

China Steel Corporation
Sustainable Evaluation and Management Guidelines of Organizations

Established on July 4, 2024

Article 1 Objective

The company aims to achieve carbon neutrality by 2050, in line with the Paris Agreement. These guidelines aim to enhance the consistency of our participation standards across these organizations and also ensure that all organizations (including institutions and associations) the company involved in comply with international or domestic sustainable development goals.

Article 2 Scope

These guidelines apply to all organizations the company is involved in, unless otherwise specified by laws and regulations.

Article 3 Definitions

Sustainable development goals include, but are not limited to, the UN Sustainable Development Goals (SDGs), the Paris Agreement, and Taiwan's 2050 Net-Zero Emissions targets.

Article 4 Membership Principles

1. Eligibility: The organizations that the company joins must comply with international or domestic sustainable development goals.
2. Procedure: Each department of the company may, based on its authority and responsibilities, submit an application to the Secretariat Dept., accompanied by an evaluation report. The evaluation report should include, but is not limited to, the following:
 - (1) Contextual Overview: The origin, purpose of joining, etc.
 - (2) Sustainability Alignment: Explanation of how the organization aligns with international or domestic sustainable development goals.
 - (3) Cost-Benefit Analysis: Assessment of the costs involved (i.e., the obligations or limitations upon the company after joining) and the benefits gained (e.g., promoting participation in carbon neutrality initiatives across various company departments).
3. Authority and Accountability Level: Approval from the Executive Vice President is the minimum requirement for the membership process, although approval from higher levels may be required based on the characteristics of the organizations.

Article 5 Management Principles

1. Accountability: The unit proposing participation in the organization (hereinafter

referred to as the sponsoring unit) must actively monitor the organization's stance on climate-related policies. If the stance is found to be inconsistent with international or domestic goals, the sponsoring unit shall promptly inform the Secretariat Dept. and jointly execute the evaluation process in accordance with the withdrawal principles.

2. The standard reviewing frequency, barring any need for further review, is as follows:
 - (1) Every two years, the Secretariat Dept. shall initiate a review process, consulting with the sponsoring unit to evaluate the continuation of membership.
 - (2) Every two years, the Secretariat Dept. shall distribute a climate policy survey to assess the climate policy stance and implementation status of the related organizations in which the company is involved.

Article 6 Withdrawal Principles

1. Based on the results of the regular review as specified in Article 5, Section 2, Clause 1, if the review concludes that the membership should not be continued, withdrawal process shall be executed.
2. For the organization taking a public climate stance that is misaligned with the international or domestic sustainable development goals, the company, in compliance with relevant laws and regulations, will take the following actions:
 - (1) Reiterate the company's 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 the company's reiteration to align with international or domestic sustainable development goals. If the organization fails to comply within the specified period, the company will terminate its cooperation with the organization.
3. Authority and Accountability Level: Approval from the Executive Vice President is the minimum requirement for the withdrawal process, although approval from higher levels may be required based on the characteristics of the organizations.

Article 7 Formulation and Amendment Procedure

These Guidelines shall be implemented after Chairman of the Board grants the approval. The same procedure shall be followed when these Guidelines have been amended.