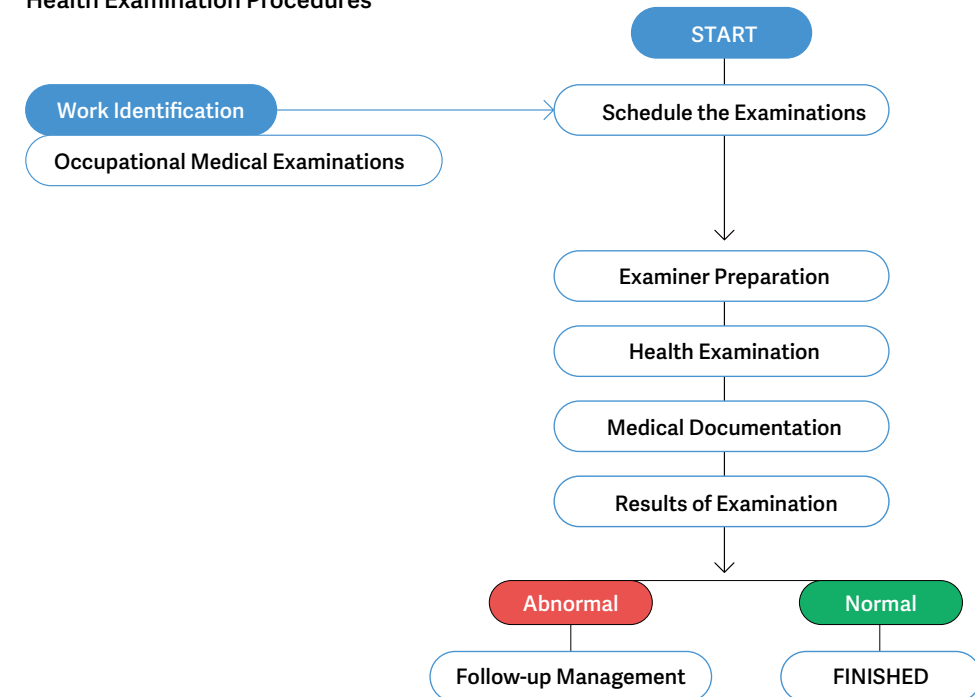
To provide proper care for employees, CSC Clinic offers comprehensive health check-ups, eliminating the need for staff to visit outside medical facilities. The frequency and scope of these examination items exceed current regulatory requirements. Based on the results, the clinic implements tailored health management measures, offering personal consultations, medical treatments, and referral services.

The clinic provides targeted screenings for common cancers, including lung, liver, and colorectal cancer. To enable early detection, the examination protocols include lateral chest X-rays, abdominal ultrasounds, and quantitative immunoassay fecal occult blood tests.

In 2025, a total of 7,488 employees underwent general health examinations, and 3,795 participated in special health checks for hazardous workplaces. Among them, three individuals working in high-noise environments were classified under Level 4 Health Management; review meetings have since been conducted, and corrective improvement measures have been fully implemented.

Beginning in 2024, to enhance protection for employees at high risk for cardiovascular disease, CSC implemented a screening initiative targeting individuals with abnormal results across four specific metrics in their annual physical: systolic blood pressure >130 mmHg, diastolic blood pressure >80 mmHg, LDL cholesterol >130 mg/dL, and fasting blood glucose >100 mg/dL. These employees were eligible for carotid ultrasound examinations, with 58 individuals registered for testing in 2025. Subsequently, CSC conducted health seminars and follow-up biochemical blood tests to evaluate and track improvement in these health indicators.

Health Examination Procedures





SOCIAL RESPONSIBILITY

- 5.1_Concepts and Management
- 5.2_Local First
- 5.3_CSC Group Education Foundation

5

CHAPTER

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.
- ◎ **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.
- ◎ **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.

5.1.2_ Multi-involvement and Commitment

Diversified Social Involvement

Job Category	Organizer	Diversification	Highlight Performances
Central and Local Public Affairs	Public Affairs Dept.	Good neighborliness, social care, and assisting with local education.	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.
		Positive interactions between public representatives, administrative agencies, the media, and opinion leaders.	Arranged a total of 11 professional media interviews for disclosing important company information.
Social Education and Art Activities	CSC Group Education Foundation	Cultivate domestic steel talents to improve domestic steel core technologies, and promote steel-related popular science education.	Steel education: 9,000 participants (including steel science education, courses on steel production processes, industry-academia seminars, teacher workshops, and female engineer lectures)
		Promote environmental sustainability education and take root in local arts and cultural activities.	Ecological and environmental sustainability: 6,000 participants (including environmental classroom, ecological camp, and environmental education mobile vans)
			Arts and humanities: 9,000 participants (Steel City Cultural Salons, campus talks, parent-child traditional culture experiences, cultural promotion activities)

Diversified Social Involvement

Job Category	Organizer	Diversification	Highlight Performances
Social Care and Environmental Engagement	CSC, the CSC Group Education Foundation, Labor Union of CSC, and employee clubs	Post-disaster emergency relief and reconstruction.	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 2,228 individuals during 2025.
		Caring for the disadvantaged.	In 2025, volunteers from the CSC Charity Club provided care and support to disadvantaged families, recording 653 volunteer turnouts and 104 hours of service.
		Caring for the community ecological environment	Organize at least 3,200 people to participate in environmental greening and beautification works at large-scale community parks and along major arterial roads each year.
			Organize at least 2,200 participants each year in the Water Environment Patrol Team.
			The Labor Union of China Steel Corporation donated essential supplies to the Taiwan Foundation for Rare Disorders, Private Cide Orphanage, and Private Buddhist Ching Jou Orphanage. Furthermore, the Union established the "Union Charity Team" to provide support and care for households affected by Typhoon Krathon and other individual cases.
Human Rights and Workforce Development	Human Resources Dept.	Negotiate and formulate reasonable workplace policies.	Implemented a 4.3% salary adjustment in 2025.
Safety and Health	Industrial Safety & Hygiene Dept.	Prevent incidents and diseases derived from the corporate operation.	In response to requirements from the Labor Standards Inspection Office, Labor Affairs Bureau, Kaohsiung City Government, CSC assisted in organizing the "2025 Kaohsiung Smart Port City Sustainable Happiness Forum & Exhibition." Focusing on the theme of human-machine collaboration, CSC demonstrated several key technologies: "Drone-based 3D LiDAR Scanning," which assists in high-altitude operations to minimize time spent working at heights, and the "Remote Control Mini Loader" alongside the "Crane Steel Cable Storage Device" both designed to alleviate physical labor and reduce worker exposure to "3K" (Dangerous, Dirty, Difficult) environments.
		Prevention of epidemic diseases.	
		Domestic and international exchanges.	
Labor Policy	Labor Union of China Steel Corporation	National labor rights, benefits, and welfare policies.	On April 10, 2025, CSC participated in a public hearing held by the 11th Legislative Yuan's Social Welfare and Environmental Hygiene Committee regarding the "Amendment to Labor Union Act and built System of Rights for Factory Union." Additionally, CSC attended four Labor Autonomy Committee meetings and two Association for Employment Promotion meetings convened by the Kaohsiung City Government.
		Collaboration and interactions with other union groups.	Throughout 2025, CSC also provided guidance for the renewal of collective bargaining agreements for China Ecotek, CHC Resources, and Aluminum Corporation.

Diversified Social Involvement

Job Category	Organizer	Diversification	Highlight Performances
Environmental Protection	Utilities Dept. and Environmental Protection Dept.	Promote exchange of knowledge on environmental protection through visits.	In 2025, a total of approximately 36.2 tonnes of river waste was cleared; the Water Environment Patrol Team won the Corporate Service Award from the Environmental Protection Bureau of Kaohsiung City Government.
		Establish a Carbon Management Advisory Team to cooperate with downstream customers on energy-saving and carbon reduction efforts.	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.
		Participate in the water environment patrol team promoted by the government to fulfill corporate social responsibility and safeguard water resources.	

5.1.3 Expenditures of Social Responsibility

Unit: million TWD

Event	Summary	Amount in 2023	Amount in 2024	Amount in 2025
Social charity donations	Social and local charitable support and assistance of relief in emergencies.	61.5	56.65	44.57
Donations to the CSC Group Education Foundation	Implementation of cultural education and promotion of education and nurturing of new talent in steel-related fields.	0 ⁽¹⁾	0 ⁽¹⁾	8
Donations for institutes and associations	Sponsorship for seminars, conferences, and advertisements.	2.3	1.08	0.718
CSC Retirees Services Sec.	Retiree benefits reserve.	11.94	12.08	12.15
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	7
Total		82.74	76.71	72.438

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 actively cared for community development and consistently assisted with various charitable activities in Hsiao Kang District for decades. It upholds the philosophy of "taking from society and giving back to society," and continues to provide sincere care and concrete action to the society, communities, and disadvantaged groups through different affairs such as environmental protection, community care services, and the hosting of charity events.

- 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 CSC group companies as well as residents in the nearby areas.
- CSC assisted 10 elementary and junior high schools in Hsiao Kang District, Kaohsiung City, in upgrading their teaching equipment to enhance students' learning efficiency.
- Assisted the Kaohsiung Municipal Siaogang Senior High School and other schools within the Hsiao Kang District in implementing campus greening and beautification initiatives.

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 2025, CSC cooperated with junior high school and elementary school children in Hsiao Kang District to hold the "Ceremony for Recognition of Filial Piety and Granting of Meritorious Scholarships," in order to promote filial piety and gratitude.





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.



The 2025 “Steel City Cultural Salons” event series featured several key activities: the “Hi Pineapple! Family Fruit Art Party” held on August 24, which included workshops on DIY paper pineapples, pineapple bean paste, and pineapple rice noodle fusion; the “Hear it. Feel it.” concert held at the Dadong Arts Center on September 16; and the parent-child “Cyanotype Workshop & Zuoying Heritage Walk” held on October 18 at the Farewell, 886 Cultural Park of Taiwan Military Veteran Village, featuring DIY Cyanotype & Historic House Storytelling. Through these activities, CSC aimed to encourage participants to draw from their personal experiences to foster healthy parent-child interactions and enable parents to better understand their children’s development through diverse perspectives.

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	2023	2024	2025
Administrative expenses		85	90	89
Expanded activities related to steel		37	308 ^{NOTE}	260
Grants to the nurturing of research talent		187		
Promotion of sustainable development of the environment		472	539	436
Promotion of educational activities of arts		617	431	744
Other charitable educational affairs		98	61	221
Total		1,496	1,429	1,750

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.



Featured case CSC's 2025 King of Wisdom Summer Camp

CSC has been committed to local education for many years, and has organized the “King of Wisdom Summer Camp” since 2007, and began collaborating with China Steel Chemical to invest in corporate resources in 2012. In July 2025, CSC, China Steel Chemical, and Kaohsiung Municipal Siaogang Junior High School jointly organized the “NEXT! Future Player” camp, planning dynamic and inclusive bilingual courses:

Boxing fitness: Utilizing target pads and heavy bag drills to develop agility and explosive power.

Mathematical gaming: Integrating card games and magic to strengthen logical reasoning through cryptographic puzzle-solving.

Creative dance: Synchronizing movement with popular music while challenging participants to speak English during choreography to enhance linguistic intuition.

English performance: Employing theatrical techniques to teach vocal expression and “5W1H” scriptwriting, fostering self-confidence in communication.

Furthermore, the event featured the CSC Group Education Foundation, which introduced the “Aluminum Wire Jewelry Design” course to reimagine metal materials through creative application. By employing Roman weaving methods to craft bracelets, the course deepened participants' understanding of the steel industry while providing aesthetic inspiration.

The event not only empowered students to explore their potential but also fulfilled CSC's commitment to local education. Moving forward, CSC will continue to strengthen regional ties and provide inspiring platforms for growth, achieving a sustainable vision of co-prosperity with local communities.



Promote steel-related educational activities



In collaboration with the Graduate Institute of Science Education and Environmental Education at National Kaohsiung Normal University, CSC organized teacher training programs on topics including steel science education and environmental education. Two courses, "Steel: The Metal that Supports the World" and "Circular Economy – Basic Oxygen Furnace Slag," were offered to elementary and junior high school teachers. A total of four sessions were conducted, attracting approximately 120 participants, with the aim of cultivating seed teachers in related fields.

Teacher Workshops

Participating teachers visited the Steel Exhibition Hall

The programs included presentations, guided introductions to the Steel Exhibition Hall and Slag Museum, as well as on-site tours of CSC's facilities and the China Rebar Resources plant, enabling participants to better understand the role of steel in daily life and CSC's environmental efforts. Interactive Q&A sessions were also arranged to engage participating teachers. Feedback from participants was highly positive, with many teachers expressing that they gained valuable insights. Teachers were further encouraged to organize future school visits, helping extend the impact of the program.

Since 1993, CSC has held the "Steel Journey" Activity—an outdoor educational program for elementary school students in the Hsiao Kang District of Kaohsiung City; the program is now entering its 32nd year. This year, CSC invited nearly 1,400 graduating students from 13 elementary schools to tour CSC's facilities. In addition to exploring fundamental steelmaking knowledge, students gained insight into CSC's dedicated efforts and achievements in advancing the circular economy and the low-carbon production of advanced premium steel.

Steel Journey



Students Participating in the "Steel Journey"

← 鋼鐵之旅搶答

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 2025, 20 students from the Department of Materials Science and 4 students from the Department of Mechanical Engineering received the scholarship, bringing the total number of recipients to 252 since 2007.

Facilitating industrial exchange through diverse technical seminars →

CSCGEF continues to collaborate with its Technology Division to enhance the core competencies of the steel industry. This cooperation involves organizing specialized technical seminars, including: the Seminar on Steel Metallurgical Analysis and Applied Technology, Seminar on



Strengthening the domestic steel industry

Steel Engineering Technology, Electrical Steel Technical Exchange Seminar, Seminar on Fastener Production Technology, Seminar on Hand Tool Application Technology, Seminar on Hot-Rolled Product Application Technology, Seminar on Steel Chemical Analysis Technology, Seminar on Plate Product Application Technology, Heat Treatment Technology and Practice Seminar, and Seminar on Automotive Steel and Aluminum Processing Application Technology. A total of 10 events were held, drawing nearly 800 participants from industry, government, and academia, with an overall average satisfaction rate of 95%.

Environmental Conservation and Care for Sustainable Environmental Development

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.



With Kaohsiung Rapid Transit Corporation organized the 2025 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.



Green Living Camp

Promotion of traditional culture, humanities, and arts



Cultural experience camp

In 2025, the annual summer camp focused on Hakka culture for the first time, inviting students from Southern Taiwan to the Taiwan Hakka Museum in Miaoli. The three-day, two-night curriculum was designed and organized by the Museum, with CSCGEF assists in processing and subsidizes participants' expenses. A total of 74 upper-elementary students participated this year, gaining a deeper understanding of Hakka folk traditions through immersive observation and hands-on experiential learning.

Organizing Charity Concerts



In collaboration with the Pro-Art Camerata, CSCGEF organized the "Melodies Through the Bars" concerts at the Tainan Prison and the Tainan Detention Center. They also performed the "Wheelchair Concert" at the Kaohsiung Museum of Fine Arts. CSCGEF also partnered with Kaohsiung Rapid Transit Corporation to host charity concerts. In collaboration with the Baroque Camerata, CSCGEF presented the concert "Memories of Old Loves" at the Kaohsiung Municipal Social Education Center. The event was open to the public through a complimentary registration process, providing free admission to the community.

CORPORATE GOVERNANCE

- 6.1_ Strategies and Targets
- 6.2_ Board of Directors
- 6.3_ **Material Topic** Operational Finance
- 6.4_ Risk Management

6

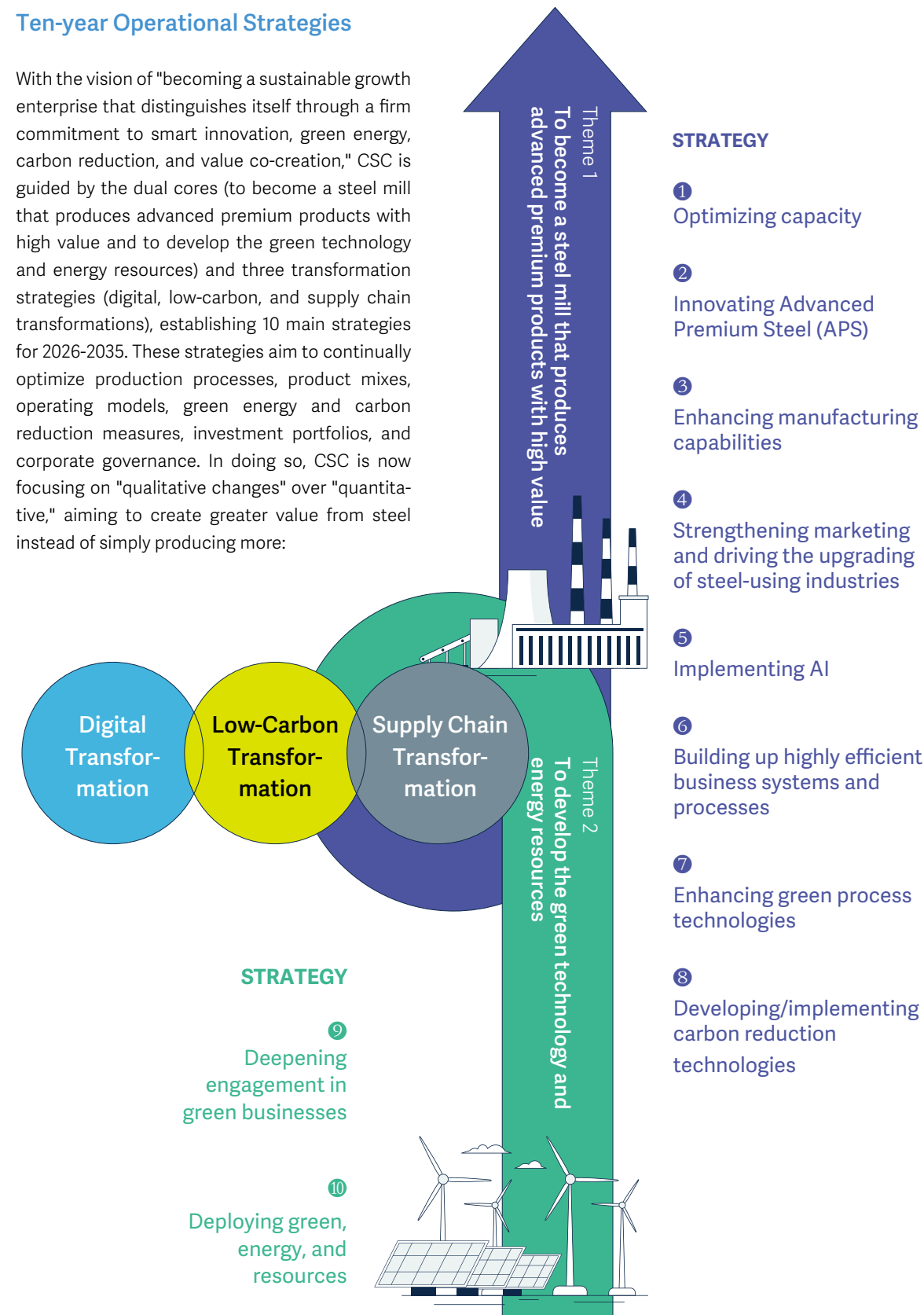
CHAPTER

6.1 _

Strategies and Targets

Ten-year Operational Strategies

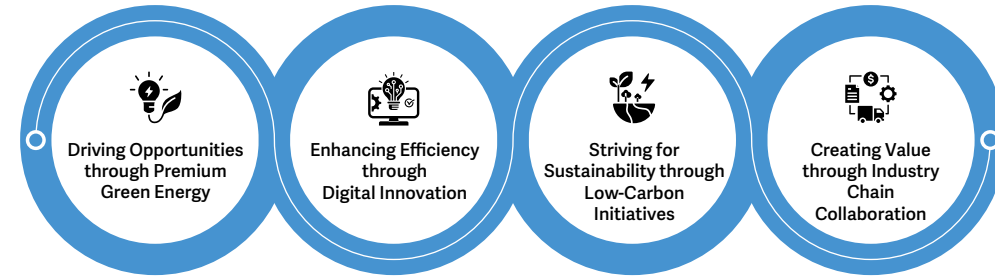
With the vision of "becoming a sustainable growth enterprise that distinguishes itself through a firm commitment to smart innovation, green energy, carbon reduction, and value co-creation," CSC is guided by the dual cores (to become a steel mill that produces advanced premium products with high value and to develop the green technology and energy resources) and three transformation strategies (digital, low-carbon, and supply chain transformations), establishing 10 main strategies for 2026-2035. 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," aiming to create greater value from steel instead of simply producing more:



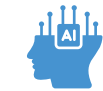
6.1.1 _ Annual Business Directives and Performances

Business Directives for 2025 include the 4 main points, the implementation results are as follows:

Business Directives



Performance



With a strategic focus on smart production lines, Smart energy and resources, and smart scheduling, CSC integrates external AI-driven digital innovations to promote human-machine collaboration and the development of auxiliary equipment for "3K" environments, while simultaneously accelerating its digital transformation. Supported by targeted R&D investment, enhanced operation and maintenance (O&M) capabilities through specialized training, and the implementation of generative AI to streamline workflows, CSC has effectively improved overall execution performance.

Furthermore, CSC continues to advance its "Controllable Cost Reduction Initiatives." In response to external challenges such as rising tariffs and exchange rate volatility, a refined optimization plan was implemented in the second half of the year to consolidate existing cost-saving achievements and introduce new projects with high financial impact. Through the proactive cooperation of all departments, CSC successfully met its annual objectives.



CSC remains vigilant in monitoring international dynamics and market opportunities to actively expand shipments while further penetrating high-end industrial sectors. By leveraging collaborative R&D and customized supply chain solutions, CSC deepens customer relationships and broadens product applications, thereby enhancing products' added value and overall market competitiveness to achieve its sales objectives.

To address environmental goals, CSC has established specific greenhouse gas emission and carbon intensity targets for each department, strengthening internal management and advancing carbon-neutral governance mechanisms. Through cross-functional task forces, performance and action plans are regularly reviewed to optimize energy efficiency and carbon reduction outcomes.



Furthermore, CSC continues to refine occupational safety by enhancing safety awareness across all employees and deploying AI-driven smart safety digital systems. By implementing "Management by Walking Around" and reinforcing the Five Lines of Defense for Occupational Safety, CSC strengthens audit effectiveness and management review measures to safeguard employee health and maintain a record of 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 2025 is 99.8%.

Since 2025, CSC initiated the implementation of the ISO 37001 Anti-Bribery Management System to strengthen risk management related to ethical business conduct, and successfully obtained ISO 37001 certification in the same year. 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. To support the implementation of the Anti-Bribery Management System, CSC also conducted one session of "Overall System Operation Mechanism Training Course" to enhance employees' understanding of the system framework and operational mechanisms. A total of 768 employees completed the training, and the program continues to be expanded.

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 2025, CSC conducted 16 training sessions for new recruits, with a total of 116 employees completing the training.

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. In addition, 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 2025 annual report https://www.csc.com.tw/csc_e/ss/bd/pdf/stock115_03.pdf Chapter 2 interested person 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 all reports, whether submitted identified or anonymously, provided they are accompanied by concrete evidence and valid contact information. All reported cases are handled with strict confidentiality throughout the entire 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", "Anti-Corruption and Anti-Bribery Policy".
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 2025, 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.

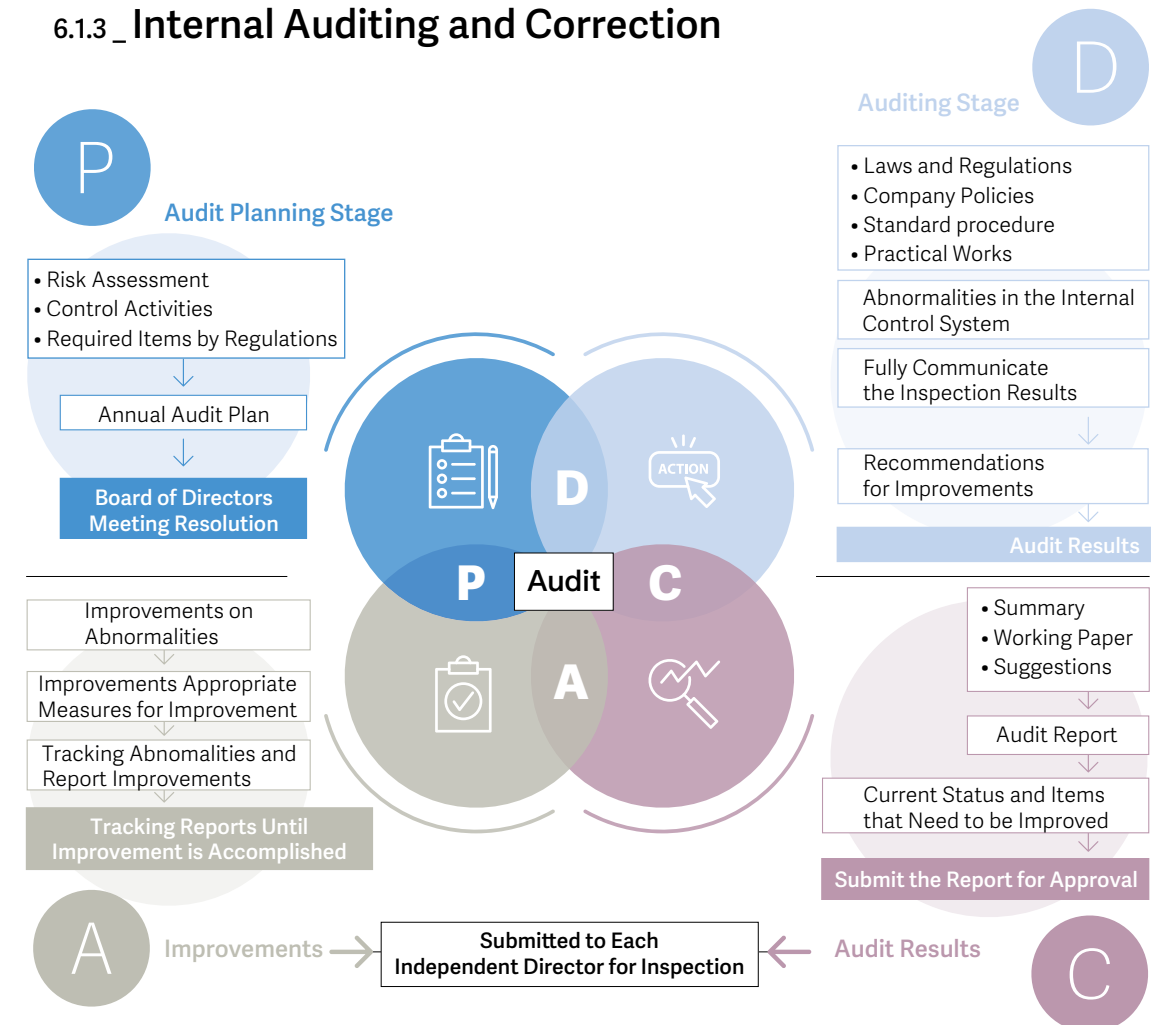
Aspect	Anti-Corruption Measures	
Anti-Corruption Reporting channel	Hotline: +886-7-8021111#2191 (Head Office) +886-7-3371111#22191 (China Steel Building) Mailbox: P.O. BOX 47-13 Kaohsiung, Taiwan Website: https://www.csc.com.tw/csc_e/cg/ia_p6.html The quotation instructions in the electronic procurement 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. In 2025, a total of 36 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.	

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

The image is a composite graphic with a teal background. On the left, a photograph shows two men, one in a light blue shirt and the other in a dark suit, holding a large, ornate gold-framed certificate. Above the photo, the text '反賄賂管理系統 (ABMS) 頒證典' is written in white. To the right of the photo is a white sunburst logo. Further right is the ISO 37001 certification logo, which consists of a circular emblem with 'CERTIFIED' at the top and bottom, and a stylized globe in the center. Below the emblem, the text 'ISO 37001' is prominently displayed in a white box. Below the sunburst logo, the text 'Featured case' is written in white. At the bottom, a large white text block reads 'CSC passed the ISO 37001 certification'. Below this, a detailed paragraph in white text describes the process of obtaining the certification, mentioning the approval of the Anti-Corruption and Anti-Bribery Policy, the involvement of 17 departments, and the final certification on December 10, 2025. The paragraph concludes with a list of affiliated companies that witnessed the ceremony.

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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 2025, 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 2025, 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 2025, 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

		Diversified Core Competences										
Title	Name	Gender										
Chairman	Chien-Chih Hwang	Male	1	2	3		◎				◎	◎
Director	Chien-Hsin Lai	Male	1	◎						◎	2	3
	Wen-Chung Hu	Male	2	3						◎	1	◎
	Shou-Tao Chen	Male	3	2	1			◎			◎	◎
	Jih-Jau Jeng	Male	3	2	1			◎			◎	◎
	I-Chi Yang	Male	1	2						3	◎	
	Jung-Chi Chang	Female	3	◎	◎				1	2	◎	
Independent	Shih-Kun Wang	Male	◎	3		1			◎	2	◎	◎
Director	Chia-Chi Lu	Female	3			1				2	◎	◎
	Wan-Ru Yang	Female	3			1				2	◎	◎
	Yu-Chin Liao	Female	3						1	2	◎	◎

- Business Decision-making
- Industry Knowledge
- Steel Industry Management Experience
- Finance and Accounting
- Marketing
- Technology
- Law
- Risk Management
- Sustainable Development
- Response to Climate Change

Note 1: The skills and experience of the Directors cover areas such as climate change response. These skills are identified through an annual self-assessment, in which Directors rank their three main areas of expertise as 1, 2, and 3, while other areas of expertise are indicated with a ◎ mark without any particular order.

Note 2: Data in this table are as of February 28, 2026.

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 19th Board of Directors consists of 11 members, including 4 independent directors, who were elected on June 19, 2025 with a tenure of three years. Of the 11 members in the Board of Directors, 7 are male directors (63.6%) while the remaining 4 is a female director (36.4%). These directors, whose age lies between 46 and 70 years old, specialize in a variety of fields, including steel, economics, soil and water conservation, social sciences, mechanical engineering, mineral processing engineering, law, accounting, and finance, 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, and Jih-Jau Jeng are involved in business decision-making, Chien-Chih Hwang is the Company's Chairman and has expertise in business 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 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 decision-making, knowledge of the industry, steel industry operations, technology, sustainable development and climate change. 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 4 independent directors, 3 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 7 meetings in 2025. The proposals drawn from the resolutions of the meetings shall also be presented to the Board.

Remuneration Committee

The committee is composed of all 4 independent directors who shall review and assess the performance evaluation system for commissioned managers, the evaluation results, and related remuneration systems. The committee convened 3 meetings in 2025. The proposals drawn from the resolutions of the meetings shall also be presented to the Board.

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' employee remuneration distributed from company profit 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' 2025 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
	Risk Management	-
Social	Community Engagement / Employee Care and Retention	Community Engagement / Employee Care / Talent Retention
	Occupational Safety and Environmental Protection	Occupational Safety Air Pollution
Environment	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

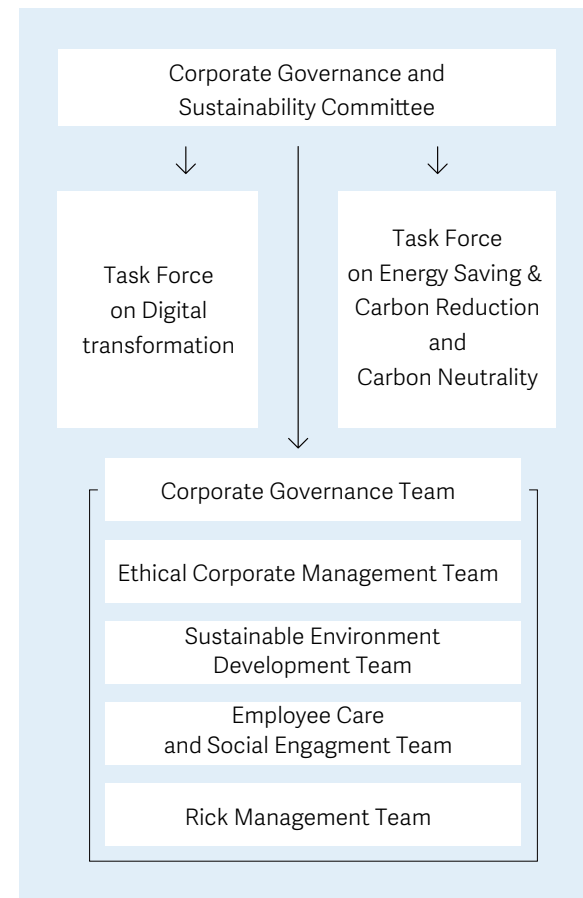
CSC established the Corporate Governance and Sustainability Committee in November 2019. The committee is primarily charged with assisting the Board of Directors in overseeing the promotion, implementation, and execution of various sustainability-related matters, such as corporate governance, ethical corporate management, sustainable development policies, risk management, energy conservation & carbon reduction and carbon neutrality, and digital transformation. Effective January 4, 2025, CSC's Chief Sustainability Officer (CSO) is concurrently held by Kuan-Fu Chen, Vice President of the Corporate Planning Division. The primary responsibilities of the CSO include:

Orchestrating CSC's sustainable development direction, strategies, and objectives, as well as coordinating the cross-departmental implementation of sustainability policies through corporate governance and internal management mechanisms.

Overseeing the integration and management of all sustainability-related disclosures.

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 6 directors, and 4 of them are independent directors who excel in accounting, finance and law. 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. 3 meetings were held in 2025.



Organizational Structure of the Corporate Governance and Sustainability Committee:

The heads of the five execution teams, Corporate Governance Team, 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. The CSC 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 2025, 5 execution teams and 2 task forces continued to promote corporate governance strengthening, air

Organizational Structure of the Corporate Governance and Sustainability Committee:

The heads of the five execution teams, Corporate Governance Team, 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. The CSC Task

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 "2025 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 4.89 points in 2025. Hence, the Board of Directors has good operational performance.

In 2025, CSC commissioned the Taipei Foundation of Finance (TFF), an independent professional institution, to conduct an external performance evaluation of the Board of Directors. The evaluation yielded high recognition for the Board's overall operations and its strategic responsiveness to future operational challenges. The full results of this assessment are disclosed on CSC's official website.

For more details
[Rules for Performance Evaluation of the Board of Directors]
[https://www.csc.com.tw/csc/cg/pdf/G10211\(1101224\).pdf](https://www.csc.com.tw/csc/cg/pdf/G10211(1101224).pdf)
[Rules for Performance Evaluation of the Board of Directors]
https://www.csc.com.tw/csc/cg/boa_eva114_s.html

Furthermore, CSC periodically arranges for directors and managers of the Group to take ESG-related sustainability courses. Topics of courses in 2025 included two main courses: " Corporate Sustainability and Risk Management " and " Exploring the Legal Relationships in Business Decision-Making from the Perspective of Business Judgment." 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/adv5.html

6.3_Operational Finance



2025 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 the constituent stock of the “TWSE RA Taiwan Employment Creation 99 Index,” the “TWSE RAFI® Taiwan High Compensation 100 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 “Putting Performance into Practice” 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, medium, 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 line with the core strategy of “High Value-Added Steel Mill,” CSC continues to enhance product value and improve gross profit structure, targeting a 20% sales share of the advanced premium steel and a sales volume of 1.565 million tonnes by 2030.

Action Plan

Digitalization of financial processes

- Established a Group Financial Information Integration and Analysis Platform to enhance the effectiveness of financial health assessments, capital planning, and risk management.
- Established a Group Stock Price Monitoring and Alert System to provide management with visualized information, supporting decision-making and risk management.

Developing Sustainable Financial Solutions

- In response to market trends in domestic and international green bond issuance, sustainability-linked loans, transition bonds, and applications for government green subsidies, CSC maintains active engagement with financial institutions to obtain the latest market information and respond to market changes.
- To support the capital expenditure requirements for green process developments aimed at decarbonization needs over the next five years, CSC proactively plans financing arrangements and continuously monitors market interest rates and policy dynamics. While balancing lower funding costs and controllable risks, the Company ensures the safety of capital allocation and maintains stable liquidity.

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.
- CSC maintains a dedicated “Investor Relations” section on the corporate website in both Chinese and English, providing regular updates on financial information, investor conference presentations, annual reports, and shareholder services information. Furthermore, the “Stakeholders” section of the corporate website provides the contact information, including telephone numbers and email addresses, of CSC’s Spokesperson, Acting Spokesperson, and the Shareholders Service & Investor Relations Team. CSC has also established a toll-free shareholder service hotline and a dedicated email (f1000@mail.csc.com.tw) to ensure timely and effective responses to feedback from shareholders and investors.

Implementation Results

In line with equipment upgrades and operating conditions, CSC properly plans funding sources and dividend distributions, adjusts the dividend distribution rate to meet the expectations of shareholders and investors, and retains appropriate funding positions to support capital expenditure needs. In 2025, Fitch Ratings maintained CSC’s long-term credit rating at AA(twn) with a “Stable” outlook, while Taiwan Ratings also maintained CSC's long-term credit rating at twAA-, but revised the outlook to “Negative.” Overall, the Company's credit ratings remain at a robust level. In response to the external environment and industry cycle challenges reflected in the revised rating outlook, the Company will continue to address these issues prudently. Beyond strengthening cost controls and cash flow management, the Company will continue to adjust its financial structure, flexibly raise medium- to long-term funds based on market conditions, and increase the proportion of fixed-rate borrowings to mitigate the risk of interest rate volatility. These efforts aim to enhance the stability of funding sources, strengthen financial flexibility, and improve overall operational resilience.

2025 Credit Rating

Rating Agency

Taiwan Ratings	Fitch Ratings
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Credit Rating

Long-Term

twAA-	AA (twn)
-------	----------

Short-term

twA-1+	F1+(twn)
--------	----------

Rating Outlook

Negative	Stable
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Effective Date

2025/04/24	2025/04/14
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6.3.1_Business Performances

Operating Revenues

Parent Company Only

Unit: 1,000 TWD	2023	2024	2025
Sales Revenue	191,708,554	187,490,138	162,310,425
Service Revenue and Others	5,440,604	6,055,370	4,714,454
Total Operating Revenues	197,149,158	193,545,508	167,024,879

Consolidated

Unit: 1,000 TWD	2023	2024	2025
Sales Revenue	335,681,275	325,832,085	278,953,466
Service Revenue and Others	27,645,223	34,703,629	38,201,798
Total Operating Revenues	363,326,498	360,535,714	317,155,264

For more details [Green Revenues] https://www.csc.com.tw/csc_e/esg/env/env8.html
[Financial Information] https://www.csc.com.tw/csc_e/ss/fin/fin.html

Operating Expenditure

Parent Company Only

Unit: 1,000 TWD	2023	2024	2025
Operating Costs	190,093,873	182,607,617	160,292,232
Operating Expenses	7,259,043	7,445,226	7,160,907
Total Operating Expenditure	197,352,916	190,052,843	167,453,139

Consolidated

Unit: 1,000 TWD	2023	2024	2025
Operating Costs	346,553,753	345,474,550	308,130,007
Operating Expenses	13,186,803	13,269,169	12,929,335
Total Operating Expenditure	359,740,556	358,743,719	321,059,342

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	2023	2024	2025
Total non-operating income and expenses	2,345,935	(614,685)	(4,384,068)

Consolidated

Unit: 1,000 TWD	2023	2024	2025
Total non-operating income and expenses	1,004,152	2,785,570	(780,618)

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

Net Profit

Parent Company Only

Unit: 1,000 TWD	2023	2024	2025
Profit (Loss) before Income Tax	2,107,226	2,849,843	(4,754,172)
Net Profit (Loss)	1,681,679	1,978,352	(4,349,185)

Consolidated

Unit: 1,000 TWD	2023	2024	2025
Profit (Loss) before Income Tax	4,590,094	4,577,565	(4,684,696)
Net Profit (Loss)	3,531,205	3,875,988	(3,506,701)

Surplus Distribution

In 2025, the amount of distributable earnings was 5.622 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 0.15 TWD per common share. Dividend distribution and return on investment over the past three years are as follows:

Unit: TWD	2023	2024	2025
Earnings (Loss) Per Share	0.11	0.13	(0.29)
Cash Dividends	0.35	0.33	0.15
Return on Equity (%)	0.54	0.65	(1.46)
Price-to-Earnings Ratio	257.45	179.00	(68.83)
Price-to-Dividend Ratio	80.91	70.52	133.07
Cash Dividend Yield (%)	1.24	1.42	0.75

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

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 the Company's long-term investment value. Furthermore, the Company periodically discloses information on its financial position, business performance, and corporate governance on the corporate website and the Market Observation Post System, fulfilling its responsibility and obligation for transparent information disclosure and protecting 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 2025, the amount of the tax credit applied for R&D expense was 22.92 million TWD.

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

6.4_Risk Management

6.4.1 _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

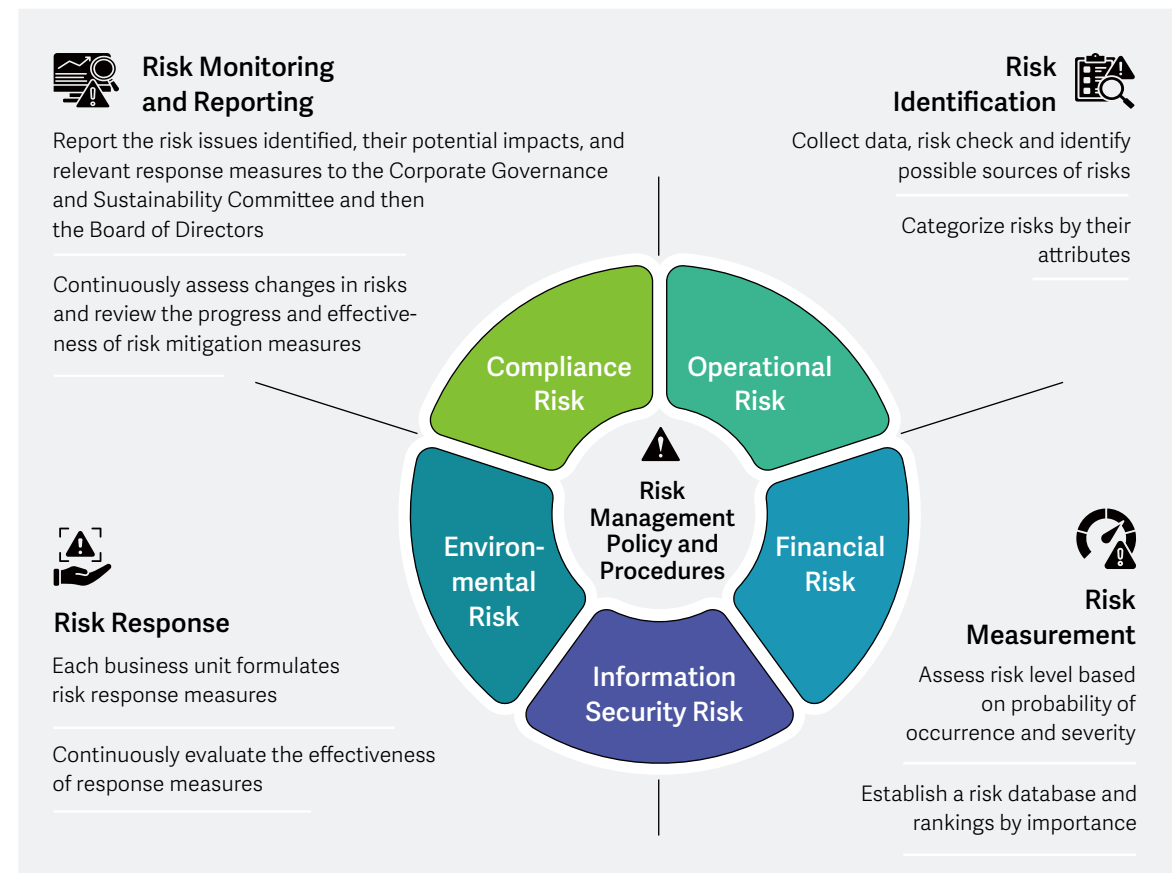


For the purpose of stable operations and sustainable development at CSC, the Board of Directors approved the establishment of the "Risk Management Policy and Procedures" as the highest guiding principle for risk management. In accordance with the risk management policy and procedures, business units 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.



For more details [China Steel Corporation Risk Management Policy and Procedures]
[https://www.csc.com.tw/csc_c/cg/pdf/G10212\(1091228\).pdf](https://www.csc.com.tw/csc_c/cg/pdf/G10212(1091228).pdf)

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 risk issues are then submitted to senior management for evaluation based on their likelihood and severity. 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.



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

6.4.2 Results of the risk assessment

According to the 2025 risk factor assessment, items categorized as high-risk include greenhouse gas emission restrictions or rising emission costs, as well as reduced or lost demand resulting from tariff policies and export restrictions driven by protectionism. Additionally, 9 medium-risk and 31 low-risk items were identified. For all identified and analyzed risks, relevant departmental personnel are responsible for formulating and executing the corresponding risk management strategies and action plans.

Based on the collection of relevant internal and external information on emerging risks, a total of 6 emerging risk issues and their potential impacts were identified in 2025 and the impact of each issue was assessed by management. Survey results indicate that CSC has identified three primary emerging risks requiring prioritized attention: "greenhouse gas emission restrictions or rising emission costs," "reduced or lost demand resulting from tariff policies and export restrictions driven by protectionism," and the "deterioration in corporate labor structure."

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

Aspect Environment	
Type Climate Risk	
Control strategies and measures	Potential risk Greenhouse gas emission restrictions or rising emission costs ▲ ★ - CSC established the CSC Task Force on Energy Saving & Carbon Reduction and Carbon Neutrality in 2021 to define a clear carbon-neutral transition roadmap and implementation framework through short-, medium-, and long-term goals and phase-specific strategies. - The short-term carbon reduction strategy focuses on expanding renewable energy adoption and enhancing energy efficiency. By proactively executing energy conservation and carbon reduction initiatives, CSC aims to achieve substantive emission reductions to achieve the goal of reducing carbon fee expenses. - In alignment with the domestic carbon fee collection system, CSC has submitted a self-determined reduction plan. By securing preferential rates to reduce carbon fee expenses, CSC can effectively mitigate the financial impact of related regulations on its overall operations.
	Potential risk Increase in acute and chronic climate-related risks ★ - Production facility protection: Enhance the disaster-resilient design of structural architecture and install flood barriers, drainage systems, and redundant power supplies. - Business continuity planning: Implement disaster response and recovery protocols across all departments and establish remote work mechanisms to ensure uninterrupted production operations. - Employee safety and support: Establish an early warning notification system, provide emergency transportation logistics and evacuation guidelines, and implement flexible working hours during disaster impact

Aspect Economy/Governance	
Type Geopolitics	
Potential risk Reduced or lost demand resulting from tariff policies and export restrictions driven by protectionism ▲★	
Control strategies and measures	▶ Regarding domestic sales, CSC assists downstream manufacturers in navigating geopolitical impacts to enhance their competitiveness by offering diversified projects and integrated support services. Furthermore, CSC precisely targets high-end product demand to optimize its overall order structure. ▶ In terms of export sales, CSC diversifies market risks by expanding its automotive customer base and dynamically adjusting production and sales allocations in response to geopolitical shifts. By leveraging the strategic advantages of its overseas locations, CSC provides flexible material supply alternatives. Concurrently, CSC proactively explores opportunities in emerging markets and seeks stable logistics solutions to minimize ocean freight costs.
Potential risk Increased regional terrorism and armed threats leading to logistical and operational disruptions ★	
Control strategies and measures	▶ CSC maintains close communication mechanisms with mining partners to secure early market warnings and leverages the hinterlands of transshipment ports to establish strategic raw material reserves. Simultaneously, CSC is actively investing in new supply resource sources to bolster supply chain resilience. ▶ In response to the anthracite shortage resulting from the Russia-Ukraine War, CSC has flexibly adjusted its production strategies, such as reducing the small coke rate in blast furnaces or procuring fine coke as an alternative, to ensure a stable supply of raw materials and uninterrupted production.
Type Labor Relations	
Potential risk Deterioration in corporate labor structure ★	
Control strategies and measures	▶ Talent recruitment and retention: Attract emerging talent and improve the retention rate of new hires through diversified recruitment channels, campus outreach programs, and structured mentorship systems. ▶ Knowledge transfer and cultural integration: A dedicated knowledge management platform has been established to facilitate technical inheritance. Additionally, CSC organizes cultural alignment workshops to promote cross-generational communication and the seamless transfer of experience. ▶ Competency enhancement and operational safety: To optimize efficiency, CSC promotes digital transformation training. Furthermore, regular electromechanical and industrial safety education is conducted to ensure operational professionalism and proactively prevent occupational hazards.

Type Social Risk	
Potential risk Misinformation and disinformation ★	
Control strategies and measures	▶ CSC maintains seamless communication channels with competent authorities and actively monitors market sentiment in real-time. In the event of false information or erroneous reporting, it promptly consolidates accurate internal data to issue material information disclosures, engage in media relations, or provide transparency via the official website. These actions ensure information symmetry, and safeguard CSC’s corporate reputation.

Note: Disclosed emerging risks are the top three selected by executive management based on likelihood and severity.

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

6.4.3 _Information Security

(I) Information security governance and management

CSC established the Information Security Committee in December 2020. Under this committee, specialized Task Forces, including Security Technology and Monitoring Task Force; and Risk assessment and Compliance Task Force& Executive Secretary Task Force, were formed to oversee the formulation, execution, and risk management of information security policies. The committee convenes quarterly to review critical security issues, ensuring the effective operation and continuous optimization of the information security management mechanism.

Regarding the management mechanism, CSC adheres to international standards such as ISO/IEC 27001 and the NIST Cybersecurity Framework (NIST CSF) to build a comprehensive security infrastructure covering physical environments, system operations, and data protection. Through measures such as information asset inventory and risk assessment, business impact analysis, continuous monitoring, and business continuity drills, CSC strengthens its overall information security resilience and response capabilities, while integrating cybersecurity awareness into daily operations to progressively establish an information security culture. In 2025, CSC successfully passed the ISO/IEC 27001:2022 certification reassessment, demonstrating its commitment to meeting international standards for information security.

In terms of supply chain management, CSC incorporates information security clauses into information outsourcing contracts and requires vendors to execute non-disclosure agreements to mitigate outsourcing risks and ensure the security of confidential information. At the same time, by joining the Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC) and regularly convening CSC Group Information Security Joint Defense Meetings, CSC strengthens threat intelligence sharing and the exchange of protective expertise. These efforts continuously improve the maturity of overall information security governance and protection effectiveness, advancing toward the goals of security, resilience, and sustainable development.



(II) Specific management measures for information security protection:

Multi-level information security protection	
Network security	● Incorporate advanced technology to perform computer scans as well as system and software updates. ● Enhance network firewall and control to prevent the spread of computer viruses. Incorporate the “traffic scrubbing service” to prevent distributed denial-of-service (DDoS) attacks.
Device security	● Incorporate DNS defense mechanisms to intercept suspicious website connections, ensuring the security of the Company’s computer network connection. ● Establish endpoint antivirus and endpoint detection and response (EDR) measures according to computer and business type to reinforce detection and protection of malware behavior. ● All new computers must be installed with protection software and undergo virus scans in the quarantine zone before they can be deployed.
Application security	● Establish a web application firewall to block network threats and protect website security. ● Build an application security testing mechanism and integrate it into the development process and platform.
Data security	● USB storage media control ● Email control
Business continuity plan (BCP)	● Conduct a business continuity drill of the information system annually to safeguard critical business operations, and protect the information operations activities of the Company from disruptions caused by major disasters, man-made damage, or equipment failures.
Third-party information security risk management	● Conduct the security risk assessments on IT vendors during the purchase process, and contractors are required to comply with the confidentiality and information security addendum to the contract. ● Introduce the security risk rating system to rate and monitor important IT vendors and require continuous improvement.
Review and continuous improvement	
Education and training	● Raise employees’ vigilance against e-mail social engineering attacks and perform social engineering simulation exercises. ● Conduct information security training for employees on a regular basis to enhance employees’ information security awareness.
Policy compliance	● The Information Security Policy and related regulations stipulate the requirements to be followed by employees. Any violations will be addressed in accordance with the Company’s Personnel Management System.

(III) Information security measure implementation results in 2025:

Policies	Maintained 33 information security management regulations and operational standards and revised 12 items in 2025.
Accredita-tions	CSC continuously passed the ISO/IEC 27001:2022 Information Security Management System (ISMS) audit in 2025; the certification will remain valid through January 5, 2028. Passed the ISO/IEC 27001:2022 Information Security Management System audit in 2025 and the certification remains valid. The certificate is valid from January 6, 2025 to January 5, 2028.
Training/ Promotion	Conducted information security training for new employees of 2025, with a total of 116 people trained, all of whom have completed the training and passed the examination.
	As of the end of 2025, a total of 13 people passed the iPAS (Industrial Professional Assessment System) Industry Talent Industry Talent Competency Assessment, Ministry of Economic Affairs – Junior Information Security Engineer.
	Organized an information security awareness session each month (12 sessions in total), covering updates on information security, vulnerability remediation, and important lessons on information security.
	Conducted an information security awareness training each year to strengthen employees' information security awareness.
	Held a group-scope joint cybersecurity defense meeting each quarter, covering information security awareness campaigns and themed educational training sessions.
Information security inspection	Rated A in the third-party information security risk rating system in 2025, which was higher than the average for the manufacturing industry peers (B).
	Conducted penetration testing and vulnerability scanning testing at 182 stations.
	Organized 4 e-mail social engineering simulation exercises annually, with a total of 2,000 people being sampled for the exercises.

For more details [information security policy] https://www.csc.com.tw/csc_e/esg/cg/is/is_pol.html

VALUE CREATION

7.1_ Product and Sales

7.2_ **Material Topic** Research Innovation

7.3_ **Material Topic** Quality Control and Customer Service

7.4_ Sustainable Supply Chain Management

7.5_ Intellectual Property Management

CHAPTER

7.1_

Product and Sales

7.1.1_ Major Products and Usage

The production of crude steel in 2025 was 7.61 million tonnes approximately, decreasing by 0.3 million tonnes compared to 7.91 million tonnes in 2024 and the decrease rate is about 3.8%. The productivity per capita was 822.62 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-cutting rod, 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	2023	2024	2025
Plate	81.3	83.5	83.9
Steel bar	39.8	42.1	35.5
Steel wire rod	87.0	90.3	88.6
Hot-rolled	219.1	216.5	224.2
Cold rolled	261.1	253.6	234.1
Slab	42.6	40.5	46.8
Cast iron	1.48	1.49	1.01
Total	732.4	727.9	714.1

7.1.2_ Product Sales

In 2025, the steel product sales volume totaled 7.38 million tonnes (Mt),with hot-rolled products accounting for the largest share at 32.74%, followed by cold-rolled/coated products at 31.94%. Among the total sales, domestic sales accounted for 57.87% (approximately 4.27 Mt), and export sales accounted for 42.13% (approximately 3.11 Mt). The major exporting markets included Southeast Asia, Europe, Japan and China.

Sales Distribution 2025 | Unit: 10,000 tonnes

	Domestic	Export	Total	Ratio (%)
Plate	81.1455	3.2539	84.3994	11.44%
Bar/Wire	116.2151	13.4414	129.6565	17.58%
Hot-rolled	115.9471	125.5291	241.4762	32.74%
Cold-rolled/ Coated	85.5080	150.1276	235.6356	31.94%
Others	28.0726	18.3757	46.4483	6.30%
Total	426.8883	310.7277	737.6160	100%
Ratio (%)	57.87%	42.13%	100%	-

Export Sales Distribution
by Foreign Regions 2025

Export Sales by Country	Quantity (10,000 tonnes)	Percentage (%)
 Japan	46.0278	14.81%
 Thailand	39.2985	12.65%
 Vietnam	37.3610	12.02%
 China (including Hong Kong)	25.3492	8.16%
 Italy	22.1321	7.12%
 Malaysia	19.0977	6.15%
 Indonesia	17.5034	5.63%
 India	14.1504	4.56%
 Mexico	13.6944	4.41%
 Belgium	9.5787	3.08%
 Spain	9.5344	3.07%
 United Kingdom	7.6526	2.46%
 Republic of Korea	7.0807	2.28%
 Germany	6.1258	1.97%
Others	36.1410	11.63%
Total	310.7277	100%



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 2025 was approximately 3.409 million tonnes, which did not reach the annual target (3.741 million tonnes). The sales ratio was 49.6%, also below the annual target of 50.3%. The shortfall was mainly attributable to the impact of tariffs, trade protection measures, and weak end-market demand.

The 2025 results for premium steel development include: Weather-resistant plate "A709 GR.50W/HPS 70W" was applied in steel bridge structures to extend service life and reduce maintenance costs. "CSC PA400H and PA450H Ultra-Thin Wear-Resistant Steel Plate" was used in ore skips and machinery wear-resistant components. "High Recycled Content RC60 (Recycled Content 60%) Wire Rod for Fasteners" were applied in machine bolts, expansion bolts, and Decathlon bicycle components. "Low-Slag Welding Wire Rod LSE70-1" was used in electro-deposition products. "Hot Rolled Steel Coil RC30 (Recycled Content 30%) for Tinsplate Use" was applied in electronic components. "CUST KSM SAPH 620 Hot-Rolled High-Strength Steel Thick-gauge Coils for Automotive Use" were supplied to domestic customers for the production of truck girders. "High-Silicon Cold-Rolled DP780 Dual-Phase Steel" was applied in automotive structural components. "Galvanized Ultra-Low Carbon IF Steel with High Recycled Content RC30 (Recycled Content 30%)" obtained the "Certificate of Green Recycled Product" and established a proven track record in automotive door ring outer panel applications. "High-strength thin-gauge electrical steel" was used in new energy vehicle motors manufactured by major automakers (including Tesla, PORSCHE, Volkswagen 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	2021	2022	2023	2024	2025
Sales Volume (10,000 tonnes)	467.8	429.2	360.7	370.2	340.9
Sales ratio	56.1	55.8	49.8	51.8	49.6

Material Topic



7.2_ Research Innovation

2025 Highlights

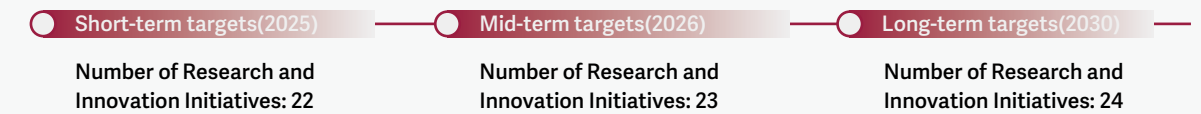
CSC achieved outstanding R&D results in 2025, completing a total of 37 new product development projects, of which 17 were categorized as advanced premium steel. The sales ratios for Advanced Premium Steel and Premium Steel reached 11.5% and 49.6%, respectively.

Furthermore, the Technology Division submitted a total of 181 patent proposals in 2025, covering forward-looking fields such as steel products and manufacturing processes, steel industry upgrades, and the Artificial Intelligence of Things (AIoT).

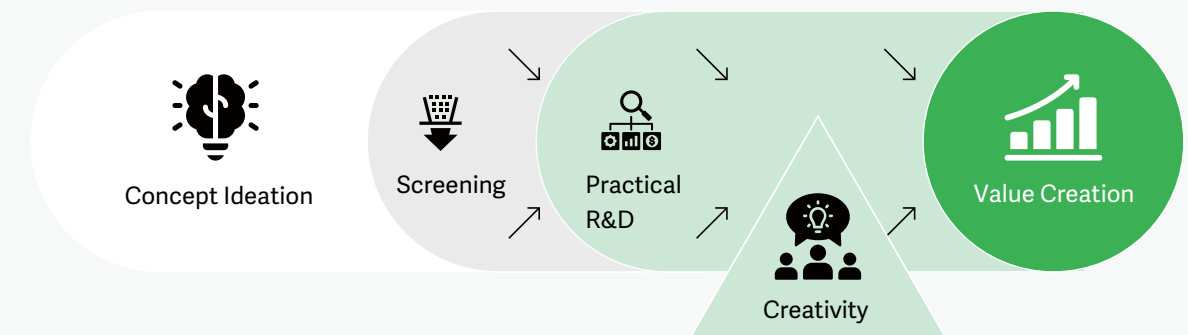
Smart low-carbon blast furnace burdening: CSC has established four key technologies, optimizing sinter basicity, softening and melting tests, and implementing burden distribution simulations, to reduce carbon emissions in the ironmaking process, with an annual carbon reduction potential of 1.3 million tonnes.

Tandem rolling technology for high-grade electrical steel: In response to forward-looking AI applications such as electric transport vehicles, robotics, and drones, CSC has developed five innovative technologies to comprehensively enhance the stability and precision quality of thin-gauge rolling.

Targets



Policy or Commitment



CSC upholds the “5I” R&D philosophy — gathering

INFORMATION	TO MASTER TRENDS
IMAGINATION	TO ENVISION THE FUTURE
IDEATION	TO SPARK SOLUTIONS
INNOVATION	TO ACHIEVE TECHNICAL BREAKTHROUGHS
finally, ensuring	
IMPLEMENTATION	TO REALIZE TANGIBLE VALUE

CSC upholds the “5I” R&D philosophy: gathering “Information” to master trends, utilizing “Imagination” to envision the future, fostering “Ideation” to spark solutions, driving “Innovation” to achieve technical breakthroughs, and finally, ensuring “Implementation” to realize tangible value. With innovation as our core driver, we are committed to extending the impact of our R&D beyond internal production to the entire value chain, anchoring our commitment across three strategic axes of sustainability:

① Leading green steel and creating sustainable value

We are committed to developing Advanced Premium Steel through our “5I” process, empowering downstream supply chains to achieve low-carbon transformation and enhanced competitiveness.

Scope: Focusing on premium and high-performance steels for precision processing, hand tools, structural applications, and cross-generational automotive components, and ultra-efficient electrical applications.

Objective: To provide High Value-Performance (VP) products, translating R&D excellence into tangible carbon reduction benefits and strategic market advantages for customers.

② Driving smart manufacturing and establishing digital logistics frontiers

We are committed to implementing forward-looking smart technologies within our existing production units, strengthening both operational resilience and workplace safety through innovative outcomes.

Scope: Developing of autonomous overhead cranes, implementing generative AI powered by knowledge graphs, and deploying intelligent firefighting systems for indoor stockyards.

Objective: To overcome technical bottlenecks, reduce costs, and enhance production efficiency while ensuring personnel safety, ultimately establishing a benchmark for smart steel plants.

③ Advancing low-carbon technologies to fulfill net-zero commitments

We are committed to proactively addressing the impacts of climate change by extending our R&D scope to environmental performance and accelerating the development of breakthrough decarbonization technologies.

Scope: Advancing low-carbon ironmaking for blast furnaces, refining carbon capture and utilization from byproduct gases, developing low-energy carbon capture (CCUS), demonstrating of hydrogen/ammonia co-firing technology for industrial furnaces.

Objective: To reduce the carbon footprint of production processes, develop low-carbon application technologies, and mitigate operational risks, leading the steel industry toward a net-zero future.



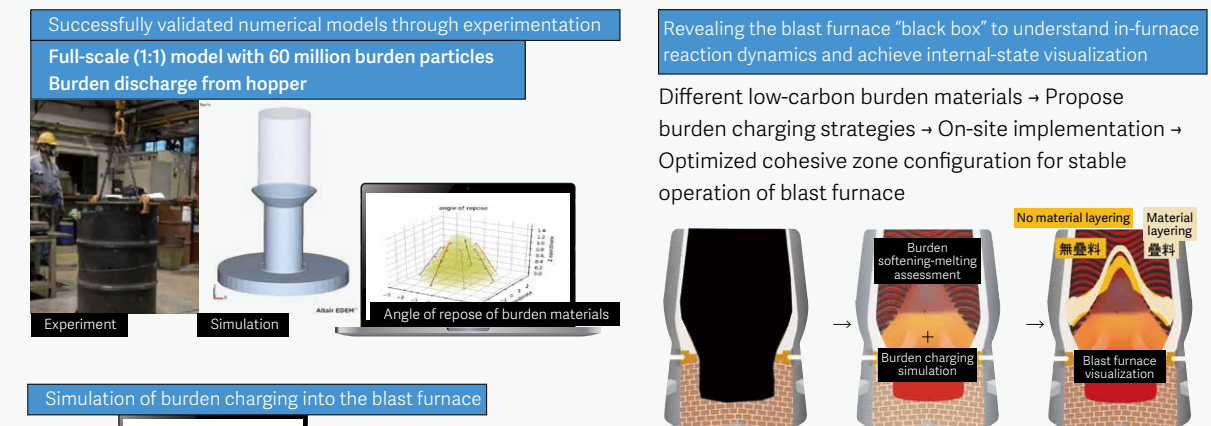
Action Plan and Implementation Results

Smart low-carbon burden design: Development of carbon reduction technologies for blast furnaces

The ironmaking process is the primary source of CSC’s carbon emissions, and the hot metal produced by blast furnaces serves as the core raw material for the steelmaking process. To address this, CSC is actively developing four key innovative technologies focused on reducing emissions within the blast furnace process. By effectively lowering overall carbon emissions at the source, these initiatives drive the realization of CSC’s carbon reduction goals.

① Optimization of sinter basicity Establishing sinter specifications for stable operation of blast furnace.	② Softening-melting test of Blast furnace burden Determining optimal burden design.	③ Particle flow simulation of blast furnace burden simulation Proposing optimal burden charging strategies.	④ Smart system of burden design Achieving rapid and precise calculations to for enhanced burden flexibility.
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Used EDEM simulation software to determine the burden distribution conditions that optimize softening-melting characteristics.



Plan benefits

This action plan has delivered significant outcomes in achieving substantive carbon reduction, mitigating carbon fee expenditures, and lowering molten iron costs.

1.3 million tons	400 million TWD	1.7 billion TWD
Carbon reduction potential (year)	Carbon fee savings (year)	Reduction of molten iron cost (year)

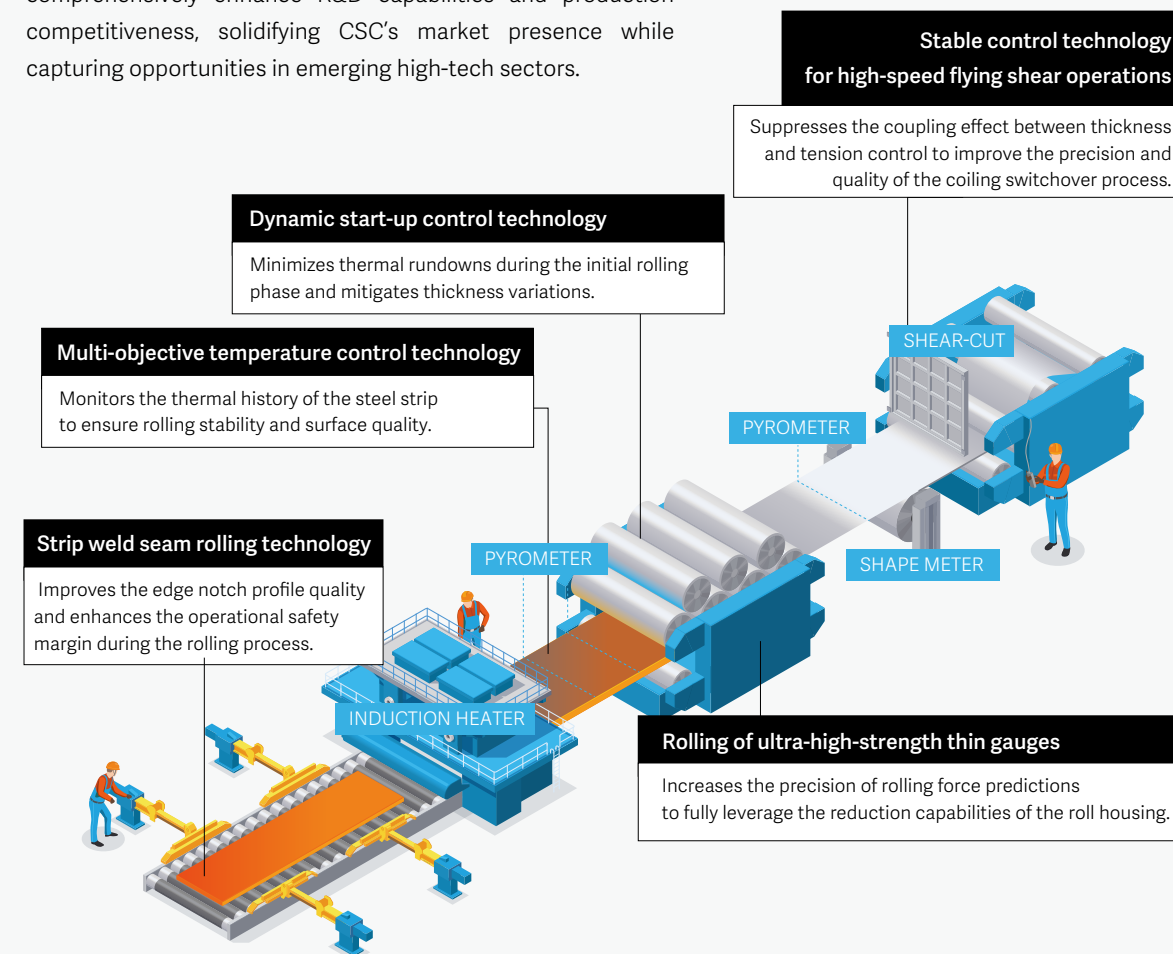
Note: Calculated based on a carbon fee of 300 TWD per tCO₂e.



Development of tandem rolling technology for high-grade electrical steel

As demand for premium electrical steels continues to rise, the application of electric motors is experiencing explosive growth, leading to increasingly intensified market competition. The application landscape for electrical sheets has expanded beyond e-mobility into forward-looking AI-driven industries, including humanoid robotics and drones,

representing immense market potential. In response to these growth opportunities, CSC is actively developing five innovative production technologies. These advancements are designed to comprehensively enhance R&D capabilities and production competitiveness, solidifying CSC's market presence while capturing opportunities in emerging high-tech sectors.



Plan benefits



Technology establishment

Developed 5 key technologies, successfully ushering in a new era of top-tier, continuous warm rolling for electrical steel

Enhanced mill cutting capacity, enabling the continuous rolling production of 0.25 mm top-tier electrical steel, and established a production capability for ultra-wide 1360 mm top-tier sheets

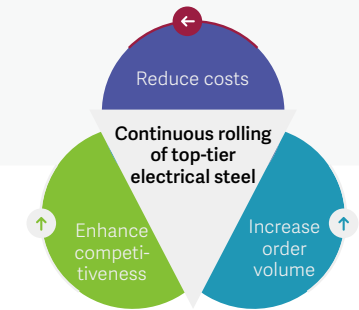


Application value

Comprehensively improved production efficiency and significantly reduced costs, yielding an annual benefit of

170 million TWD

Technology will be transferred to the 2PLCM, with the goal of challenging 0.2m ultra-thin, top-grade electrical steel



Development of low energy carbon capture and utilization technologies

Carbon capture and storage serve as one of CSC's core strategies for long-term, large-scale decarbonization. Under the mandate of the MOEA, CSC has been tasked with advancing carbon capture in collaboration with CPC Corporation and Taipower. However, as carbon capture is highly energy-intensive, CSC has developed low energy-consuming carbon capture technologies. Before the storage environment matures, CSC has established CO₂ utilization in converter bottom-blowing technology to achieve CO₂ reuse. The R&D results are as follows:

- Development of long-lasting absorbents**
Increases the operating time by 15% to achieve a carbon dioxide capture rate of over 90%, thus extending service life; and tests have shown that it has no corrosive effect on equipment.
- Carbon capture from flue gas stability process and energy-saving technology**
Established a process model and developed dynamic operation guidelines, successfully reducing regeneration energy consumption from 3.43 to 3.24 GJ/tCO₂.
- Development of integrated sinter waste heat recovery**
Completed the design for the sinter heat recovery system and reinforcement plan; expected to increase net steam production by 105,000 tonnes/year, further reducing the steam cost required for carbon capture and improving net carbon capture benefit.
- Establishment of basic oxygen furnace CO₂ bottom-blowing process technology**
Analyzed bottom-blowing thermal/kinetical mechanisms to formulate control strategies; basic oxygen furnace testing proved CO₂ can be effectively converted into CO, achieving in-plant recycling feasibility with no significant impact on metallurgical results.



Carbon Capture Pilot Plant

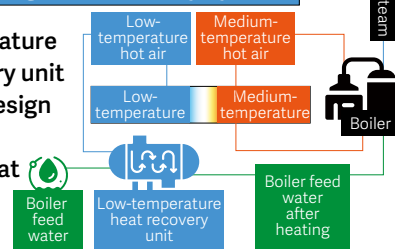


constructed: 113.09
capture rate $\geq 90\%$
heat duty
 $\leq 3.3 \text{ GJ/tCO}_2$

Steam to pilot plant

Design of Sintering Heat Recovery System

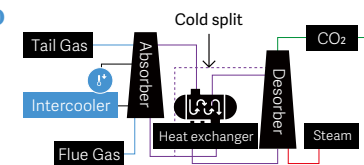
- Low-temperature heat recovery unit optimized design
- Integrated design of heat recovery system



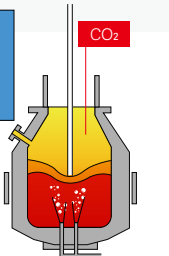
Energy-saving technology development

Intercooler process, energy-saving

>5%

CO₂ blowing technology from the bottom of basic oxygen furnace (BOF)

- CO₂ bottom-blowing mechanism
- CO₂ bottom-blowing control technology and field verification



Plan benefits

As previously mentioned, the regeneration energy consumption of the carbon capture from flue gas process has been reduced from 3.43 to

3.24 GJ/tCO₂

Additionally, basic oxygen furnace CO₂ bottom-blowing can increase the LD-converter gas CO yield, with an expected carbon reduction of

12,000 tonnes per year upon implementation.

Combined with the future production of 105,000 tonnes of steam per year from sinter heat recovery, this will further reduce carbon capture costs.

Material Topic



Corresponding UN SDGs



7.3 _ Quality Control and Customer Service

2025 Highlights

Expanded the India product certification scope to IS 18316 (HR for ES), extended the Indonesia SNI certification scope to include cold-rolled and galvanized products, and obtained the ISO 9001 certificate issued by an EU certification body.

Expanded the UL 2809 Recycled Content Validation across multiple product types, including Wire Rod and Bar RC60 (Recycled Content 60%), Hot Rolled Steel Coil RC20/RC30, Cold Rolled Steel Coil RC60/RC90, Zinc Coated Steel Coil RC30/RC60/RC90, and Electrical Steel Coil RC30.

Achieved a 100% compliance rate for hazardous substance content in steel products for 13 consecutive years.

Trained a cumulative total of 677 personnel on the hazardous substance management system, achieving a training completion rate of 93.89%.

A total of 10 technical seminars were held in 2025.

To assist downstream partners in upgrading, 14 projects were completed to strengthen industrial services and enhance customer processing capabilities.

Targets

Short-term 2026

Expanded the scope of product quality certificates in different countries ≥ 2

Achieved a 100% compliance rate for hazardous substance content in steel products

Completion of education and training on the hazardous substance management system $\geq 89\%$

Achieved a customer satisfaction score of ≥ 78 from domestic and export sales

Mid-term 2028

Expanded the scope of product quality certificates in different countries ≥ 2

Achieved a 100% compliance rate for hazardous substance content in steel products

Completion of education and training on the hazardous substance management system $\geq 90\%$

Long-term 2030

Expanded the scope of product quality certificates in different countries ≥ 3

Achieved a 100% compliance rate for hazardous substance content in steel products

Policy or Commitment

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.



Action Plan | Safe Products, Empowered Personnel

Product certification

CSC has obtained product certifications across multiple regions, including Japan, Malaysia, India, Thailand, Vietnam, Indonesia, the European Union, and South Korea. Furthermore, CSC has secured the Taiwan CNS Mark and UL 2809 Recycled Content Validation. With a product portfolio spanning steel plates, wire rods, hot-rolled coils, cold-rolled coils, and galvanized products, CSC provides overseas customers with fully compliant products and a strategic niche for seamless customs clearance, significantly enhancing the competitiveness of its exported steel in global markets.

The primary focus of product certification in 2025 was the JIS Mark triennial maintenance audit conducted by the Japan Quality Assurance Organization, JQA, from September to October. This audit was successfully completed, ensuring that all certified products remain authorized to use the JIS Mark.

Furthermore, to promote the application of high-recycled content steel and enhance production scheduling flexibility, CSC underwent an on-site audit by TISI in November. Following the audit, TISI confirmed that CSC maintains robust oversight, management, tracking, and identification mechanisms for DSC (Dragon Steel Corporation) semi-finished products. Consequently, TISI has approved the use of DSC semi-finished products for certified orders. This milestone will significantly improve production scheduling flexibility and facilitate the expansion of products with high-recycled content into the Thai market.

Hazardous substance management training and education

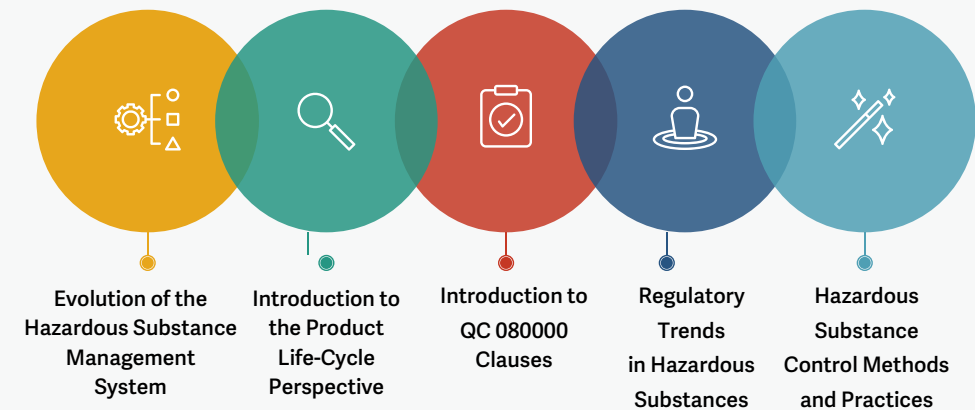
To achieve Hazardous Substance Free (HSF) targets and ensure operations comply with IECQ QC 080000 standards, CSC regularly plans and implements training courses to keep personnel informed of the latest international regulatory changes and related response measures.

The training primarily targets departments involved in the process management of hazardous substances within the steel product system, including Level 1, 2, and 3 managers and all technical staff. The "QC 080000 Hazardous Substance Management System" curriculum consists of a three-hour course. Key course content includes: Hazardous substance restriction regulations and development trends, control methods and practices, the operating model and evolution of the Hazardous Substance Management System, and an introduction to the QC 080000 clauses. The training aims to equip trainees with the professional capabilities required to promote and implement hazardous substance process management. In addition, we have introduced an online learning system to provide a flexible, 24-hour learning environment. By combining audio-visual materials with interactive assessments, the system facilitates self-paced learning and review for personnel across multiple sites and remote locations.

Since the inception of this training course, a total of 677 personnel have successfully completed the training, accumulating 2,031 training hours, with online course engagement totaling 856 hours. The average training completion rate for the year reached 93.89%. Through this training, we strengthen our regulatory compliance and risk management capabilities, promote the sustainable development of the supply chain, and lay a solid foundation for the continuous advancement of hazardous substance management.



Hazardous Substance Management System Course



Implementation results

There were no incidents of non-compliance concerning with the health and safety impacts of products and services in 2025.





Action Plan | Fast and User-Friendly: Partnering in Progress

To accelerate customer service, all transaction processes are managed through CSC's E-commerce (Supply Chain Management) system. Key operations, including obtaining quotations, establishing sales contracts and order line items, managing unit pricing and contract values, tracking production progress and completion notifications, and handling logistics and payments, are fully digitized. This electronic integration accelerates the transmission of customer requirements across all departments, ensuring the seamless fulfillment of every commitment.

Regarding the protection of customer rights, CSC strictly adheres to the Personal Data Protection Act and mandates that all employees fulfill their confidentiality obligations: Beyond conducting internal briefings and requiring personnel to undergo specialized training and testing, CSC utilizes customer satisfaction surveys (*) to refine its services from the perspective of various stakeholders, ensuring these standards are internalized in the daily routines of all sales teams.

(*) Customer satisfaction surveys are conducted annually. Feedback is collected via questionnaires or telephone interviews and distributed to the relevant internal departments for clarification and the formulation of improvement plans. The Production and Sales Information Section (C53) then compiles a summary report. These results are shared with domestic and overseas customers during the following year's survey cycle and are published on CSC's mobile sales portal.

If customers require an urgent response, they may contact CSC via telephone, LINE, or email. Upon receiving an inquiry, the Sales Department will confirm the status within two working days and forward the matter to the appropriate department based on the nature of the case. Subsequently, within 5 to 7 working days, the Sales Department will provide a preliminary response based on the information gathered from the relevant departments, followed by continued tracking according to customer needs or internal progress.

CSC provides diverse communication channels, including a customer service email, a customer service hotline, and the aforementioned customer satisfaction surveys. These surveys include open-ended questions to offer customers a more flexible way to express their feedback. Furthermore, CSC e-Sales+ incorporates age-friendly design features, allowing users to enlarge webpage text and zoom in without disrupting the page layout.

Senior-friendly

Click this button to hide the left column, enlarging the query screen and preventing the layout from shifting when the webpage is zoomed in.

Customers can enlarge the webpage text size as needed.



▲ Seminar on Automotive Steel and Aluminum Application Technologies

Technical services

CSC conducts demand surveys for new products and executed quality function upgrades through the analysis of industry-specific material consumption and market trends. To strengthen industrial services and assist downstream partners in upgrading, CSC continues to drive cross-departmental initiatives through its "Industrial Service Team." By leveraging technical service research and diagnostics, CSC deeply explores industry demands and consolidates common technical challenges and specialized service

needs across downstream sectors, aiming to enhance overall industrial competitiveness.

To elevate the level of domestic steel technology, CSC collaborates annually with the CSC Group Education Foundation, Corporate Synergy Development Center, Taiwan Steel and Iron Industries Association, and the Chinese Institute of Mining and Metallurgical Engineers. Depending on the specific theme, these organizations invite relevant domestic academic institutions, research centers, and industry associations to jointly host technical seminars. This initiative provides a premier platform for interaction and knowledge exchange among industry peers, receiving widespread acclaim and recognition across the sector.



Implementation results

- Over the past two years, the domestic customer satisfaction score increased from 76.9 in 2024 to 81.0 in 2025, representing a **+5.3%** growth.
- A total of 3 customer service inquiries via the company mailbox were successfully processed in 2025.
- Handled customer telephone inquiries in a timely manner, facilitating a smooth ordering process for customers.
- Held 10 technical seminars in 2025 to enhance customers' steel application knowledge and technical capabilities, emphasizing practical training content while promoting advanced premium steel.
- Submitted 9 market quality feedback reports in 2025, effectively driving continuous quality improvement within the production plants.
- Completed 14 initiatives aimed at strengthening industrial services and enhancing customer processing capabilities to assist downstream partners in upgrading, while continuing to drive cross-departmental operations via the "Industrial Service Team."
- Consolidated 4 common technical solutions and 6 specialized services for downstream sectors in 2025, which included: establishing an in-mold curing platform for electrical steel, developing AI-driven heat treatment analysis and smart optimization technologies, promoting high-recycled-content steel, and developing high-strength steel for slide rail use for servers.



▲ Seminar on Automotive Steel and Aluminum Application Technologies



▲ 2025 Steel Engineering Technical Seminar

For more details

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

[Certificates] https://cscqs01.csc.com.tw/qs_home/cts/web/index/en/cert.html

[Customer Technical Services] https://www.csc.com.tw/csc_e/esg/soc/soc5.html

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

Environmental Product Declaration
In accordance with ISO 14025:2006 and EN 15954:2012+A2:2018/AC:2021 A1
Cold Rolled Coil
By **China Steel Corporation (CSC)**

2025.10.30 Obtained EPDs for plates, hot- and cold-rolled coils, hot-dip galvanized coils, and electrical steel coils (the cold-rolled coil EPD is shown here as a representative example).

Featured case

CSC's five core products obtained Environmental Product Declarations from two major certification platforms

In response to global carbon reduction trends and to meet the expectations of international customers, CSC actively promotes third-party Environmental Product Declarations (EPDs). Since international green building standards, such as BREEAM in the UK and DGNB in Germany, have incorporated EPDs as primary evaluation criteria, and major global steelmakers like ArcelorMittal and POSCO have already obtained them, acquiring this certification is critical for CSC to scientifically quantify product life cycle environmental impacts and ensure international competitiveness.

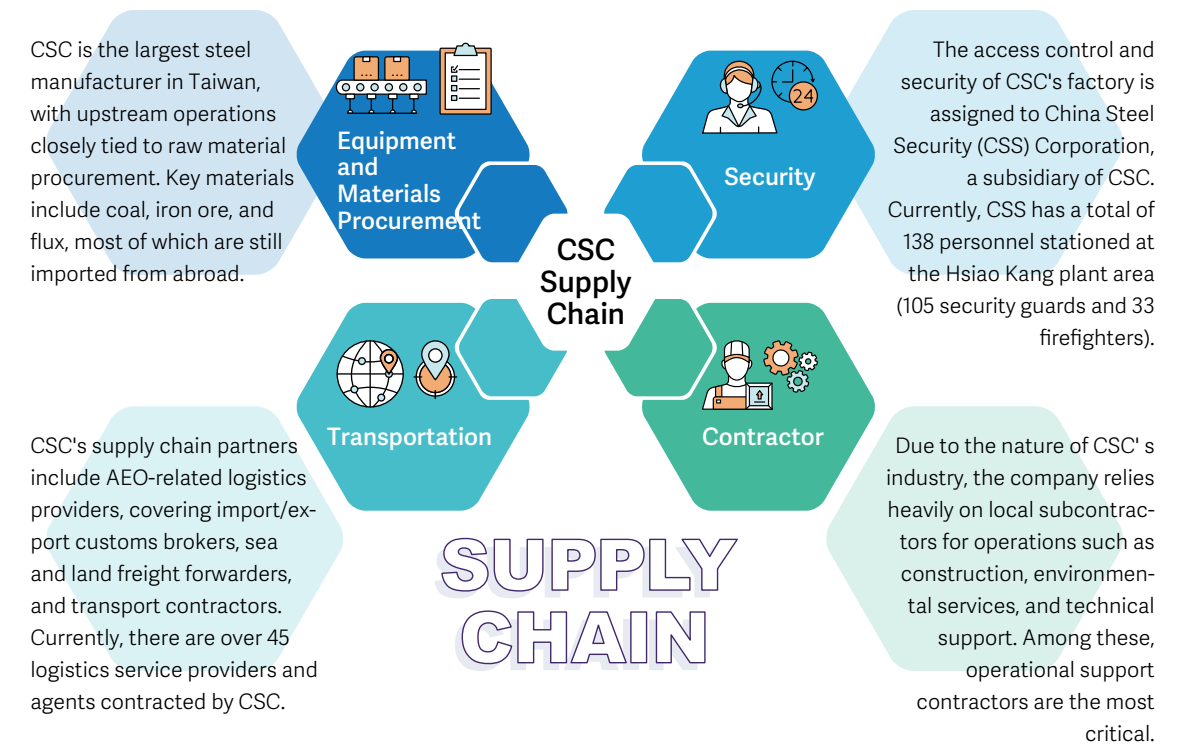
At the beginning of 2025, CSC initiated data collection and environmental footprint analysis for Type III EPD, gradually adopting the EPD system. On October 30, 2025, CSC's five core products (including plates, hot- and cold-rolled coils, hot-dip galvanized steel, and electrical steel coils) obtained EPDs from two major accreditation platforms, UL Solutions and The International EPD System, demonstrating CSC's commitment to aligning with global green supply chains and advancing its green transformation.

7.4_

Sustainable Supply Chain Management

7.4.1_ 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.



7.4.2_ 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 2025, a cumulative total of 4,038 suppliers had acknowledged and agreed to the Code of Conduct. In 2025, 100% of newly onboarded suppliers agreed to comply with the Supplier Code of Conduct.

In order to enhance supply chain management, CSC has incorporated anti-bribery clauses into contracts with its suppliers. 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. In 2025, a total of 1,245 suppliers accepted the "CSC Anti-Bribery Contract Clauses," while 792 suppliers accepted the "CSC Anti-Corruption and Anti-Bribery Policy." In accordance with the Purchasing Department Directions for Violation of Integrity Principles by Vendors, no suppliers were suspended from business relations due to violations of integrity principles in 2025.



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." China Steel Security (CSS) Corporation 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.

URL: <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

[CSC Anti-Corruption and Anti-Bribery Policy] https://www.csc.com.tw/csc/esg/pdf/cg2_1_1.pdf



7.4.3_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.

As of 2025, on-site interviews were conducted with eight major raw material to assess whether they complied with CSC's Supplier Code of Conduct, including alignment with the Company's ESG policies. Suppliers were also requested to provide explicit responses to support risk assessments conducted on their companies. The process was as follows:



Results of Supply Chain Audits

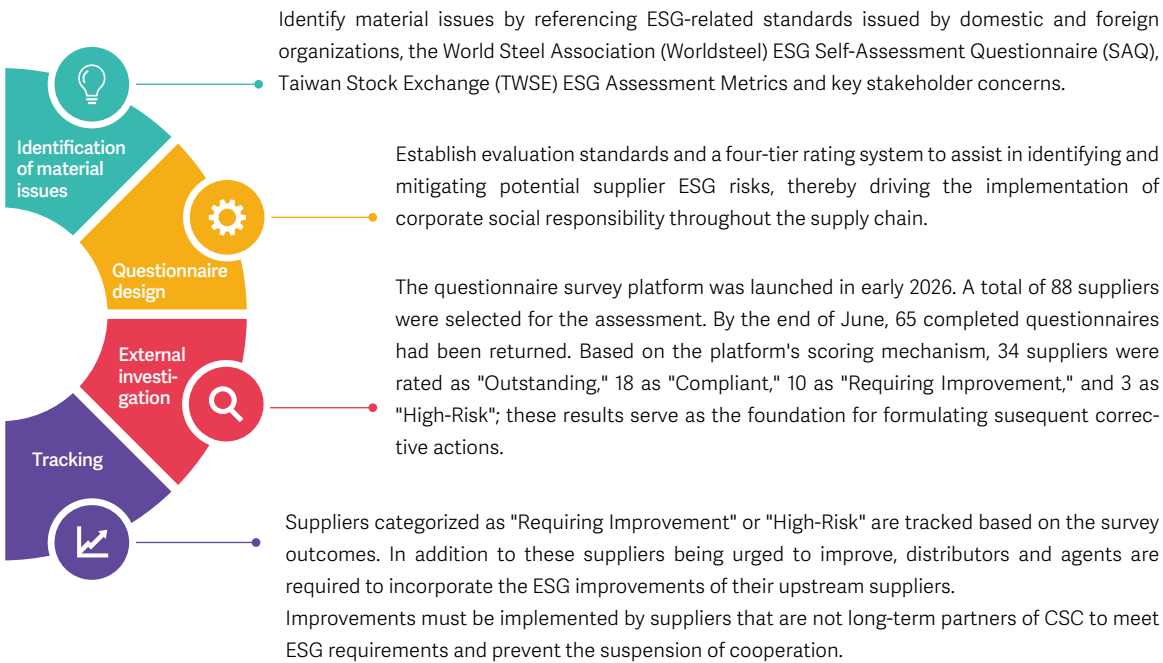
Category	2023	2024	2025
Equipment and Material Procurement	Identification and evaluation of indirect environmental considerations for six types of raw materials in accordance with the "Occupational Safety, Hygiene, Pollution Prevention of Procurement and Contracting Rules"	Only 1 high-risk supplier; joint site audit confirmed improvements. Others were assessed as moderate risk or below.	Only 1 high-risk supplier; joint site audit confirmed improvements. Others were assessed as moderate risk or below.
Transportation	- On-site audits - Environmental and occupational safety risk impact assessments. Since 2022, external violations by suppliers are included in evaluations to enhance social responsibility.	18 violations found; all immediately rectified. - No non-compliance in environmental/social impact - No external violations.	15 violations found; all immediately rectified. - No non-compliance in environmental/social impact - No external violations.
Security	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.	-	Planned for Q1 2025: China Steel Security Company will conduct a self-assessment questionnaire to review compliance with Supplier Code of Conduct.
Contractor	- 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. Note: Non-resident contractors are excluded from this audit due to their part-time presence at CSC worksites.	- All contractors met contract terms on minimum wage, legal leave, holiday pay, and overtime compensation. - No underperforming contractors.	- 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. To improve the on-site occupational safety management performance of maintenance contractors, the department utilizes the daily safety inspection system data at the beginning of each month to conduct big-data analysis. This analysis identifies the top three contractors and safety personnel with the "lowest compliance rates" and "highest non-compliance severity" over the preceding three months for targeted guidance. The guidance methods are categorized by frequency: first-time inclusion in the top three requires the contractor to submit an improvement plan for review and report it at a manager-level meeting(chaired by the responsible manager), whereas repeated inclusion within a short timeframe escalates the case to a general-manager meeting report coupled with targeted audits and guidance from dedicated occupational safety personnel. This approach utilizes indicator trends to measure improvement efficacy, effectively enhancing occupational safety awareness. At the same time, project audits are conducted, and contractors 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 departments conducting on-site visits and offering improvement suggestions to enhance their sustainability management capabilities. Starting in 2026, supplier ESG self-assessment questionnaire due diligence were added; please refer to the figure below for the investigation process and results.



7.4.4_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.

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 2025.

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.

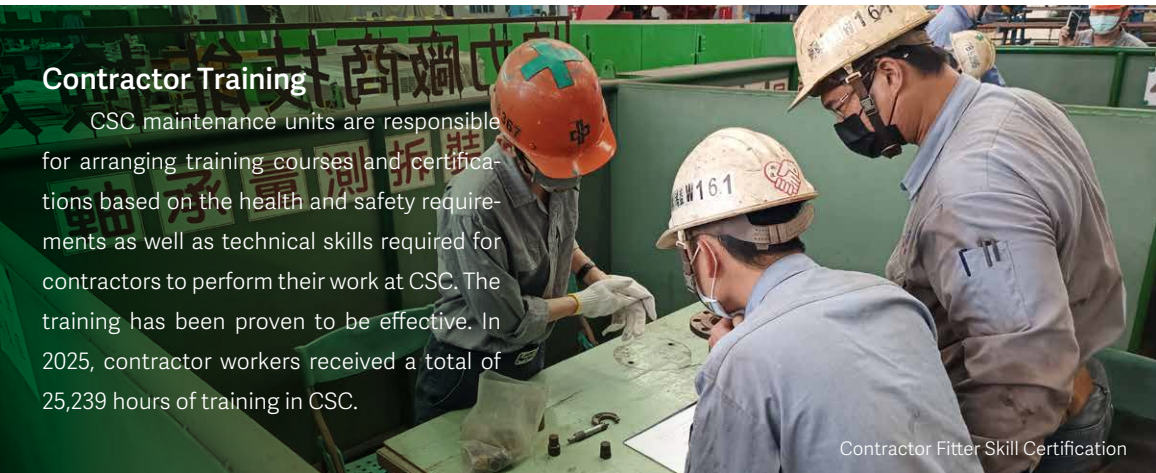
Safety and Health

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.

CSC Improves Working Conditions of Contractor:

- ☑ Increase safety and health management fees.
- ☑ Establish vacation policies and compensation for working on holidays.
- ☑ Establish job safety cultures.
- ☑ Regularly review the reasonableness of outsourcing contract fees in line with the basic wage and market prices of raw materials.

Contractor Safety and Health Propaganda	Gather contractors every month to announce new safety and health-related information and regulations by CSC.
New Contractor ID Issuing Assessment	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	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	Incentivized through rewards
Implement and Promote Inherent Safety	Urge contractors to comply with CNS 4750, and reinforce by frequent inspections to reduce scaffolding-related safety hazards.
Safety Inspections	All levels of management personnel regularly conduct safety inspections at contractors' workplace and keep records. (Listed in the Industrial Safety & Hygiene Department's system)



7.5 _

Intellectual Property Management

Intellectual property management

CSC regards intellectual property as a core asset for consolidating its technological advantages. By adopting the Taiwan Intellectual Property Management System (TIPS) and implementing the PDCA (Plan-Do-Check-Act) management cycle, CSC ensures that intellectual property management is closely integrated with operational goals. CSC has established a dedicated unit to manage these assets. In addition to encouraging innovation through incentive measures, CSC has launched the "CSC Intellectual Property Portal" and organized various seminars and courses to comprehensively strengthen employees' intellectual property awareness and practical capabilities.

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.





2025 Intellectual property achievements

As of December, CSC has been granted a total of 3,608 patents (3,434 in Taiwan and 174 overseas), ranking first in the traditional industry. In addition, in accordance with the standards of the World Intellectual Property Organization (WIPO) and the European Patent Office (EPO), CSC inventoried 185 green patents over the past six years, covering fields such as the high-value utilization of spent refractory materials, air pollution control, and energy-saving processes.

Development of the electronic intellectual property management system

To integrate AIoT, develop green products, and advance carbon reduction technologies on a foundation of solid intellectual property management, thereby achieving the goal of “deepening CSC/Group’s commitment to a sustainable ESG brand image,” CSC continues to refine its independently-developed “Trademark Electronic Management System” alongside its existing “Patent Search and Analysis Platform”, “Patent Management System” and “Trade Secret Registration System” to meet practical operation needs.

Furthermore, in alignment with the TIPS regular audit framework, CSC continues to promote the application of the “Copyright Registration Management System” to enhance the efficiency of copyright tracking across participating departments. The implementation of the aforementioned systems echoes CSCs “Dual Cores and Three Transformations” strategy for sustainable management and development, promoting the main axes of “Becoming a steel mill that produces premium products with high value” and “Developing green technologies, energy, and resources”, and aligns with digital, low-carbon, and supply chain transformation. CSC has strengthened its internal collaboration through this project. 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.



APPENDIX

Appendix 1 GRI Standards Content Index

General Disclosures

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1-1 Greenhouse Gas Inventory and Assurance Status of CSC

1-1-1 Greenhouse Gas Inventory Information

1-1-2 Greenhouse Gas Assurance Information

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

Appendix 6 Domestic and International Organizations

Appendix 7 Schedule for the Introduction of IFRS S1 and S2

Appendix 8 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 2025/1/1-2025/12/31.		
GRI 1 used	GRI 1: Foundation 2021		
Applicable GRI Sector Standard	NA		

GRI Standards Disclosure		Chapter	Page	Note/Reasons for Omissions
GRI 2: General Disclosures 2021				
The organization and its reporting practices				
2-1	Organizational details	0.1 、 0.2	1 、 3	Reasons for omission are not permitted
2-2	Entities included in the organization's sustainability reporting	0.1	1	
2-3	Reporting period, frequency and contact point	0.1	1~2	
2-4	Restatements of information	Explanations to all the restatement are denoted in the report	-	
2-5	External assurance	0.1	2	
Activities and workers				
2-6	Activities, value chain and other business relationships	0.2.2	4	
2-7	Employees	4.1.2	94	
2-8	Workers who are not employees	4.1.2	95	
Governance				
2-9	Governance structure and composition	6.2	145	
2-10	Nomination and selection of the highest governance body	6.2	145	
2-11	Chair of the highest governance body	6.1.2 、 6.2	141 、 145	
2-12	Role of the highest governance body in overseeing the management of impacts	6.2.2	149	
2-13	Delegation of responsibility for managing impacts	6.2.2	149	
2-14	Role of the highest governance body in sustainability reporting	0.1	2	
2-15	Conflicts of interest	6.1.2	141	
2-16	Communication of critical concerns	6.2.2	149	
2-17	Collective knowledge of the highest governance body	6.2.3	150	
2-18	Evaluation of the performance of the highest governance body	6.2.3	150	
2-19	Remuneration policies	6.2.1	147	
2-20	Process to determine remuneration	6.2.1	147	
2-21	Annual total compensation ratio	4.1.3	95	
Strategy, policies and practices				
2-22	Statement on sustainable development strategy	1.1 、 1.2 、 1.3	13~24	
2-23	Policy commitments	3.1 、 4.3.3	59 、 109	
2-24	Embedding policy commitments	3.1 、 4.3.3	59 、 109	
2-25	Processes to remediate negative impacts	3.1 、 4.3.3	59 、 109	
2-26	Mechanisms for seeking advice and raising concerns	6.1.2	141	
2-27	Compliance with laws and regulations	3.1 、 4.4.1	59 、 93	
2-28	Membership associations	Appendix 6	204	
Stakeholder engagement				
2-29	Approach to stakeholder engagement	1.4	25	
2-30	Collective bargaining agreements	4.3.1	108	

Material Topics

The following table shows corresponding GRI topic-specific disclosures of CSC’s material topics identified in 2025.

GRI Standards	Disclosure	Chapter	Page	Note/Reasons for Omissions
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	1.5	31	Reasons for omission are not permitted
3-2	List of material topics	1.5	32	
Research Innovation				
GRI 3: Material Topics 2021				
3-3	Management of material topics	1.5、7.2	33、168	
CSC indicators	Number of Research and Innovation Initiatives	7.2	168	
Operational and Financial Performance				
GRI 3: Material Topics 2021				
3-3	Management of material topics	1.3、1.5、6.3	21、33、151	
GRI 201: Economic Performance 2016				
201-1	Direct economic value generated and distributed	6.3.1	120	
201-4	Financial assistance received from government	6.3.2	121	
Quality Control and Customer Service				
GRI 3: Material Topics 2021				
3-3	Management of material topics	1.5、7.3	33、176	
CSC indicators	Expand the scope of product quality certificates in different countries	7.3	176	
	Compliance rate for hazardous substance content in steel products	7.3	176	
	Completion rate of education and training on the hazardous substance management system	7.3	176	
	Domestic and overseas customer satisfaction score	7.3	176	
Climate Change				
GRI 3: Material Topics 2021				
3-3	Management of material topics	1.3、1.5、2.1	21、33、39	
GRI 102: Climate Change 2025				
102-1	Transition plan for climate change mitigation	2.2、2.3	41、47	
102-2	Climate change adaptation plan	2.2、2.3	41、47	
102-4	GHG emissions reduction targets and progress	2.3	47	
102-5	Scope 1 GHG emissions	2.3	53	
102-6	Scope 2 GHG emissions	2.3	54	
102-7	Scope 3 GHG emissions	2.3	54	
102-8	GHG emissions intensity	Appendix 5	202	
Air Quality				
GRI 3: Material Topics 2021				
3-3	Management of material topics	1.3、1.5、3.2.2	17、31、70	
GRI 305: Emissions				
				AA 1000 AS
305-6	Emissions of ozone-depleting substances (ODS)	3.2.2	70	Type 2
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.2.2	70	
CSC indicators	SOx, NOx and Par. emission intensity (kg / tCS)	3.2.2	70	

GRI Standards	Disclosure	Chapter	Page	Note/Reasons for Omissions
Sustainable Value Creation of Steel Products				
GRI 3: Material Topics 2021				
3-3	Management of material topics	1.5 、 3.5	33 、 85	
CSC indicators	The capacity of the solar photovoltaic system	3.5	85	
	Number of Recycled Content Validation	3.5	85	
Energy Efficiency				
GRI 3: Material Topics 2021				
3-3	Management of material topics	1.3 、 1.5 、 3.2.1	21 、 33 、 63	
GRI 103: Energy 2025		3.2.1		
103-1	Energy policies and commitments	3.2.1	64	AA 1000 AS
103-2	Energy consumption and self-generation within the organization	3.2.1	67	Type 2
103-4	Energy intensity	3.2.1	65	
Occupational Safety and Health				
GRI 3: Material Topics 2021				
3-3	Management of material topics	1.3 、 1.5 、 4.4.1	21 、 33 、 114	
GRI 403: Occupational Health and Safety 2018				
approach				
403-1	Occupational health and safety management system	4.4.1	114	
403-2	Hazard identification, risk assessment, and incident investigation-	4.4.1	120	
403-3	Occupational health services	4.4.2	122	
403-4	Worker participation, consultation, and communication on occupational health and safety	4.2.1 、 4.4.2 4.4.1	98 、 122 114	
403-5	Worker training on occupational health and safety	4.4.2	122	
403-6	Promotion of worker health	4.4.1	121	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			
Topic-specific				
403-9	Work-related injuries	4.4.1	120	AA 1000 AS Type 2
Employee Welfare and Training				
GRI 3: Material Topics 2021				
3-3	Management of material topics	1.3 、 1.5 、 4.2	21 、 33 、 98	
GRI 401: Employment 2016				
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2.1	98	
GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee	4.2.2	107	
404-2	Programs for upgrading employee skills and transition assistance programs	4.2.2	105	



The following table shows corresponding GRI voluntary disclosures of CSC’s non-material topics.

Non-material Topics				
GRI Standards	Disclosure	Chapter	Page	Note/Reasons for Omissions
GRI 306: Waste 2020				
306-2	Management of significant waste-related impacts	3.3.1	76	AA 1000 AS Type 2
306-3	Waste generated	3.3.1	77	
306-5	Waste directed to disposal	3.3.1	78	
GRI 303: Water and Effluents 2018				
303-2	Management of water discharge-related impacts	3.2.3	74	AA 1000 AS Type 2
303-3	Water withdrawal	3.2.3	75	
303-4	Water discharge	3.2.3	75	
303-5	Water consumption	3.2.3	75	
GRI 401: Employment 2016				
401-1	New employee hires and employee turnover	4.1.1/4.1.4	93 ~ 96	
GRI 402: Labor/Management Relations 2016				
402-1	Minimum notice periods regarding operational changes	4.1.4	96	
GRI 406: Non-discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken	4.1	93	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	7.4.4	186	No violation
GRI 408: Child labor 2016				
408-1	Operations and suppliers at significant risk for incidents of child labor	7.4.4/4.1	186 ~ 93	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	7.4.4	186	No violation
GRI 410: Security practices 2016				
410-1	Security personnel trained in human rights policies or procedures	7.4.2	181	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	3.1/5.2.1	60 ~ 130	
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	7.3	175	No violation

Appendix 2

Sustainability Accounting Standards Board (SASB)

Index of Iron & Steel Producers

Code	Accounting	CSC’s Response
EM-IS-110a.1.	Metric	(1) 16,374,787 tonnes CO ₂ e
	Gross global Scope 1 emissions (tCO ₂ e), percentage covered under emissions-limiting regulations (%)	(2) In accordance with the Climate Change Response Act, the Ministry of Environment (MOENV) established three carbon fee-related regulations, namely the “Fee-charging Rates of Carbon Fees,” the “Regulations Governing Self-determined Reduction Plans,” and “The Designated GHG Emissions Reduction Goals for Entities Subject to Carbon Fees.” As CSC is subject to carbon fee regulations, the Company submitted its Self-Determined Reduction Plan in 2025, establishing annual GHG emission targets for 2025–2030. The plan was subsequently approved by the MOENV and is therefore legally binding. Under CSC’s approved plan, the emissions target for 2025 was set at 21,534,436 tCO ₂ e. CSC’s actual emissions for 2025 were 17,494,562 tCO ₂ e. Given the characteristics of the steel industry, Scope 1 emissions accounted for approximately 93.45% of total emissions; therefore, the percentage covered under emission-limiting regulations was 100% in 2025. → 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 established short-, medium-, and long-term carbon reduction targets, with carbon neutral by 2050 as its long-term goal. To achieve these targets, CSC has developed a carbon neutral roadmap. Quarterly meetings chaired by the Chairman are convened to track and review the progress of strategic R&D initiatives and the achievement of reduction targets. Based on comprehensive assessments of technological feasibility and resource availability, CSC continues to formulate practical and feasible decarbonization measures. In alignment with Taiwan’s carbon fee scheme implemented in 2025, CSC has also referenced the Industry-Specific Reduction Rates established under the SBTi spirit. The Company has set an absolute reduction target of 25.3% for Scope 1 and Scope 2 emissions by 2030 compared with the 2021 baseline year. This target is also aligned with the 2030 reduction requirements under the three carbon fee-related regulations announced by the MOENV. Beyond 2030, CSC plans to align its forward-looking strategies with the direction adopted by the global steel industry, while maintaining carbon neutral by 2050 as its long-term goal. This pathway is consistent with “Taiwan’s 2050 Net-Zero Pathway: Taiwan’s Comprehensive Carbon Reduction Action Plan for Carbon Reduction,” which targets net-zero emissions by 2050. Further details on the challenges associated with CSC’s medium- and long-term transition strategies are provided in Chapter 2.3. From 2021 to 2025, CSC completed a total of 1,046 carbon reduction initiatives, achieving annual emissions reductions of 1.4516 million tCO ₂ e (combined Scope 1 and Scope 2 emissions), representing a 6.51% reduction compared with the 2021 baseline year. → For more information, please refer to Ch 2.3 Actions on Climate Change Adaptation



Aspect Environment		
Topic Air Emissions		
Code	Accounting Metric	CSC's Response
EM-IS-120a.1	Air emissions of the following pollutants (tonnes):	(2) 3,979 tonnes
	(1) CO	(3) 4,591 tonnes
	(2) NOx (excluding N ₂ O)	(4) 1,665 tonnes, which represents the total suspended particulate (TSP) data, with no PM10 data available.
	(3) SOx	(6) 0.43 tonnes
	(4) Particulate Matter (PM ₁₀)	(7) 226 tonnes
	(5) Manganese (MnO)	No data are available for the rest of the items as detection and reporting of these pollutants are not required by regulations.
	(6) Lead (Pb)	
	(7) Volatile Organic Compounds (VOCs)	
	(8) Polycyclic Aromatic Hydrocarbons (PAHs)	
		→ For more information, please refer to Ch 3.2.2 Air Pollutants
Topic Energy Management		
EM-IS-130a.1	(1) Total energy consumed (GJ)	(1) 179,851,392 GJ
	(2) Percentage grid electricity (%)	(2) 4.90%
	(3) Percentage renewable (%)	(3) 0.058%
	Note: These values are calculated based on the higher heating value.	
		→ For more information, please refer to Ch 3.2.1 Energy
EM-IS-130a.2	(1) Total fuel consumed (GJ)	(1) 12,112,669 GJ
	(2) Percentage coal (%)	(excluding raw materials and electricity)
	(3) Percentage natural gas (%)	(2) 0%
	(4) Percentage renewable (%)	(3) 96.81%
	(4) 0.57% (Renewable fuels include in-plant sludge and waste wood, while renewable energy accounted for 1.19% of purchased electricity)	
		Note: These values are calculated based on higher heating value.
		→ For more information, please refer to Ch 3.2.1 Energy
Topic Water Management		
EM-IS-140a.1	(1) Total fresh water withdrawn (thousand cubic meters)	(1) 40,782 thousand cubic meters
	(2) Water consumption (thousand cubic meters);	(2) 24,893 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.
	Percentage in regions with High (40-80%) or Extremely High (>80%) Baseline Water Stress (%)	
	→ For more information, please refer to Ch 3.2.3 Water	

Aspect Environment		
Topic Waste Management		
Code	Accounting Metric	CSC's Response
EM-IS-150a.1	(1) Total fresh water withdrawn (thousand cubic meters)	(1) 40,782 thousand cubic meters
	(2) Water consumption (thousand cubic meters); Percentage in regions with High (40-80%) or Extremely High (>80%) Baseline Water Stress (%)	(2) 24,893 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
Topic Waste Management		
EM-IS-150a.1	(1) Amount of waste generated (tonnes)	(1) 474,754.45 tonnes
	(2) Percentage hazardous (%)	(2) 0.010%
	(3) Percentage recycled (%)	(3) 94.8%
		→ For more information, please refer to Ch 3.3.1 Waste and Byproduct Management
Aspect Human Capital		
Topic Workforce Health & Safety		
EM-IS-320a.1	(1) Total recordable incident rate (TRIR)	(1) – employee=0.34 – contractor=0.33
	(2) Fatality rate	(2) – employee=0 – contractor=0
	(3) Near miss frequency rate (NMFR) for (a) full-time employees and (b) contract employees	(3) – employee=6.37 – 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
Aspect Business Model		
Topic 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	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.



Aspect Business Model		
Topic Supply Chain Management		
Code	Accounting Metric	CSC's Response
EM-IS-430a.1	Discussion of the process for managing iron ore and/or coking coal sourcing risks arising from environmental and social issues	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. 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. 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. → For more information, please refer to Ch 7.4 Sustainable Supply Chain Management

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	7,959,249 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 iron ores 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	Quantitative	(1)Energy consumption 179,851,392 GJ (2)Percentage of purchased electricity 4.90% (3)Percentage of purchased electricity Utilization rate (renewable energy/total energy) 0.058% (4)Total self-generated and self-use energy 1,742 GJ Note: These values are calculated based on the higher heating value.	Gigajoules (GJ) , percentage (%)
2	Total fuel consumption, percentage of coal, percentage of natural gas, and percentage of renewable fuels	Quantitative	(1)Total fuel consumption 12,112,669 GJ (2) Percentage of coal 0% (3) percentage of natural gas 96.81% (4) percentage of renewable fuels 0.57% Note: These values are calculated based on the higher heating value.	Gigajoules (GJ) , percentage (%)
3	Total water withdrawn and total water consumption	Quantitative	(1) Total water withdrawn: 40,782 thousand m ³ (2) Total water consumption: 24,893 thousand 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 : 474,754.45 tonnes (2) percentage of hazardous waste : 0.010% (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 =34 (2) Rate of occupational accidents 34/9,260=0.37%	Quantity, percentage (%)
6	Production by product category	Quantitative	Raw steel production : 7,959,249 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.	39~40
	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.	43~46
	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.	41~46
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	40~42
	b) Describe the organization's processes for managing climate-related risks.	40~46
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	40~41、156~158
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.	44~46
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	53~54
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	44~46

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.	39~40
2	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	43~46
3	Describe the financial impact of extreme weather events and transformative actions.	43~46
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	40~41、156~158
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.	41~46
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.	47~56
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	47
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.	44~46
		47~48
		53~54
		66

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 2026.

China Steel Corporation (CSC, parent company) has completed the organization-level GHG inventory and obtained reasonable assurance for the year 2025. The consolidated subsidiaries have also completed their GHG inventory processes.

		2024		2025	
		Emissions	Intensity	Emissions	Intensity
		(tonnes CO ₂ e)	(tonnes CO ₂ e / million TWD revenue)	(tonnes CO ₂ e)	(tonnes CO ₂ e / million TWD revenue)
Inventory Information					
CSC (Parent Company)	Direct Emissions(Scope 1)	17,587,087	90.87	16,374,784	98.04
	Indirect Energy Emissions (Scope 2)	1,166,325	6.03	1,127,031	6.75
	Total	18,753,412	96.9	17,501,815	104.8
Consolidated Subsidiaries	Direct Emissions(Scope 1)	9,626,748		8,016,049	
	Indirect Energy Emissions (Scope 2)	819,561	NA	949,419	NA
	Total	10,446,309		8,965,468	
CSC Group Total		29,199,721	80.99	26,467,283	83.45

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



1-1-2_Greenhouse Gas Assurance Information

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.

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.

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

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.

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.

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:

- Short-term action plans: improvement and replacement of energy-intensive equipment, reduction of vehicle emissions, and use of green power.
- 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, injection of hydrogen-rich gas into blast furnaces to replace pulverized coal, co-production of steel and petrochemicals, increase in the use of recycled materials, replacement of outdated process equipment, and installation of energy saving devices on vehicles.

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 activities organized by domestic institutes and associations.

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:

1.Reiterate our stance on climate change or sustainable development goals to the organization.

2.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#qp6

The major institutes and associations CSC participated in 2025 are as follows:

Field	Organization	Visions and Goals
Steel Industry	Taiwan Steel and Iron Industries Association	To assist the government with economic development and
	CSC Chairman Chien-Chih Hwang as the chairman	foreign investments and coordinate relationship among peers for the collaboration and development of the steel industry as well as common interests.
	Chinese Institute of Engineers CSC President Shou-Tou Chen serves as a director	To strengthen close ties and interactions with members and professional institutes worldwide. To advance the technology, expertise and professionalism in engineering. To enhance the welfare of people and society by introducing applied engineering and advanced technology.
Corporate Sustainability	Enterprise member of Taiwan Business Council for Sustainable Development	Assist Taiwanese enterprises in developing sustainability strategies while integrating international market criteria and research institute frameworks within the sustainability field. This aligns the sustainable development of Taiwanese enterprises with international standards, enabling them to play a vital role in the global commercial value chain.
	Association of Atmosphere Protection in Taiwan	Promote global atmospheric protection initiatives, including ozone layer protection, greenhouse effect mitigation, and air quality improvement, to enhance the well-being of all humanity. It engages in assisting with the formulation or amendment of atmospheric protection policies and regulations, while advancing related regulatory oversight, academic research, technological R&D, counseling, and services.
	Director of Center for Corporate Sustainability	Fulfill corporate social responsibility and drive corporate sustainable development, uniting industry leaders to collectively “cultivate benchmark enterprises, guide the core of society, and pass on the legacy of sustainability.”

The major institutes and associations CSC participated in 2025 are as follows:

Field	Organization	Visions and Goals
Corporate Sustainability	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.
	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	As a key member ■ 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 participates in initiatives and expert groups related to CO ₂ emissions data collection, life cycle assessment (LCA), energy consumption, and sustainability reporting; provides input; and supports public communication campaigns.	CSC shares experiences via exchanges, cooperation, and services, and thereby obtains the latest development and stays connected to the global steel industry.
South East Asia Iron and Steel Institute, SEAISI	As a key member ■ 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.
Organisation for Economic Cooperation and Development,	CSC regularly participates in the meetings of the OECD Steel Committee under the instruction of the Ministry of Economic Affairs, Taiwan (R.O.C.) ■ 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.	■ 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.

Appendix 7

Schedule for the Introduction of IFRS S1 and S2

I. In accordance with the "Roadmap for Taiwan Listed Companies to Align with IFRS Sustainability Disclosure Standards" released by the Financial Supervisory Commission (FSC) on August 17, 2023, CSC is required to formally adopt the IFRS Sustainability Disclosure Standards in 2026 and publish the Sustainability-Related Financial Information Section in the 2027 annual report, with implementation progress reported to the Board of Directors for oversight at least on a quarterly basis.

II. CSC has implemented IFRS S1 and S2 since 2024. To date, all the progresses remain fully aligned with FSC regulations. The timeline and execution status are detailed below:

	Work item	Expected (Completed) Timeline
Stage 1	1-1.Established a cross-departmental IFRS Sustainability Disclosure Standards Project Team	Completed in Q4 of 2024
	1-2.Conducted a preliminary assessment to identify key gaps and impacts between current sustainability disclosures and IFRS Sustainability Disclosure Standards	Completed in Q4 of 2024
	1-3.Conducted the preliminary identification of reporting entities	Completed in Q4 of 2024
	1-4.Formulated the implementation plan	Completed in Q4 of 2024
Stage 2	2-2.Identified sustainability-related risks, opportunities, and financial impacts, and assessed material sustainability-related financial information	Completed in Q2 of 2025
	2-3.Identified and gathered required data	Completed in Q3 of 2025
	2-5.Aligned and adjusted company processes, including financial and non-financial reporting, information systems, supply chain management, internal controls, and departmental daily operations	Completed in Q4 of 2025
Stage 3	3-1.Pilot the compilation of the Sustainability-Related Financial Information Section of the annual report	Expected to be completed in Q3 of 2026
	3-4.Continuously update internal control manuals for IFRS sustainability reporting and conduct training sessions	Expected to be completed in Q4 of 2026
Stage 4	4-1.Formally publish and file the Sustainability-Related Financial Information Section of the annual report	Expected to be completed in Q1 of 2027

III. Group Scope 3: CSC has designated subsidiaries involved in the assessment of IFRS sustainability risks and opportunities, as well as subsidiaries related to the steel industry, as the scope of the inventory boundary. After screening the categories requiring in inventory, CSC communicates the inventory methods with the relevant subsidiaries.

Appendix 8

Assurance Statement



INDEPENDENT ASSURANCE OPINION STATEMENT

China Steel Corporation 2025 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 2025 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.
3. The verification of disclosure to be reliable with the applicable SASB industry(s) standard(s) in this report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement.

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

Opinion Statement

We conclude that the China Steel Corporation 2025 Sustainability Report provides a fair view of the CSC sustainability programmes and performances during 2025. 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 and SASB Standard(s) 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 23 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).
- an assessment of the organization's use of metrics or targets of SASB Standard(s) to assess and manage topic-related risks and opportunities.

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018) and sustainability performance information as well as GRI Standards and SASB Standard(s) 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 2025 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.

SASB Standards

CSC provided us with their self-declaration of in accordance with SASB Standard(s) (Iron & Steel Producers Sustainability Accounting Standard, version 2023-12). Based on our review, we confirm that the sustainability disclosure topics & accounting metrics of SASB Standard(s) are reported, partially reported, or omitted. In our professional opinion, nothing has come to our attention that the sustainability disclosure topics, associated accounting metrics and activity metrics for applicable SASB industry standard(s) contained within China Steel Corporation 2025 Sustainability Report were no significant errors, omissions, or misstatements based on procedures undertaken by means of vouching, re-tracking, re-computing and confirmation.

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.

The moderate level assurance provided is in accordance with AA1000AS v3 in our review of SASB Standard(s).

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.

For and on behalf of BSI:

Joe Hsieh

Joe Hsieh, Managing Director Northeast Asia, APAC Assurance



Statement No: SRA-TW-804841

2026-06-03

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