春源鋼鐵
CHUN YUAN STEEL

CHUN YUAN STEEL INDUSTRY CO., LTD.

2025

Sustainability Report

春源鋼鐵 CHUN YUAN STEEL

Table of Contents

Editorial Policy

The 2025 Sustainability Report of Chun Yuan Steel Industry Co., Ltd. provides disclosure on the management and current state of corporate governance, ethical management, as well as the sustainability indicators for the economic, environmental, and social aspects. The process of data collection and its scope has been continuously reviewed to ensure the report is prepared to the same rigorous standards. The publication of the report will hopefully show all stakeholders the efforts made by Chun Yuan Steel in the promotion of corporate social responsibility and sustainable development, and serve as the basis for further communication and management in the future.

Scope of the Report and Editorial Principles

This report covers the business operations of Chun Yuan Steel (CYS) for the period between January 1 through December 31, 2025. All performance indicators reflect the operations and activities of CYS in Taiwan with the exception of corporate governance financial performance that also encompass company investments and overseas subsidiaries. Some of the management approach and goals relating to material topics were included as well. All statistical data disclosed in the report came from CYS statistics and investigations. Financial data was based on information certified by Crowe (TW) Certified Public Accountants before publication. Some of the data cited information published online by government agencies and are presented in the standard manner. The financial report was prepared in accordance with the International Financial Reporting Standards (IFRSs) and the default currency is NTD. The management system for environment, safety and health undergo regular internal audits as well as ISO 14001 and ISO 45001 external audits every year.

The financial data is sourced from the consolidated report of all physical entities featured in the report. In addition to Chun Yuan Steel Corporation Limited, other entities include:

- Chun Yuan Investment (Singapore) Pte. Ltd.
- Chun Yuan Investment (BVI) Co., Ltd.
- Shenzhen Hongyuan Metal Industry Co., Ltd.
- Shenzhen Chun Yuan Steel Industrial Co., Ltd.
- Qingdao Chun Yuan Precision Mechatronic Co., Ltd.
- Shanghai Huateng Metal Processing Co., Ltd.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: 2021 edition, issued by the Global Reporting Initiative, and with reference to the "Operating Rules for Listed Companies to Prepare and Declare Sustainability Reports" of the Taiwan Stock Exchange. The report follows the editing principles of these standards to disclose relevant strategies, goals, and specific actions related to significant topics (detailed GRI content index provided in Appendix 1). Additionally, the report aligns with the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-Related Financial Disclosures (TCFD), and the G4 Sector Disclosures – Mining and Metals for the mining and metals industry.

Editing, Internal Review and Publication of the Report

The editing of this Report was headed by the President's Office and the work divided among each department. Contributors included departmental representatives from head office and factory units. The President's Office was responsible for overall planning, communication and coordination, compilation of data, editing and proofreading. Once the first draft of this report was completed it was passed to team members for proofreading and revision of related content and data. The content was then reviewed by the head of the competent department before being submitted to the President's Office for compilation. No third-party assurance was conducted for this report. The CYS report underwent an internal review before being presented to the Chairman and President of review and confirmation, and then reported to the Board of Directors. The Company did not have any restatements of material information during the reporting period. If there are any other reporting scopes involved, they will be explained in the report.

Report Publication Time

A "Sustainability Report" will be published by CYS at a set time each year. Related information will also be disclosed on the official website.

Last published	June, 2025
Current version	June, 2026

Contact Method

If you have any suggestions or questions regarding the contents of this report, please do not hesitate to contact us through the following methods:

Contact	President Office, Chun Yuan Steel Industry Co., Ltd.
Address	6F No. 502, Fuxing N. Rd. Zhongshan Dist., Taipei City
TEL	02-25018111 # 2241
Email	eddiewang@cysco.com.tw

春源鋼鐵
CHUN YUAN STEEL

From the Management

Chairman

蔡錫儀

To all Chun Yuan Steel Industry Stakeholders:

Reviewing the operating environment in 2025, the global economy was driven by the rapid expansion of artificial intelligence (AI) applications, which spurred strong related demand. Trade momentum across countries generally strengthened. Amid the combined effects of substantial investments in AI and a global environment in which central banks, led by the U.S. Federal Reserve, were poised to lower interest rates, despite the uncertainties surrounding Trump's tariff policies and geopolitical risks, the global economy in 2025 still demonstrated resilience beyond expectations.

Domestically, benefiting from strong global demand for AI applications and semiconductor exports far exceeding expectations, the related industrial supply chain and exports experienced robust growth. The Directorate-General of Budget, Accounting and Statistics (DGBAS) projected an economic growth rate of 8.63% for 2025, reaching a new high in nearly 15 years. However, growth momentum was primarily concentrated in electronics and cybersecurity products, while traditional steel-consuming industries such as transportation and machine tools had yet to recover. In addition, the contraction in domestic housing transactions and the decline in construction project launches adversely affected domestic steel demand and pricing in 2025. Nevertheless, by actively capturing demand from the construction of technology plant facilities and large-scale urban redevelopment projects, and through the joint efforts of all Chun Yuan employees both domestically and overseas, the Company achieved consolidated revenue of NT$24,189 million and consolidated profit before tax of NT$1,865 million in 2025, delivering strong results in both revenue and profitability.

Looking ahead to 2026, the Directorate-General of Budget, Accounting and Statistics (DGBAS) has significantly revised the economic growth forecast upward from the original 3.54% to 7.71%, while export growth has surged from 6.32% to 22.22%, indicating that economic momentum is expected to continue. However, we must continue to closely monitor international developments, including geopolitical conflicts in the Middle East, U.S. tariff policies, whether the AI boom will continue to thrive, the policy stance of the new Fed Chair, and whether China's economy will recover.

In terms of steel demand, the World Steel Association forecasts that global steel demand in 2026 is expected to increase slightly by 1.3% to 1.772 billion tons. There are three key favorable factors for the steel market this year. First, China will strengthen steel export management, which is expected to curb the dumping of low-priced steel and help Asian steel prices bottom out. Second, as the United States enters an interest rate-cutting cycle, momentum in infrastructure and manufacturing is set to recover. Finally, steel inventories in Europe have fallen to historically low levels, driving restocking demand, and combined with infrastructure momentum in Southeast Asia, steel demand in 2026 is expected to remain positive.

President

Outlook for major domestic steel-consuming industries:

- **In the transportation sector,** as Taiwan-U.S. tariff policies become clearer and market concerns dissipate, inventories of imported vehicles across brands are expected to be gradually reduced. Coupled with the continued effect of commodity tax reduction subsidies and expanded promotional efforts, a new wave of vehicle purchases is anticipated. Toyota Motor Corporation of Japan has indicated that it will leverage Taiwan's automotive production capacity to market to other global markets, including re-exporting to Japan. Taiwan is expected to become the "fourth production region" outside Japan's three primary production bases. Taiwan's automotive manufacturing will become more solid under Toyota's global strategy, and steel demand in 2026 is projected to recover.
- **In the machinery sector,** driven by sustained growth in demand for semiconductor equipment and AI applications, Taiwan's machinery and equipment output value in 2026 is expected to continue growing, with an annual increase of 4% to 6%.
- **In the warehousing and logistics sector,** there remains stable demand for cold chain logistics warehouses and general logistics storage facilities. With the evolution of domestic consumption patterns and the development of urban commercial districts, there is also a significant increase in demand for logistics equipment expansion.
- **In the construction sector,** the residential property market has been impacted by tightened mortgage lending and credit controls, with overall activity remaining at a relatively low level. Looking ahead, the housing market will face greater uncertainty. However, the commercial property sector is benefiting from growth in high-tech companies, and this momentum is expected to continue into 2026. In addition, with ongoing public infrastructure projects and large-scale private urban redevelopment initiatives, the overall outlook for the construction industry can be viewed with cautious optimism, and the steel structure sector is expected to maintain the strong momentum seen in 2025.

Looking ahead, the Company will sustain growth momentum by adopting a strategy of leveraging existing products and markets to cultivate new products and markets. In response to the accelerated pace of the broader environment, we must expedite the development of new products and markets and keep pace with evolving trends. In particular, the Company's business operations should further penetrate the technology industry, the heavy electrical equipment sector, and profitable product markets, enabling Chun Yuan's diversification to keep pace with the times. Only through continuous renewal and improvement can we proceed steadily, pave a broad path for the future, and sustain operations with distinction. As long as we strictly adhere to the Company's rules and regulations, uphold an attitude of integrity, confidence, diligence, and responsibility, and work together to pursue our goals while striving for innovation and embracing change to expand future opportunities with full commitment, this year will surely be a fruitful one.

Finally, we would like to express our sincere gratitude to all esteemed shareholders for your long-standing support of Chun Yuan. Going forward, we will continue to enhance the Company's value and create maximum returns for shareholders to reciprocate your support, and we sincerely look forward to your continued support and guidance.

春源鋼鐵
CHUN YUAN STEEL

Stakeholder Identification and Communication

Stakeholder Identification

In our pursuit for sustainable operation, CYS continues to listen to the voices of stakeholders seeking sustainable corporate growth. Any individuals or groups that may have a major impact on mill operations shall be recognized as our stakeholder. In 2025, the Company considered the following potential stakeholders based on the GRI guidelines: shareholders and other investors, financial institutions, government, employees and other workers, customers, consumers, business partners, suppliers, local communities, non-governmental organizations (NGOs), social welfare organizations, and industry associations. Not only that, CYS engaged external experts to assess the actual negative impacts, potential negative impacts, actual positive influences, and potential positive influences on these stakeholders. Stakeholders with a total score greater than 10 were identified as important stakeholders for the Company in 2025.

CYS carefully cultivates and listens to the voices of stakeholders. A range of transparent, effective communication channels were established to receive suggestions from different angles. High-value information obtained through stakeholder identification and communication is used understand stakeholder requirements and their expectations of the Company. These serve as a reference for decision-making. We also hope to use the diverse aspects of business activities to co-create and share the maximum possible profits with stakeholders. In 2025, the Company identified eight categories of important stakeholders, including: employees, shareholders and other investors, customers, suppliers, financial institutions, government agencies, business partners and industry-academia collaborating units.

Employees	Shareholders	Customers	Suppliers
Banks	Government Agencies	Business Partners	Academic and Industry Academia Units

Stakeholder Interaction & Communication

CYS recognizes the significance of businesses taking the initiative to thoroughly understand the needs of stakeholders and consistently address their concerns. As part of this commitment, the Company's website extends beyond providing company profiles and product details. It offers a variety of communication channels such as email and telephone hotlines, enabling smooth and effective exchange of opinions and information among internal and external stakeholders. Through active engagement, CYS strives to gain valuable insights into the topics that stakeholders truly care about. Internal coordination and communication between departments at CYS were used to decide the handling of topics based on their nature and influence. The topics of concern for each stakeholder will be analyzed based on the questionnaire responses to provide a reference for future stakeholder communication, response and interactions.

CYS Topics of Stakeholder Concern and Communication Mechanism

Stakeholders	Stakeholders' Significance	Topics of Concern	Communication Channels	Frequency
Employees	Employees are an important asset and a partner of growth. In addition to creating a safe working environment and ensuring human rights, we also enhance our talent capital through career development and education and training to enhance the Company's competitive edge.	Economic Performance Employment Labor-Management Relations Training and Education Occupational Health and Safety	Face-to-Face Meetings	ad hoc
			Telephone Communication	ad hoc
			E-mail	ad hoc
			Recruitment	ad hoc
			Compensation	ad hoc
			Education and Training	ad hoc
			Legal Affairs Department	ad hoc
Shareholders	Shareholders provide capital required for the Company's long-term development, which is an important foundation for the Company's sustainability. At CYS, we focus on strategies and future development for continuous growth.	Anti-corruption Materials Stewardship Socioeconomic Compliance Environmental Compliance Anti-competitive Behavior	General Shareholders' Meeting	yearly
			Institutional Investors Conference	yearly
			Material Information	ad hoc
			Telephone Communication	ad hoc
			E-mail	ad hoc
			Press Release	ad hoc

Stakeholders	Stakeholders' Significance	Topics of Concern	Communication Channels and Frequency	Frequency
Customers	Becoming a "Professional metal material solution provider" is CYS' commitment to our customers. The group's resources are put into good play to lead various departments to engage in in-depth interactions with customers to meet their needs.	Customer Privacy Labor-Management Relations Customer Health and Safety Socioeconomic Compliance Effluents and Waste	Customer Satisfaction Survey Face-to-Face Meetings Telephone Communication E-mail Correspondence Orders Contracts Education and Training Work Platform	yearly ad hoc ad hoc ad hoc ad hoc ad hoc ad hoc ad hoc ad hoc
Suppliers	Suppliers and contractors are the key to maintaining the Company's operations. They must comply with industry demands, regulations, and relevant codes of conduct.	Labor-Management Relations Socioeconomic Compliance Customer Privacy Procurement Practices Anti-competitive Behavior	Face-to-Face Meetings Telephone Communication E-mail Correspondence Declaration Purchasing Order	ad hoc ad hoc ad hoc ad hoc ad hoc ad hoc
Banks	Banks are indispensable partners of CYS, providing us with capital channels, expanding production investment, and reducing capital turnover risks to maintain good financial health.	Environmental Compliance Labor-Management Relations Socioeconomic Compliance Customer Privacy Anti-competitive Behavior	Face-to-Face Meetings Telephone Communication E-mail Contracts Correspondence	ad hoc ad hoc ad hoc yearly ad hoc
Government agencies	The Company operates in accordance with the policies and regulations established by the central and local governments, and upholds the concept of sustainable management to fulfill corporate social responsibility.	Materials Energy Occupational Health and Safety Closure Plan Local Communities	Face-to-Face Meetings Telephone Communication E-mail Correspondence	ad hoc ad hoc ad hoc ad hoc
Business Partners	Business partners are an important member of the Company's operations who we work closely with. Therefore, the Company values the rights and interests of business partners and works alongside each other to create a win-win situation.	Labor-Management Relations Socioeconomic Compliance Customer Privacy Procurement Practices Anti-competitive Behavior	Face-to-Face Meetings Telephone Communication E-mail Correspondence Declaration Purchasing Order	ad hoc ad hoc ad hoc ad hoc ad hoc ad hoc
Academic and Industry Academia Units	With the business philosophy of "metal-centered development of related industries", we are an indispensable resource for R&D through academic exchanges and industry-academia cooperation, meeting the needs of our customers and industries.	Economic Performance Employment Labor-Management Relations Training and Education Occupational Health and Safety	Face-to-Face Meetings Telephone Communication E-mail Correspondence	ad hoc ad hoc ad hoc ad hoc

Stakeholder Grievance Mechanism

Stakeholder communication is important to CYS. Business contact details and grievance channels are provided on the corporate website. No environmental complaints were filed against CYS in 2025.

Stakeholder contact information

Spokesperson

President Hung Shih-Min

- TEL (02)2501-8111 ext. 2341
- Email jim@cysco.com.tw

Deputy spokesperson

Assistant Vice President Hsieh Yu-Hsia

- TEL (02)2501-8111 ext. 2342
- Email anne@cysco.com.tw

Employees

Human Resources Department Manager, Miss Huang

- TEL (02)2501-8111 ext. 2325
- Email liling@cysco.com.tw

Investor Relations Liaison

Stock-Related Affairs Office, Finance Department, Ms. Chang

- TEL (02)2501-8111 ext. 2298
- Email 790072@cysco.com.tw

Suppliers

Trading and Procurement Department Manager, Mr. Chang

- TEL (02)2501-8111 ext. 2352
- Email rickchang@cysco.com.tw

Identification of Material Topics

CYS engaged in a thorough process of identifying significant topics to analyze the issues that are crucial to its business operations, commercial relationships, and sustainability framework. By doing so, the Company effectively addresses the concerns of various stakeholders by managing and responding to these material topics throughout year 2025.

Step 1

Understanding the organizational context

The identification of relevant sustainability topics draws upon various sources such as the GRI Topic Standards, SASB Standards, G4 Sector Disclosures - Mining and Metals, and significant topics from our previous annual report. This comprehensive process has resulted in the compilation of 31 sustainability issues.

Step 2

Identifying the actual and potential impact of sustainability issues

The Company's senior management, department heads, and external experts evaluate the actual or potential negative impacts and positive influences of the sustainability issues on the economy, environment, and social aspects (including human rights). After assessing each topic, they combine the scores for actual negative impacts, potential negative impacts, actual positive influences, and potential positive influences within the economic, environmental, and social domains. The topics are then ranked based on these aggregated scores. Issues with a total score exceeding 30 are given priority and recommended as significant topics for CYS.

Step 3

Assessing the significance of impact

Following meetings and discussions among external experts and the Company's departments, taking into account the insights gained from past operational experiences, a careful analysis was conducted to assess the extent and probability of the impact of the identified sustainability issues. As a result, 10 major sustainability topics were identified and confirmed based on their relative scores.

Step 4

Disclosing and reporting sustainability issues

After conducting a comprehensive assessment involving external experts and collaboration with various departments within CYS, the analysis of the significant sustainability issues led to the identification of 7 major themes for management, which encapsulated the 10 identified sustainability topics. These themes are communicated and addressed to stakeholders through the sustainability report.

List of Material Topics Identified

Result of Material Topic Identification

Significant Material Topics

- Occupational Health and Safety
- Employees Diversity and Equal Opportunity
- Economic Performance
- Energy
- Labor/Management Relations
- Materials
- Training and Education

Other Material Topics

- Emissions
- Biodiversity
- Taxes
- Wastes
- Supplier Environmental Assessment
- Security Practices
- Market Presence
- Freedom of Association and Collective Bargaining
- Anti-corruption
- Non-discrimination
- Child Labor
- Anti-competitive Behavior
- Forced or Compulsory Labor
- Local Communities
- Rights of Indigenous Peoples
- Indirect Economic Impacts
- Supplier Social Assessment
- Public Policy
- Procurement Practices
- Customer Health and Safety
- Marketing and Labeling
- Water and Wastewater
- Customer Privacy

List of material topics	Occupational Health and Safety	Energy
Describe the organization's policies or commitments regarding the material topics	The OHS policy of CYS is defined as "regulatory compliance, total participation, zero disaster, proper communications, enhanced performance, continuous improvement, and sustainability." OHS at CYS conforms to occupational safety regulations in Taiwan.	CYS's policy encompasses the following goals: regulatory compliance, total participation, green consumption, zero disaster, proper communications, enhanced performance, continuous improvement, and sustainability.
Describe the influence of impact	Naturally, OHS is rather important to CYS. Failure to engage in occupational health and safety management may result in legal penalties being imposed on CYS. Diligent OHS management reduces the cost risks to CYS while improving the safety of employees during the production and manufacturing process.	The topic of energy shall be an issue of critical importance for CYS in the future. Failure to engage in energy management may result in regulatory requirements and penalties being imposed on CYS. Conducting due diligence on energy management may reduce cost risk for CYS and improve the competitiveness of CYS products in terms of sustainability. In order to effectively manage energy efficiency and cut energy costs in light of the latest trends in green energy, CYS has adopted a multi-pronged approach that involved the introduction of energy-saving equipment and study of feasibility of setting up a solar power system in parallel.
Major target of influence	Employees and other workers Business partners Suppliers Government Local communities	Employees and other workers Business partners Suppliers Government Local communities
Preventive or remedial measures for negative impact	According to the "Control Procedure for the Investigation and Handling of Environment, Safety and Health Accidents and Anomalies" in the CYS EHS Management System, if there is an anomaly or accident on the site then the cause should be analyzed and reasonable, practical corrective measures devised. The results of corrective action should be monitored to confirm that the cause has been resolved and to prevent further recurrence.	CYS conducts statistical analysis of energy usage to proactively assess energy-saving measures for high-consumption equipment. The Company also actively evaluates the feasibility of installing solar power systems on the rooftops of its facilities as part of its commitment to exploring renewable energy sources.
Purpose and Target	**It is recommended to divide the objectives into short-term and mid/long-term goals and present them using quantitative data.** Short-term objectives (1) Zero major occupational disaster. (2) Reduce Frequency-Severity Index. Mid-term objectives (1) Zero major occupational disaster. (2) Reduce Frequency-Severity Index. Long-term objectives Zero occupational injuries.	**For Longtan Plant with relatively higher energy consumption** Short-term objectives Cooperate with government policy by carrying out various energy-efficiency projects every year. Mid/Long-term objectives Mid-term objective: Achieve an annual energy-saving rate >1.05% between 2015-2025 From 2015 to 2025, the average electricity-saving rate of Chun Yuan Steel was 1.39%, achieving its mid-term energy conservation target. Long-term objective: Achieve an annual energy-saving rate >1.1% between 2015-2030

List of material topics	Training and Education	Employees Diversity and Equal Opportunity
Describe the organization's policies or commitments regarding the material topics	The cultivation and completeness of competency in each employee is valued by the Company. Each division, factory or office is required to draw up their annual training plan and budget based on their business targets, plans, resources and future direction of development by the end of October each year. A competency-based education and training system was set up to enhance and revitalize the development of employee competency and support the long-term enterprise development.	The Company considers all employees to be important company assets. Respect for human rights, equality, and anti-discrimination form part of our core philosophy and policies on treatment of employees from multicultural backgrounds. CYS is committed to establishing a workplace believes in the importance of human rights. We promise to treat everyone employee with respect and as equals.
Describe the influence of impact	A competency-based education and training system was set up to enhance and revitalize the development of employee competency and support the long-term enterprise development. If the Company fails to implement a training system and foster talent development, employees will be inadequately competent and the Company will lose its core competitiveness and unable to achieve organizational growth.	Provide employees and job applicants with a working and service environment free from sexual harassment. Appropriate preventive, corrective, disciplinary and administrative actions should also be taken to protect the rights and privacy of the affected party. To enforce the protection of gender equality in employment, eliminate gender discrimination, and to provide employees with a safe and equal workplace in accordance with the law. Failure to promote and enforce such protections will expose the Company to legal penalties.
Major target of influence	Employees and other workers	Employees and other workers
Preventive or remedial measures for negative impact	Preventive measures It is crucial to monitor the entire process from planning and design to execution and outcome. Upon the completing of training, a formal assessment report should be documented, highlighting areas for improvement. Remedial measures Abnormal Handling and Corrective Actions: When addressing training abnormalities, it is important to request "corrective measures" to ensure that the identified issues are appropriately addressed and resolved according to the corrective actions specified.	Preventive measures To prevent similar incidents from occurring again, it is important to conduct awareness campaigns or educational training on the prevention of sexual harassment for all employees. Remedial measures When a complainant reports a case of sexual harassment, it is crucial to initiate the appropriate investigation procedures to thoroughly investigate and address the matter. We shall empathize with the feelings of the complainant and provide necessary support, counseling, medical assistance, or any other required assistance.
Purpose and Target	Short-term objectives To achieve the annual objectives of the organization, it is essential to enhance employee's professional capabilities and performance. Mid/Long-term objectives 1. Implement knowledge management and construct learning roadmaps to cultivate CYS' core competitiveness. 2. Continue to cultivate management talent that meets organizational requirements.	Short-term objectives To achieve zero incidents of discrimination, sexual harassment, and human rights abuse. Mid/Long-term objectives Prevent incidents of discrimination, sexual harassment, and human rights abuse.

Labor/Management Relations	Raw Materials	Economic Performance
Our medium and long-term strategic objective is harmony between the employees and employer. "It takes good employees to build a good department, and it takes good departments to build a good company." We provide every employee with an appropriate level of attention, support and care. We are committed to providing all employees with a platform for developing their talents, finding self-fulfillment through career accomplishments, and the creation of a comfortable, LOHAS, and healthy friendly workplace.	We are committed to sourcing high-quality materials at reasonable prices. Through stringent quality control measures, we aim to eliminate any noncompliant products from our supply chain.	Continue to create maximum benefits for the Company and all stakeholders involved.
CYS adopts an employee-oriented philosophy to building harmonious employer-employee relations. We strive to foster a welcoming and stable workplace that prioritizes employee safety, talent cultivation and development. To create a friendly workplace environment. Should a company violates its basic commitments to employees, it may face labor disputes and mediation, which can impact employee loyalty and result in employee turnover, ultimately affecting the company's competitiveness.	Apart from being a significant player in the domestic steel processing and distribution industry, CYS also undertakes various large-scale steel structure projects. The majority of our procurement is focused on raw materials, accounting for over 80% of the total procurement amount. And as such, CYS also prioritizes seeking high-quality, reliable, and competitively priced suppliers for relevant materials.	To deliver shareholder returns, realize the sustainable development of the company in the future, expand our markets as well as enhance the speed and quality of our services, CYS has continued to invest in a variety of production equipment to improve processing efficiency and lower production costs. New factories are being constructed to meet the growth in business. Our basic approach can be characterized as continuous investment to boost our competitiveness and returns. We hope all employees can work together to realize our annual targets.
Employees and other workers	Suppliers Customers Business partners	Shareholders and other investors Employees and other workers
Preventive measures 1. Establish an employee grievance system to improve labor-management relations. 2. Formulate work rules and personnel management regulations that clearly define the rights, obligations, and management matters for both labor and management. This ensures that employees have a comprehensive understanding and can effectively safeguard their rights and interests. 3. Provide a healthy and safe workplace environment: We are committed to providing a healthy and safe workplace environment for our employees, ensuring compliance with relevant regulations in all aspects of occupational safety and health. **Remedial measures** When labor disputes arise, we will strive to understand the issues and concerns of both parties involved. Through open communication and negotiation with employees, we will strive to reach a mutual agreement. Once a consensus is reached, we shall mediate and resolve the labor dispute accordingly.	**Preventive measures** Every month, we consolidate the results of goal execution and hold meetings to review them. If any targets are not met, we promptly implement improvements and continue to monitor progress to ensure continuous improvement. **Remedial measures** We shall visit our suppliers regularly to strengthen our collaborative relationship and ensure smooth communication channels for negotiation. By including breach of contract clauses in our procurement agreements, we can take legal measures to protect our interests if a supplier fails to fulfill the terms of the contract. We will establish backup supplier information so that in the event of any issues with our primary suppliers, we can swiftly switch to alternative suppliers.	**Preventive measures** Active expansion of new businesses, new markets (domestic/export markets) and high value-added products Closely monitor politico-economic trends and industry changes in order to actively search for new business opportunities. **Remedial measures** Propose process improvement/efficiency improvement plans to reduce the cost per ton/person. Review the assumptions for target head count and fees to ensure that the budget is reasonable.
Short-term objectives Zero incidents of major employee-employer disputes. **Mid/Long-term objectives** Achieve harmonious labor-management relations without any incidence of major employee-employer disputes.	**Short-term objectives** 1. Reduce procurement costs. 2. Strengthen relationship with suppliers to ensure steady supply of materials. 3. Seek collaboration with new suppliers. **Mid/Long-term objectives** 1. Strengthen risk management plan and formulate emergency response plan. 2. Develop an integrated procurement strategy to complement the Company's overall operational strategies.	**Short-term objectives** 1. Continue to create profit. 2. Achieve annual targets/goals. **Mid/Long-term objectives** 1. Respect, serve and satisfy clients. 2. Maximize shareholder interests. 3. Enhance employee quality of life.

1

Responsible Governance

2025 Sustainability Management Performance

No major violations

- There were no violations of product health and safety regulations, or penalties/heavy fines for violation of product information and labeling regulations. Nor were any products banned for sale or involved in dispute, or violations of marketing communications regulations.

No infringements or leaks

- No customer complaints regarding violation of privacy or information leak.

None

- There were no incidents of corruption or bribery.

Local procurement accounted for 94.58% of total value

- In 2025, local procurement in Taiwan accounted for 94.58% of total value while foreign imports accounted for 5.42%.

1.1 About Chun Yuan Steel

Chun Yuan Steel (CYS) was founded in 1965 and started out as a processor of imported hot-rolled steel plates and coils. CYS later expanded into other steel-related products including fabrication of engineered steel structures, magnetic steel stamping, special-purpose steel sales, special steel strip rolling, as well as the design and fabrication of automated storage. CYS grew steadily over time and turnover has increased from tens of millions of dollars to more than ten billion dollars today.

CYS is organized into the following seven business divisions: Steel sheets, Direct Sale, Electrical Steel, Special steel, Special Steel Strip, Automated Storage System, and Construction. Key subsidiaries include Chun Yuan Construction, Chun Shyang Shin Yeh, Shenzhen Chun Yuan, Shenzhen Hong Yuan, Shanghai Huateng, and Qingdao Chun Yuan. CYS produces high-quality products with the most advanced production equipment and technologies. Our highly-trained people and rigorous quality standards provide domestic and overseas customers with the best service.

2022

- Ministry of Labor: Gold Medal for Talent Quality-management System (TTQS) (Corporate Organization)

2023

- Ministry of Labor: Gold Medal for Talent Quality-management System (TTQS) (Corporate Organization)

2024

- Ministry of Labor: Gold Medal for Talent Quality-management System (TTQS) (Corporate Organization)
- Taiwan Continuous Improvement Competition - Bronze Tower Award

2025

- Ministry of Labor: Gold Medal for Talent Quality-management System (TTQS) (Corporate Organization)

Business Philosophy

Development of metal-centric industries

Corporate Culture

Respect, serve and satisfy **clients.**
Maximize **shareholder** interests.
Enhance **employee** quality of life.

Core Culture

Mindset

Sincerity, Confidence, Diligence, Responsibility

Action

Innovation, Enterprise, Teamwork, Focus

Company Overview

Company Name	Chun Yuan Steel Industry CO., LTD.
Listing Status/Market Type	Public (Listed Company)
Industry	Steel Industry
Business Portfolio	Commercial steels, electrical steel, special steel, special steel strips, section steel, engineering, storage systems, metal processing
Date Established	January 7, 1966
Chairman	Tsai Hsi-Yu
President	Hung Shih-Min
Paid-in capital	NTD 6,476,554 Thousands
2025 Operating Profit	NTD 24,189,382 Thousands (consolidated)
2025 Total Sales	563,522 metric tons (consolidated)
Employees	1,551 (as of end of December 2025; including migrant workers in Taiwan)
Corporate Headquarters	6F and 7F, No.502, Fuxing N. Rd., Zhongshan Dist., Taipei City

春源鋼鐵
CHUN YUAN STEEL

Taiwan Operating Sites

Taipei Headquarters

Xizhi Plant

— Commercial Steel Division
Xizhi Plant

— Commercial Steel Regional Division
Sizhi Office
Taoyuan Office
Tucheng Office
Hinschu Office
Taichung Office

— Special Steel Division
Tucheng Office
Taichung Office

— Electrical Steel Division
Sales Department
Taichung Plant

Longtan Plant

— Special Steel Strip Business Division
Rolling Plant

— Automated Storage System Division
Automated Storage System Plant

— Construction Business Division
Steel Structure Plant

— Special Steel Division
Longtan Office

Tainan Plant

— Commercial Steel Regional Division
Tainan Office

— Special Steel Division
Tainan Office

Kaohsiung Plant

— Commercial Steel Regional Division
Kaohsiung Plant

— Construction Business Division
Steel Structure Plant
(Mfg. Section 2)

— Special Steel Division
Kaohsiung Office

China Operating Sites

Qingdao Chun Yuan

Precision Mechatronic Co., Ltd.

Shanghai Huateng

Metal Processing Co., Ltd.

Shenzhen Chun Yuan

Steel Industrial Co., Ltd.

Shenzhen Hong Yuan

Metal Processing Co., Ltd.

Chun Yuan Steel Affiliates

Investment Name	Subsidiary Name	Business Type	Shareholding Ratio		
			2025.12.31	2024.12.31	2023.12.31
Chun Yuan Steel	Chun Yuan Investment (Singapore) Pte Ltd. ("CYI Singapore")	General Investment Industry	100.00%	100.00%	100.00%
Chun Yuan Investment (Singapore)	Chun Yuan Investment (BVI) Co., Ltd. ("CYI BVI")	General Investment Industry	100.00%	100.00%	100.00%
Chun Yuan Investment (Singapore)	Shenzhen Hongyuan Metal Industry Co., Ltd.	Production of galvanized sheets, coated sheets, aluminum sheets, and other metal sheets	86.21%	86.21%	86.21%
Chun Yuan Investment (Singapore)	Shenzhen Chun Yuan Steel Industrial Co., Ltd.	Production of transformer parts, rotors, stators and other metal products made from the stamping of electrical steel coils	87.97%	87.97%	87.97%
CYI BVI	Qingdao Chun Yuan Precision Mechatronic Co., Ltd.	New types of mechatronic components, fine blanking die and other related metal products.	95.00%	95.00%	95.00%
CYI BVI	Shanghai Huateng Metal Processing Co., Ltd.	Production and processing cold rolled electrical steel sheets, various metal materials, rotors, and stators	80.59%	80.59%	80.59%

CYS Ownership Type

2026.04.13

	Government agencies	Financial institutions	Other juridical persons	Foreign investors	Individual shareholders	Total
Persons	0	2	79	100	38,979	**39,160**
Shares	0	1,038	112,091,378	62,849,335	472,713,639	**647,655,390**
Shareholding Ratio	0.00%	0.00%	17.31%	9.70%	72.99%	**100.00%**

Organizational Engagement

Trade Association Name	Members' Representative	Position held
Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Tsai Hsi-Yu (Chairman), Hsieh Yu-Hsia (Assistant Vice President)	Member
Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)	Tsai Hsi-Yu (Chairman), Hung Shih-Min (President) Tsai Teng-Wei (Assistant Vice President), Ao Kuo-yi (Assistant Vice President), Chang Chin-Yuan (Assistant Vice President) Wu Ping (Manager), Lin Chi-Jung (Manager)	Member
Taiwan Association of Machinery Industry (TAMI)	Tsai Hsi-Yu (Chairman), Hung Shih-Min (President) Tsai Teng-Wei (Assistant Vice President), Ao Kuo-yi (Assistant Vice President), Chang Chin-Yuan (Assistant Vice President)	Member
Taiwan Steel & Iron Industries Association (TSIIA)	Tsai Hsi-Yu (Chairman), Tsai Hsi-Chi (Director) Hung Shih-Min (President), Chiang Ming-Chi (Vice President) Tsai Teng-Wei (Assistant Vice President), Ao Kuo-yi (Assistant Vice President), Chang Chin-Yuan (Assistant Vice President)	Tsai Hsi-Chi (Director) and Tsai Teng-Wei (Assistant Vice President) served as conveners of the Special Steel Taskforce
Importers and Exporters Association of Taipei (IEAT)	Tsai Hsi-Yu (Chairman), Hung Shih-Min (President)	President Hung Shih-Min serves as the deputy convener of the Steel and Hardware Taskforce
Taiwan Transportation Vehicle Manufacturers Association (TVMA)	Tsai Hsi-Yu (Chairman), Hung Shih-Min (President) Tsai Teng-Wei (Assistant Vice President)	Member
R.O.C. Crane Association	Chen Neng-Ching (Manager)	Member
Taiwan Mold & Die Industry Association (TMDIA)	Ao Kuo-Yi (Assistant Vice President), Lin Chi-Jung (Manger), Liu Yu-Chun (Assistant Manager)	Member
Taiwan Machine Toll & Accessory Builders' Association (TMBA)	Tsai Teng-Wei (Assistant Vice President), Ao Kuo-yi (Assistant Vice President), Chang Chin-Yuan (Assistant Vice President)Lin Chi-Jung (Manager), Chou Chin-Hsing (Assistant Manager), Liu Yu-Chun (Assistant Manager)	Member
Chinese Lean Management Association (CLMA)	Tsai Hsi-Yu (Chaiman), Liu Yu-Chun (Assistant Manager)	Member
Chinese International Economic Cooperation Association, Taiwan (CIECA)	Tsai Hsi-Yu (Chairman), Ao Kuo-Yi (Manager)	Member
Taiwan Light Metals Association (TWLMA)	Ao Kuo-Yi (Assistant Vice President) Chang Chin-Yuan (Manager), Lin Chi-Jung (Manager)	Member
Taiwan Motor Industry Association (TMIA)	Ao Kuo-Yi (Assistant Vice President), Wu Ping (Manager), Lin Chi-Jung (Manager) Assistant Manager Liu Yu-Chun	Member
Taiwan Steel Framework Engineering Association	Tsai Hsi-Yu (Chairman), Chiang Ming-Chi (Vice President) Cheng Yao-Ren (Assistant Vice President), Kao She-Chin (Manager) Lin Ming-Yuan (Manager), Chen Neng-Ching (Manager)	Chiang Ming-Chi (Director), Lin Ming-Yuan (Managing Supervisor),
Taiwan Steel Framework Lifting Engineering Association	Tsai Hsi-Yu (Chairman), Chiang Ming-Chi (Vice President) Cheng Yao-Ren (Assistant Vice President), Kao She-Chin (Manager) Lin Ming-Yuan (Manager), Chen Neng-Ching (Manager)	Chiang Ming-Chi (Director), Lin Ming-Yuan (Managing Supervisor),







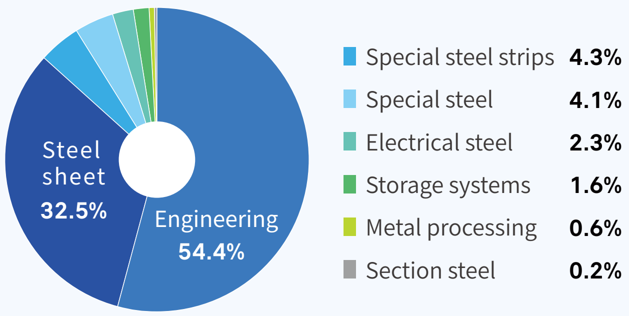
Products and Services

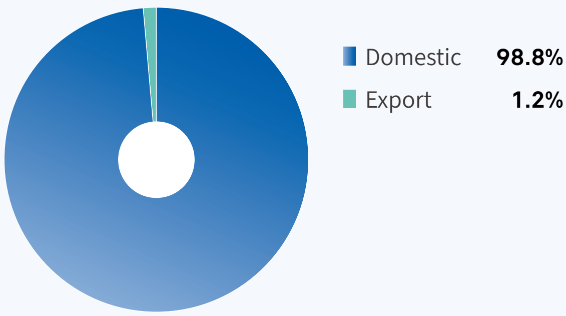
CYS is one of the largest steel & iron processors and distributors in Taiwan. Our services include: supply of hot-rolled, cold-rolled, plated, electrical steel, aluminum, stainless steel, copper, carbon/alloy tool steel and structural steel materials; stamping of EI sheets and iron motor cores; the planning, design, manufacture and installation of storage racks; as well as the undertaking of large steel structural engineering projects (high-rise buildings, factories, bridges, and equipment).

Domestic sales account for 98.8% of our products while export sales account for 1.2%. Most of our business is related to the transportation industry, domestic appliances industry, machinery industry, and steel structural engineering so we play a very significant role in the steel industry chain. No CYS products were banned from sale or delisted by the authorities during 2025.

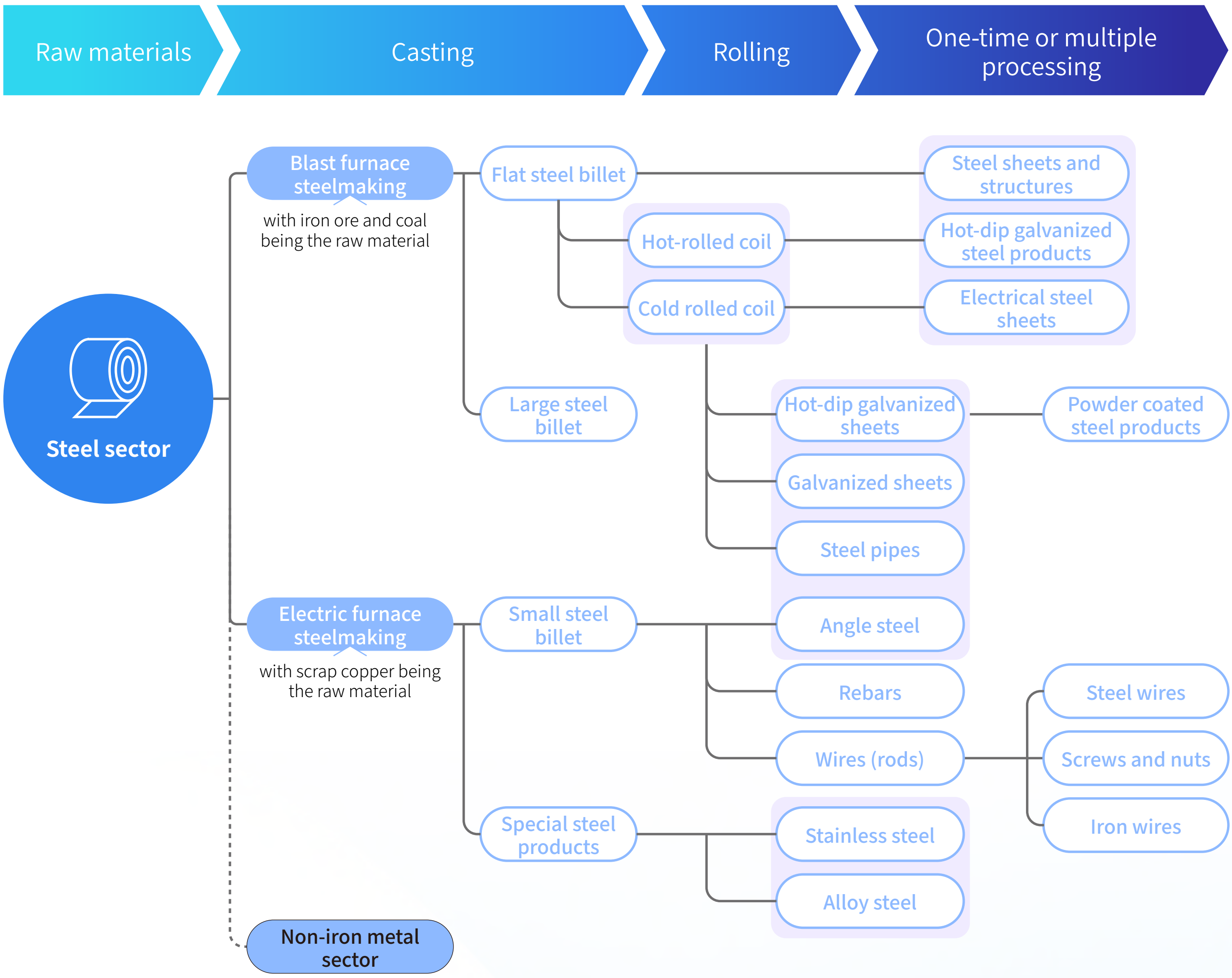
Materials	Production process	Product name	Purpose
Hot-rolled coil	Cropping and flattening	Hot rolled steel sheets	Construction, machinery, and durable equipment
	Stripping	Hot rolled stripped coils	
	Stripping and rolling to form	Light shaped steel	Construction use
Cold rolled coil	Cropping and flattening	Cold-rolled steel sheet	Parts for common domestic tools and items, automotive components
	Stripping	Cold-rolled stripped coils	Automotive components, metal products, sports equipment
Enamel steel coils	Cropping, flattening, and stripping	Enamel steel sheets Enamel steel stripped coils	Colorful cookers, pots and cups, basins, bathtubs, and walls
Plated steel coils	Cropping and flattening	Plated steel sheets	Parts of appliances, automotive gas tanks, exhaust pipes, air conditioner and refrigerator parts
	Stripping	Plated steel stripped coils	
Thick plates	Cutting, welding, Drilling, assembly	Welded H-shape steel	Steel construction, machinery, bridges, and other steel structures
		Welded H-shape honeycomb steel	
		Steel junction plates	
		Steel reinforced plates	
		Machinery parts	
		Steel construction	
Electrical steel sheets (coils)	Stripping, stamping	Motor cores, EI sheets	Motors, transformers, rectifiers
	Stripping	Electrical steel strips	
Special steel	Sawing	Sheets, bars, round steel, square steel, and angle steel	Machines, cars, parts, molds
High-carbon steel coils	Stripping, cold rolling, annealing, and tempering	Cold rolled high-carbon steel stripped coils	Stationery supplies, springs, and tool parts
Steel Sheet parts	Forming, assembling, and installing	Logistics equipment	Storage and management of materials, tapes, and files
		Light-, mid-, and heavy-duty material racks	
		3D automated storage systems	

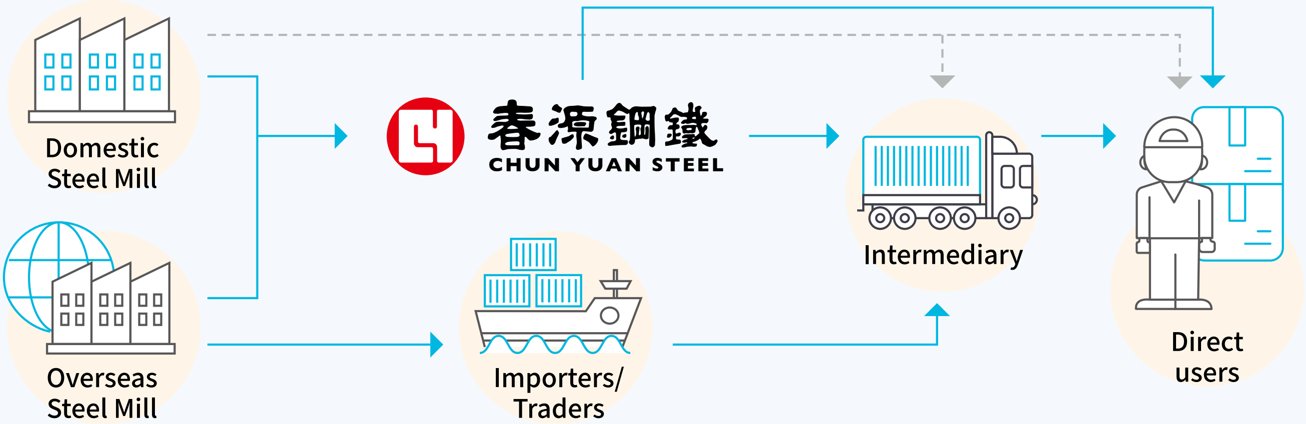
2025 Market Analysis of Chun Yuan Steel Sales





CYS Value Chain





CYS Sustainability Management System

Taiwan Occupational Health and Safety Management System
TOSHMS
CNS 45001

Environmental Management System
ISO 14001

Health and Safety Management System
ISO 45001

Quality Management System
ISO 9001

Steel Structure Products, IE3 Motor Certification Mark

1. Accreditation

TAF (Non-destructive testing)

2. Product Certification

CNS mark
(H-profile steel for general structural welding),
IE3 high-efficiency motor

Investment in Product Testing Instruments

1.2 Corporate Governance

Business Strategy and Development

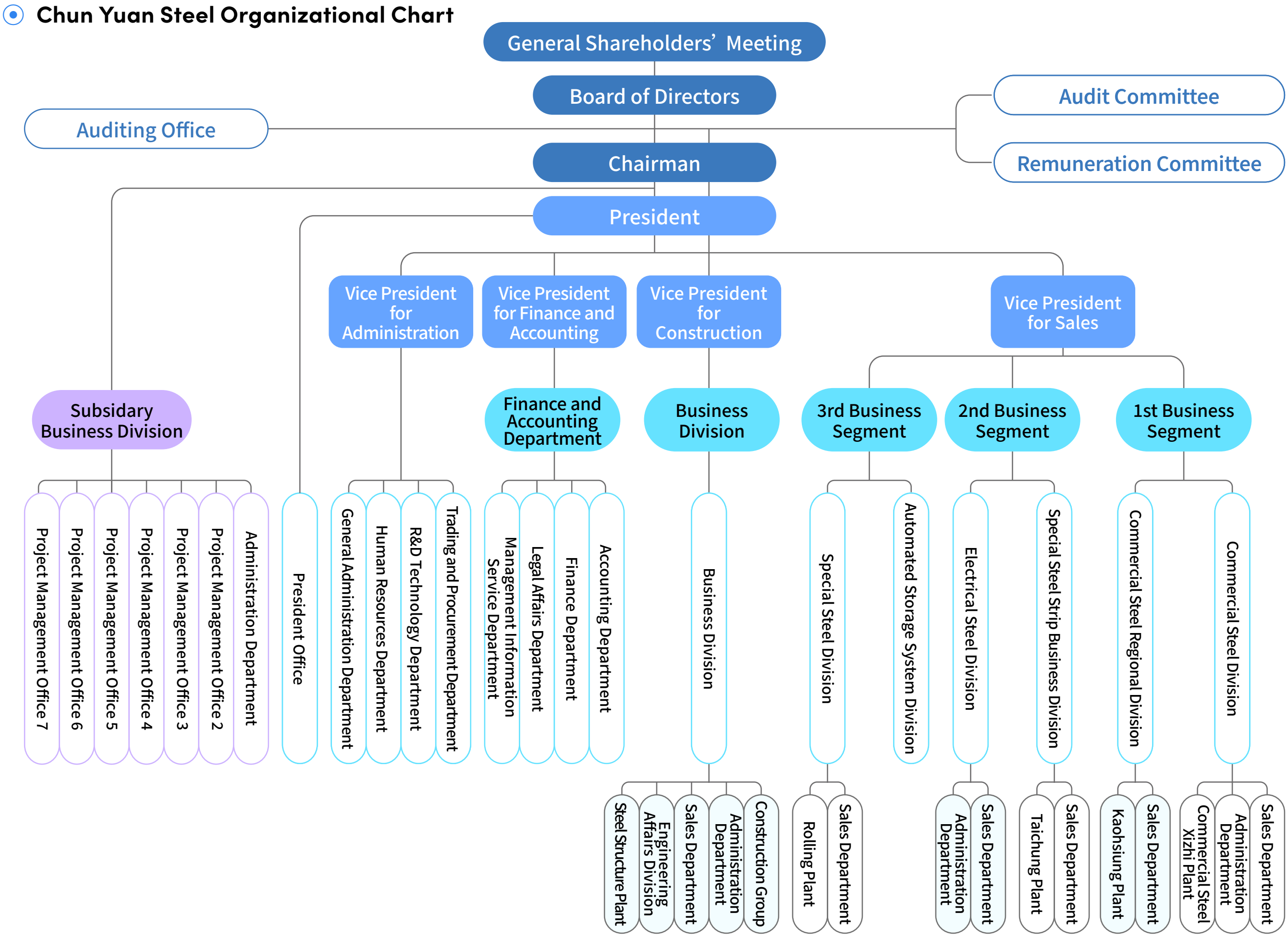
To ensure the robust and sustainable development of the Company, the following eight business strategies were set out by CYS: Customer management, inventory management, account management, cost rationalization, talent cultivation, R&D innovation, equipment investment, and project investment. These strategies fulfill the spirit of sustainability in the three aspects of economy, environment, and society.

Approach	Approach Description
1 Customer Management	1. Consolidate sales to existing customers while aggressively developing new leads to increase our market share. 2. Closely monitor politico-economic trends and industry changes to actively search for new business opportunities.
2 Inventory Management	1. We will handle materials in a prudent manner and operate with optimal inventory 2. Find competitive sources and add new procurement channels 3. Reduce stock turnover time to avoid tying up capital 4. Continue to reduce obsolete inventory
3 Account Management	1. Visit customers diligently to keep track of their latest developments. 2. Regularly review and update credit checks on customers and enforce account payable management to reduce debt risk. 3. Improve recovery of account payments, shorten the maturity date, and establish safe, reasonable business conditions.
4 Cost Rationalization	1. Submit proposals for cost rationalization (operating/factory/labor costs). 2. Propose and implement process improvement/productivity enhancement plans
5 Talent Cultivation	1. Implement human resources planning and follow recruitment plan 2. Enforce rostering system to cultivate multi-skilled talent. 3. Refine education and training plans 4. Cultivate and increase the qualification rate for technicians in key positions.
6 R&D Innovation	1. Technology R&D strategy: Labor-saving, automation, new technologies, new processes. 2. Market R&D strategy: New materials, new products, new markets.
7 Equipment Investment	1. Inventory all factory equipment and devise upgrade plan 2. Thoroughly evaluate all equipment investment plans 3. Track the progress on all equipment investments 4. Enforce periodic servicing and routine maintenance of equipment
8 Project Investment	1. Implement approved workshop/office investments as planned 2. Administrative units shall help, support, and track the progress of investment projects being implemented

Corporate Governance Structure

The Board of Directors of Chun Yuan Steel serves as the Company's highest governing body. The Chairman acts as the chairperson of both the shareholders' meeting and the Board of Directors. Reporting to the Chairman are the President, Vice Presidents, and Assistant Vice Presidents, forming a governance structure designed to strengthen corporate governance. To enhance the effectiveness of Board operations, the Remuneration Committee was established with Board approval on October 15, 2011. In addition, the Audit Committee was established on June 21, 2019, in accordance with applicable regulations to strengthen oversight and management functions. Furthermore, a Corporate Governance Officer position was established with Board approval on December 23, 2020, to oversee matters related to corporate governance.

Chun Yuan Steel Organizational Chart



Board of Directors	The Board is made up of eight directors and three independent directors. A Board meeting is convened at least once each quarter mainly to formulate policies on corporate governance and business strategy. Other Board responsibilities include overseeing business performance, preventing conflicts of interest, and ensuring compliance with the law.
Audit Committee	The audit committee shall consist of all independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.
Remuneration Committee	The Remuneration Committee has three members and is convened at least twice a year. It defines compensation plans (including the criteria for performance evaluation as well as the reward and disciplinary schemes) based on the roles and responsibilities of directors, officers, and the standard of compensation for similar positions at related enterprises. The Remuneration Committee also evaluates the performance of company directors and officers.
Corporate Governance Officer	The role of Corporate Governance Officer (CGO) is concurrently held by the Assistant Vice President for Finance and Accounting. The CGO is responsible for handling matters relating to Board meetings and shareholders meetings; producing minutes of Board meetings and shareholders meetings; assisting in onboarding and continuing education of directors; furnishing information required for directors for the performance of their duties; and assisting directors with legal compliance and other matters specified in the Articles of Incorporation and contracts.
Auditing Office	The Auditing Office is responsible for auditing company systems and tracking of corrective actions.

Selection Process for Board of Directors

The Company has adopted the candidate nomination system set out in Article 192-1 of the Company Act for Board of Directors elections. The directors are elected from the list of nominees by the Shareholders' Meeting. The Board of Directors consist of eight directors and three independent directors, all of whom possess extensive industry and management experience as well as strong academic and professional backgrounds.

The Board of Directors is the top governance and decision-making unit of the Company, currently consisting of nine men, two women, no person under the age of 30, two between the ages of 30 to 50, and nine people over the age of 50. Board functions include the appointment and supervision of company officers, supervision of business performance, supervision of company compliance, formulation of company rules, and Shareholders' Meeting resolutions. The Board strives to maximize returns for shareholders.

CYS Board Members

Baseline date of 2025.12.31

Position	Name	Education	Experience	Current Position
Chairman	Tsai Hsi-Yu	Hsing Wu Junior College of Commerce (not completed)	— Director of Chun Yuan Steel Industry Co., Ltd. etc.	— Chairman of Chun Yuan Steel Industry Co., Ltd. — Director of Anxi Investment and etc.
Director	Wu Mei-Ying	National Chengchi University Business Administration	— Director of Chun Yuan Steel Industry Co., Ltd. etc.	— Director of Chun Yuan Steel Industry Co., Ltd. — Director of Lian Teh Investment Company — Director of Lian Long Investment Company, etc.
Director	Tsai Hsi-Chi	Shih Hsin Industrial & Commercial School	— Chairman of Chun Yuan Steel Industry Co., Ltd. — President of Chun Yuan Steel Industry Co., Ltd. etc. — Chairman etc. of Sinkang Industries Co., Ltd. etc.	— Director of Chun Yuan Steel Industry Co., Ltd. — Representative of Corporate Director, of Sinkang Industries Co., Ltd. — Representative of Corporate Director, Chun Yuan Construction Co., Ltd.
Director	Cheng Ye-Ming	Ming Cheng University, Japan Department of Law	— Chairman of Chun Yuan Steel Industry Co., Ltd., — Chairman of Seven Stars Tobacco Co., Ltd., — CEO of King Tobacco and Alcohol Co., Ltd. etc.	— Director of Chun Yuan Steel Industry Co., Ltd., — Director of Sinkang Industries Co., Ltd., — Representative of Corporate Director, Chun Yuan Construction Co. — Director of Empire Steel Co., Ltd. etc.
Director	Lee Wen-Fa	Nihon University Department of Economics	— Director of Chun Yuan Steel Industry Co., Ltd. etc.	— Director of Chun Yuan Steel Industry Co., Ltd. — Director of Yung Kuang Hwa Metal Industrial Co., Ltd. — President of Yung Kuang Hwa Metal Industrial Co., Ltd. — Director of Taiwan Steel Tower Co., Ltd. etc.
Director	Tsai Cheng-Ting	Master of Science In Finance, Baruch College, City University of New York	— Project Manager, ACRA Industrial Machinery Co., Ltd. — Researcher, CYBER EXPRESS Financial Management Consultancy — Director of Sinkang Industries Co., Ltd. etc.	— Chairman etc. of Sinkang Industries Co., Ltd. — Director of Chun Yuan Steel Industry Co., Ltd. — Director of Chun Yuan Construction Co., Ltd. etc.
Director	Cheng Chieh-Wen	Master of Architecture, Nuova Accademia di Belle Arti	— Director of Amity New Co., Ltd.	— Director of Chun Yuan Steel Industry Co., Ltd., — Director of Sinkang Industries Co., Ltd., — Chairman of Amity New Co., Ltd., etc.
Director	Detaiyu Investment Industrial Limited	-	— -	— Director of Chun Yuan Steel Industry Co., Ltd. — Director of Sinkang Industries Co., Ltd. — Director of Chun Yuan Construction Co., Ltd.
	Represen-tative: Lee Wen-Lung	Department of Tourism and Hospitality, Hsing Wu Junior College of Commerce	— Chairman of Chun Yuan Steel Industry Co., Ltd. — President of Yung Kuang Hwa Metal Industrial Co., Ltd., etc.	— Representative of Corporate Director, of Chun Yuan Steel Industry Co., Ltd. — Representative of Corporate Director, of Sinkang Industries Co., Ltd. — Representative of Corporate Director, Chun Yuan Construction Co. — Chairman of Yung Kuang Hwa Metal Industrial Co., Ltd., — Chairman of Taiwan Steel Tower Co., Ltd. etc.
Indepen-dent Director	Hsu Li-Ming	Institute of Accounting, Tamkang University MBA	— Accountant of RSM Taiwan — Sitting Member, Tax Regulations Committee, CPA Associations R.O.C. (Taiwan) — Independent Director and Remuneration Committee Member of Sinkang Industries Co., Ltd. etc.	— Independent Director of Chun Yuan Steel Industry Co., Ltd. — Accountant of RSM Taiwan — Independent Director etc. of Sinkang Industries Co., Ltd. etc.

CYS Board Members

Baseline date of 2025.12.31

Position	Name	Education	Experience	Current Position
Indepen-dent Director	Liu Huang-Chi	Master of Law, Tunghai University	— Judge of Taipei District Court — Judge and Presiding Judge of Taipei District Court — Independent Director of Taiwan Life Insurance Co., Ltd. — Independent Director of CTBC Life Insurance Co., Ltd.,	— Independent Director of Chun Yuan Steel Industry Co., Ltd. — Independent Director of Mayer Steel Pipe Corporation — Independent Director of Union Insurance Co., Ltd. — Independent Director of A.G.V. Products Corporation — Vice Chairman of LONG BON INTERNATIONAL CO., LTD. — Director of Taisun Enterprise Co., Ltd. — Director of Eastern E-Commerce Co., Ltd. — Director of Eastern Hotels & Resorts Co., Ltd. — Chairman of Jing Pin Development Industry Co., Ltd. — Supervisor of Suneast Engineering and Development Co., etc.
Indepen-dent Director	Liu Tsung-Te	Doctor of Laws, Nagoya University, Japan	— Distinguished Professor, National Chengchi University — Independent Director, Tatung Company — Independent Director, Taiwan Sugar Corporation — Adjunct Chair Professor, Chinese Culture University, etc.	— Independent Director of Chun Yuan Steel Industry Co., Ltd. — Adjunct Chair Professor, Chinese Culture University — Director, Chinese Culture University, etc.

Note3: The CYS Articles of Incorporation stipulate the appointment of nine to thirteen Board directors with at least three independent directors. All are appointed for a term of three years and can be elected for successive terms. The current term runs from 2025.06.19 through to 2028.06.18

Audit Committee Membership

The Audit Committee was established by the Company Board of Directors on June 21, 2019, to ensure the integrity of supervisory functions and strengthen management performance. The Audit Committee is to be made up of all independent directors at least one of whom must possess accounting or financial expertise.

CYS Independent Directors

Position	Name	Education	Experience	Current Position
Chair	Hsu Li-Ming	Tamkang University Master of Business Administration	◦ Accountant of RSM Taiwan ◦ Sitting Member, Tax Regulations Committee, CPA Associations R.O.C. (Taiwan) ◦ Independent Director and Remuneration Committee Member of Sinkang Industries Co., Ltd. etc.	◦ Independent Director of Chun Yuan Steel Industry Co., Ltd. ◦ Accountant of RSM Taiwan ◦ Independent Director etc. of Sinkang Industries Co., Ltd. etc.
Committee Member	Liu Huang-Chi	Master of Law, Tunghai University	◦ Judge of Taipei District Court ◦ Judge and Presiding Judge of Taipei District Court ◦ Independent Director of Taiwan Life Insurance Co., Ltd. ◦ Independent Director of CTBC Life Insurance Co., Ltd.	◦ Independent Director of Chun Yuan Steel Industry Co., Ltd. ◦ Independent Director of Mayer Steel Pipe Corporation, ◦ Independent Director of Union Insurance Co., Ltd. ◦ Independent Director of A.G.V. Products Corporation, ◦ Vice Chairman of Long Bon International Co., Ltd., ◦ Director of Taisun Enterprise Co., Ltd., ◦ Director of Eastern E-Commerce Co., Ltd., ◦ Director of Eastern Hotels & Resorts Co., Ltd., ◦ Chairman of Jing Pin Development Industry Co., Ltd., ◦ Supervisor of Suneast Engineering and Development Co., etc.
Committee Member	Liu Tsung-Te	Doctor of Laws, Nagoya University, Japan	◦ Distinguished Professor, National Chengchi University ◦ Independent Director, Tatung Company ◦ Independent Director, Taiwan Sugar Corporation ◦ Adjunct Chair Professor, Chinese Culture University, etc.	◦ Independent Director of Chun Yuan Steel Industry Co., Ltd. ◦ Adjunct Chair Professor, Chinese Culture University ◦ Director, Chinese Culture University, etc.

Remuneration Committee

The Remuneration Committee was established in accordance with Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange by a resolution of the Board of Directors to strengthen governance at CYS and enhance the functions of the Board. An organic charter for the Remuneration Committee was also drawn up to facilitate compliance. The purpose of the Remuneration Committee is to assist the Board of Directors with assessing and determining the standard of compensation for directors, audit committee and managerial officers. A majority of the Committee should be made up CYS independent directors with the remainder to be appointed by a resolution of the Board. The Committee must consist of at least three persons. The term of appointment is the same as that of the Board of Directors. The roles and responsibilities of the Remuneration Committee are as follows:

- **I. Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for directors, audit committee and managerial officers.**
- **II. Periodically evaluate and prescribe the remuneration of directors, audit committee, and managerial officers.**
- **III. Performance evaluations and remuneration for directors, audit committee, and managerial personnel of the company shall refer to the typical pay levels adopted by peer companies, and take into consideration the reasonableness of the correlation between remuneration and individual performance, the company's business performance, and future risk exposure.**

Recommendations of the Remuneration Committee can be put to the Board of Directors with the consent of a majority of committee members. The recommendations can then be passed by a majority of the directors in attendance at a meeting attended by two-thirds or more of the entire Board; if the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified in the board meeting minutes, and shall be publicly announced and reported on the information reporting website designated by the competent authority within 2 days counting from the date of passage by the Board of Directors. The Remuneration Committee shall be convened at least once every six months. A meeting may also be called at any time if necessary. The Remuneration Committee may invite directors, managerial officers of relevant departments, internal auditors, certified public accountants, legal consultants, or other personnel to attend meetings as nonvoting participants and provide relevant necessary information.

Continuing Education for Directors

The Company's Directors undertake continuing education courses on their own initiative every year. The courses cover topics such as corporate governance, securities regulations, and Board meeting rules. A total of 84 hours of continuing education were completed in 2025.

CYS Board of Directors Meetings

Title	Name	Organizer	Course Name	Hours of Study	Total Hours of Study during the Year
Chairman	Tsai Hsi-Yu	Taiwan Securities and Futures Market Development Foundation	2025 Insider Trading Promotion Seminar	3.0	6.0
		Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	2025 Taishin Net Zero Summit	3.0	
Director	Cheng Ye-Ming	Taiwan Securities and Futures Market Development Foundation	2025 Insider Trading Promotion Seminar	3.0	6.0
		Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	2025 Taishin Net Zero Summit	3.0	
Director	Tsai Hsi-Chi	Taiwan Securities and Futures Market Development Foundation	2025 Insider Trading Promotion Seminar	3.0	6.0
		Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	2025 Taishin Net Zero Summit	3.0	
Director	Tsai Cheng-Ting	Taiwan Securities and Futures Market Development Foundation	2025 Insider Trading Promotion Seminar	3.0	6.0
		Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	3.0	
Representative of Corporate Director	Lee Wen-Lung	Taipei Exchange of Taiwan Stock Exchange	2025 Taiwan Weeks IR & Engagement New Trends: ESG and Sustainable Investment Forum	3.0	6.0
		Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	2025 Taishin Net Zero Summit	3.0	
Director	Lee Wen-Fa	Taiwan Corporate Governance Association	October 2025 Fubon Insurance AI Applications and Corporate Governance Seminar	3.0	6.0
		Taiwan Securities and Futures Market Development Foundation	2025 Internal Insider Trading Compliance Seminar	3.0	
Director	Wu Mei-Ying	Taipei Exchange of Taiwan Stock Exchange	2025 Taiwan Weeks IR & Engagement New Trends: ESG and Sustainable Investment Forum	3.0	6.0
		Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	2025 Taishin Net Zero Summit	3.0	

Director	Cheng Chieh-Wen	International Project Management Association (IPMA)	Data Analytics in Practice: The Scientific Foundation for Executive Decision-Making	3.0	15.0
			Applications of Generative AI and ChatGPT	3.0	
			Human Resource Management and Corporate Forum	3.0	
			Succession Team Building and Talent Development	3.0	
		Taiwan Securities and Futures Market Development Foundation	2025 Insider Trading Promotion Seminar	3.0	
Independent Director	Hsu Li-Ming	CPA Associations R.O.C. (Taiwan)	Latest Anti-Money Laundering Regulations and Analysis of Practical Cases	3.0	9.0
			Interpretation of Company Laws and Practical Registration Practices	3.0	
			National Risk Assessment Results for Money Laundering, Terrorist Financing, and Proliferation Financing, and Evaluation Planning	3.0	
Independent Director	Liu Tsung-Te	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	2025 Taishin Net Zero Summit	3.0	6.0
		Taiwan Securities and Futures Market Development Foundation	2025 Internal Insider Trading Compliance Seminar	3.0	
Independent Director	Liu Huang-Chi	Taiwan Investor Relations Institute	Strengthening Corporate Governance and Regulatory Compliance Through Current Affairs Case Studies	3.0	12.0
			Obligations and Practical Case Studies That Directors and Insiders of Listed Companies Must Know	3.0	
		Taiwan Institute of Directors	Implementation and Best Practices of the Fair Customer Treatment Principle and Inclusive Finance in the Insurance Industry	3.0	
			Climate Risk and Social Responsibility: The Path to Sustainable Transformation in the Financial and Insurance Industries	3.0	

Conflicts of Interest

The Company Board of Directors Meeting Rules stipulate that Directors or the legal person they represent with an interest in a matter on the agenda must explain the nature of their interest during the Board of Directors meeting. If a conflict of interest exists then they may not take part in the discussion and voting. They must also recuse themselves during the discussion and voting, nor exercise proxy votes on behalf of other Directors.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

A Director barred from voting due to the two rules mentioned above will not be counted towards attendance for that motion.

At the fourth Board of Directors meeting held on March 13, 2025, the Company deliberated on the appointment of a manager (Associate Vice President) and the lifting of the non-compete restriction applicable to the newly appointed manager who was not previously serving in that capacity. At the sixth Board of Directors meeting held on June 5, 2025, the Company deliberated on the subscription of preferred shares issued through a cash capital increase by Chun Yuan Construction Co., Ltd. At the seventh Board of Directors meeting held on July 9, 2025, the Company deliberated on the lease of a fourth-floor office on Fuxing North Road, Taipei, from related party Chun Yuan Construction Co., Ltd., the appointment of members of the Remuneration Committee, the appointment of managers, and the lifting of the non-compete restriction applicable to newly appointed managers. For all of the foregoing matters, the relevant directors recused themselves from discussion and voting in accordance with conflict-of-interest requirements and did not participate in the voting process. The remaining attending directors approved the proposals as presented without objection.

Anti-corruption

The "Personnel Management Regulations" of CYS require employees to be mindful of their conduct in both speech and deed. They must not exploit their position for personal gain. To prevent corruption and graft, the "Reward and Penalty Procedures for Employees" stipulate that any employee found to have engaged in corruption, theft or misuse of company funds, accepted bribes or commissions, or willfully damaged company property may be removed from their position and their employment terminated. Annual internal control self-assessments require all CYS factories, departments, and subsidiaries to conduct an internal inspection of their activities. The design and enforcement of internal control systems are adjusted when appropriate in accordance with the law. Internal self-supervision mechanisms are implemented as well. No corruption assessment was conducted by the Company in 2025.

1.3 Business Performance

Management Approach	Economic Performance	
Item	**Description**	**Content**
Material Topics and Boundaries	Significant Reason for This Topic	To deliver shareholder returns, realize the sustainable development of the company in the future, expand our markets as well as enhance the speed and quality of our services, CYS has continued to invest in a variety of production equipment to improve processing efficiency and lower production costs. New factories are being constructed to meet the growth in business. Our basic approach can be characterized as continuous investment to boost our competitiveness and returns. We hope all employees can work together to realize our annual targets.
	Boundaries of This Topic	CYS head office and overseas subsidiaries.
	Limits of Disclosure for This Topic	Financial disclosures in this year's report encompass Taipei headquarters and other business divisions. The information for other related subsidiaries and investments are presented through the Annual Report.
Management Approach and Elements	Management Goal in This Topic	Continuous pursuit of sustainable development, profitability and growth.
	Policy	• "Inventory Management" to optimize inventory levels and increase turnover rates. • "Customer Management" to increase market share as well as practice credit and account management. • "Talent Cultivation" to obtain a sufficient quantity of quality talent. • "Labor-saving and Automation" investments in production equipment to boost productivity.
	Commitment	CYS is committed to optimizing returns for the Company and all stakeholders in accordance with the Company Act, Securities Act and other legislation, as well as the regulations issued by the Financial Supervisory Commission, Taiwan Stock Exchange and other competent authorities.
	Purpose and Target	Annual business strategies and targets are formulated by the Company based on the future direction of development, changes in the internal/external environments, as well as business strengths and weaknesses.
	Responsibility	The President's Office is responsible for compiling and reviewing the targets and plans of each Company unit.
	Resources	The Company conducts regular reviews of our targets to devise improvement plans for projects running behind schedule to ensure that the targets are accomplished successfully.
	Complaint Mechanism	Complaints and whistleblower channels are provided on the corporate website (www.cysco.com.tw) under Stakeholder Contact Details so that illegal behavior can be reported and dealt with.
	Specific Actions	The Company is continuing to invest in or upgrade our production equipment. New factories are also being built to increase our competitiveness.
Management Approach Assessment	Management Evaluation Mechanism	Business strategy meetings made up of top executives are regularly held to review the performance of administrative units, business units, and investments.
	Performance and Adjustment	In 2025, consolidated revenue amounted to NTD 24.189 billion and profit before tax totaled NTD 1.865 billion. Going forward, the Company will continue striving to maximize value for the Company and all stakeholders.
	Preventive and Remedy Measures	— Preventive measures: • Active expansion of new businesses, new markets (domestic/export markets) and high value-added products • Closely monitor politico-economic trends and industry changes in order to actively search for new business opportunities. — Remedial measures: • Propose process improvement/efficiency improvement plans to reduce the cost/tone have been established • Review the assumptions for target head count and fees to ensure that the budget is reasonable

Financial Results

In 2025, Chun Yuan Steel pursued steady and sustainable development. In terms of financial performance, the Company's standalone net profit after tax reached NTD 1.505 billion in 2025, representing an increase compared with 2024. In 2025, consolidated revenue amounted to NTD 24.189 billion, net profit before tax was NTD 1.865 billion, net profit after tax was NTD 1.521 billion, and basic earnings per share was NTD 2.32. A resolution was passed by the Board of Directors to issue a dividend of NTD 2 per share in 2025. In 2025, NTD 40,182 thousands were spent on employee welfare. For a more detailed financial report, please download the financial report for each year from the CYS corporate website.

CYS Business Performance

Unit: NTD Thousand

Item	2023	2024	2025
Operating income	21,194,638	24,014,291	24,189,382
Operating cost	19,430,316	21,945,625	21,530,917
Operating expenses	836,419	866,456	925,871
Employee compensation and benefits	1,500,098	1,590,062	1,697,277
Payments to capital providers	647,655	841,952	1,295,311
Payments to government	256,643	336,485	384,816
Community investment	298	130	93
Residual economic value	228,140	227,330	209,717

2025 Government Subsidies

Unit: NTD

Subsidy Type	Country of Subsidy	Subsidy Amount
Youth jobs subsidy training and guidance fees	Republic of China	90,000
Subsidies from the Labor Insurance Bureau	Republic of China	78,603
Low-carbon upgrade and transformation program subsidies	Republic of China	152,038
Government subsidies under the Youth's Employment Ultimate Program	Republic of China	1,080,000
Subsidies from the Chinese Christian Societies	Republic of China	30,000
Dual system of vocational training project subsidies	Republic of China	60,000
Human Resource Improvement Plan subsidy	Republic of China	586,504
Total		2,077,145

Growing with Suppliers

CYS had 885 suppliers in 2025. Most were suppliers of raw materials and accounted for 72.82% of all procurement by amount. China Steel Corp. is CYS's main supplier and the only blast furnace operator in Taiwan. In 2025, local procurement in Taiwan accounted for 94.58% of total value while foreign imports accounted for 5.42%.

CYS Supplier Statistics

Year	2023			2024			2025		
Contract Type	No. of Vendors	Procurement Amount	Percentage of Total Procurement	No. of Vendors	Procurement Amount	Percentage of Total Procurement	No. of Vendors	Procurement Amount	Percentage of Total Procurement
Raw Materials (domestic)	293	10,779,169,428	78.65	397	12,560,135,935	72.80	404	11,817,791,653	67.79
Raw Materials (overseas)	14	779,867,381	5.69	18	1,019,541,271	5.91	22	944,949,102	5.42
Engineering	220	1,948,789,449	14.22	270	3,473,658,805	20.13	289	4,416,733,330	25.33
Labor	144	197,681,448	1.44	166	199,377,665	1.16	170	254,596,964	1.46
Total	671	13,705,507,706	100%	851	17,252,713,676	100%	885	17,434,071,049	100%

1.4 Risk Management

Risk Identification and Management

CYS practices total risk management based on the goals of business management, the implementation of business strategy, and operation of routine activities. The first step is to verify risk factors and measure the potential damage. A management method is then selected along with periodic and non-periodic supervision, auditing and tracking of risk management.

CYS Risk Identification and Management Strategy

Risk Item	Management Strategy
Operational Risk	CYS is aware that the Board of Directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Such a system has already been established by CYS. The audit unit will conduct regular risk assessments and develop audit plans. Checks will be conducted in accordance with the plan with special audits conducted as necessary. The audit findings will be periodically reported to the independent director and Board of Directors.
Interest Rate Risk	The Company will maintain the principles of prudence and rigor in selecting the most favorable funding sources and use of funds while taking the cost of funding as well as potential risks and rewards into account. CYS will also continue to collect financial information related to market interest rates so that contingency measures can be taken in a timely manner to mitigate the impact of interest rate changes on company profits.
Exchange Rate Risk	CYS adopted a natural hedging strategy in the management of foreign exchange positions while subsidiaries in China switched to RMB-denominated short-term loans to avoid the risk of exchange rate fluctuations for assets and liabilities resulting from the volatile exchange rates. In the future, CYS will continue to track exchange rate rates and develop appropriate risk mitigation measures based on the relevant financial information, foreign exchange reports and international economic situation.
Inflation Risk	CYS will continue to monitor international commodity trends, wholesale price changes by upstream steel mills, and downstream industry shipments in the future so that we can respond rapidly to cost changes while effectively managing the production/sales portfolio and inventory status.
Environment, Safety and Health Management Risk	The "Occupational Safety and Health Management Regulations" were formulated and implemented by CYS based on our own particular industry attributes. The ISO 14001 Occupational health and safety management system, ISO 45001 occupational safety and health management system, and Taiwan Occupational Safety and Health Management System (TOSHMS) were also introduced and enforced. Regular employee training and health exams are conducted to ensure the safety and health of our partners.
Natural Disaster Risk	Emergency response at CYS is governed by the "Natural Disaster Emergency Response Regulations." A natural disaster emergency response organization is established when a natural disaster is predicted (e.g. typhoons) to direct preparations.

CYS Emergency Response Organizational Chart

Emergency Command Center

Commander-in-Chief | Mobile Phone

- Overall command and control. Reports to the relevant company officers.
- Responsible for speaking to journalists and the general public.

Operations Team

Director | Mobile Phone

- Responsible for convening the natural disaster emergency response for carrying out the required work.

Emergency Reporting and Liaison Team

Team Leader | Mobile Phone
Team Member | Mobile Phone

- Promote and supervise the implementation of preventive measures before a disaster.
- When a disaster happens, notify the Emergency Command Center (General Admin. Dept.) at headquarters and the relevant outside agencies such as the fire department.
- A report must be made as required above if any fatalities are caused by a disaster. Condolence management personnel must also be notified to fill out an occupational injury report in accordance with the company occupational injury reporting process.

Water and Power Team

Team Leader | Mobile Phone
Team Member | Mobile Phone

- Take control of power switches in an emergency to prevent current leakage or fires due to short circuits.
- Inventory damage to utilities at the scene of the disaster and cooperate with technicians to restore water and electricity.

Loss Inventory Team

Team Leader | Mobile Phone
Team Member | Mobile Phone

- Take inventory of personnel injuries and fatalities after a disaster.
- Inventory of financial assets after a disaster.
- Compile list of damages and submit to "Emergency Reporting and Liaison Team."

First Aid Team

Team Leader | Mobile Phone
Team Member | Mobile Phone

- Provide first-aid to the wounded.
- Escort the patient to the hospital and provide first aid.
- Assist the injured or the surviving family with completing the required process.

Security Team

Team Leader | Mobile Phone
Team Member | Mobile Phone

- Evacuation of personnel in an emergency.
- Secure (guard) scene after a disaster.

Climate Change Financial Risk

GHG emission restrictions around the world are becoming more common and rigorous by the day. Such restrictions not only require businesses to provide regular disclosure on GHG information but may also impose limits on emissions. Many governments are also looking into the levying of carbon or energy taxes. Prices for raw materials and energy essential to production operations have continued to rise as well. All of these factors contribute to higher production costs. In response to global trends and in compliance with the competent authority's "Sustainability Development Roadmap for Listed Companies," Chun Yuan Steel completed its voluntary GHG inventory in 2023. Beginning in 2024, the Company has engaged qualified verification bodies annually to conduct third-party verification of its GHG inventory report. In 2025, the scope was expanded to include subsidiaries, which completed voluntary GHG inventories. Beginning in 2026, the Chun Yuan Steel Group will complete third-party verification of GHG inventory reports for the entire Group in accordance with applicable regulations. CYS will continue to monitor changes in domestic and overseas legislation to stay up to date on the latest trends and make advance preparations. We will also actively communicate with the government through industry and trade associations to offer recommendations on how regulatory amendments can be made more reasonable and appropriate.

CYS is leveraging its accumulated real-world experience in quality and environmental management to continuously monitor management risks. Maximizing the returns for the Company, customers and other stakeholders ensure our sustainability. CYS offers various products to customers, including hot-rolled, cold-rolled, plated, electrical steel, aluminum, stainless steel, copper, carbon/alloy tool steel and structural steel materials; stamping of EI sheets and iron motor cores; the planning, design, manufacture and installation of storage racks; as well as the undertaking off large steel structural engineering projects (high-rise buildings, factories, bridges, and equipment). Most of our business is related to transportation industry, domestic appliances industry, machinery industry, and steel structural engineering so we play a very significant role in the steel industry chain. CYS takes stock of its own strengths concerning potential carbon emissions during the production process. The Company continuously explores opportunities for energy efficiency and emission reduction throughout its operations, achieved through research and development projects and regular meetings of quality control teams in different plant. By continuously enhancing production techniques, we aim to reduce manufacturing risks and costs while meeting customer expectations.

Based on the framework provided by the Task Force on Climate-related Financial Disclosures (TCFD), CYS is disclosing the following climate change-related risks:

Governance Unit

CYS manages climate-related risks and opportunities through its senior management and various administrative and business unit management teams.

Risk Type

- Uneven rainfall distribution and frequent heavy rainfall pose challenges such as project delays and increased safety risks in construction operations
- Global and regional regulations on GHG emissions are becoming more stringent, leading to increased production costs

Type of Opportunity

- Invest in and use renewable energy to strive for lower financing costs

Strategy

Climate Risk	Potential Financial Impact	Corresponding Measures
Uneven rainfall **Frequent heavy rainfalls**	Rising costs	Establishing a comprehensive management system for steel storage and transportation to minimize the risk of customer complaints caused by rust.
		Rainfall poses risks to construction projects, including delays in project timelines and safety hazards in work operations. To mitigate the impact of unforeseen natural disasters, we plan to enhance our engineering techniques to prevent the effects of sudden heavy rainfall on our construction projects. CYS will also develop various emergency preparedness measures to ensure swift response and mitigation in such situations.
		For some of our facilities located in low-lying areas near the sea or rivers, CYS will strengthen its automated monitoring and drainage systems to prevent flooding in the premises.
Global and regional GHG regulations	Rising costs	Due to the global decarbonization trend, stringent carbon reduction requirements are being imposed on high-carbon emitting industries. To mitigate the increased costs associated with carbon reduction efforts, CYS shall continuously improve its operational efficiency and fulfilling its corporate social responsibility to protect the environment.
Expectations for changing domestic and international regulations and emission reduction in manufacturing processes from the supply chain	Reduced revenues and rising costs	Ensure compliance with government regulations by conducting inspections and verifications throughout our operations and product manufacturing processes so as to satisfy customer requirements.

Risk Assessment

- When the Company is faced with climate-related risks, to mitigate the impact of climate risks, each unit conducts its own risk assessment based on the risk factors caused by climate change and takes relevant countermeasures.
- Risk assessment is a key matter for the sustainability of enterprises. The Company promotes the cultivation of internal crisis awareness, and regularly evaluates identification, case tracking, and results review to achieve the goal of sustainability.

Indicators and Objectives

Contents relating to emission reduction targets, strategies, specific action plans, and progress toward achieving reduction targets:

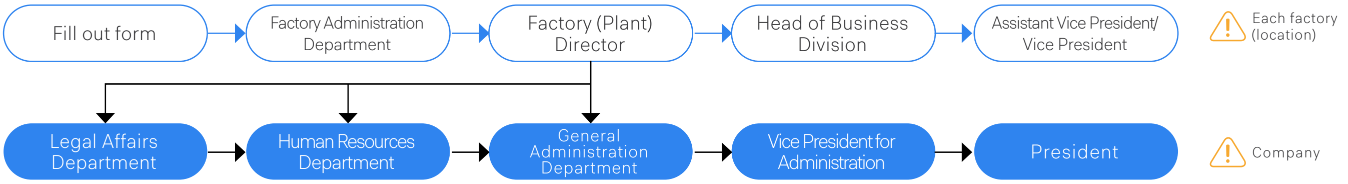
- The Group's current carbon reduction plan will be adjusted in line with the IFRS adoption, with relevant departments currently collecting data. Subsequent targets will be formulated in accordance with the Company's ESG strategy and disclosed externally.

Early Warning Approach and Action

CYS has established its "EHS Incident and Abnormality Investigation Control Procedure" as well as the "Natural Disaster Emergency Response Guidelines." These documents outline the responsibilities of the relevant personnel in identifying and assessing risk factors and implementing appropriate measures. In the event of an incident, they promptly report to the appropriate departments and form emergency response teams to mitigate the impact and minimize losses.

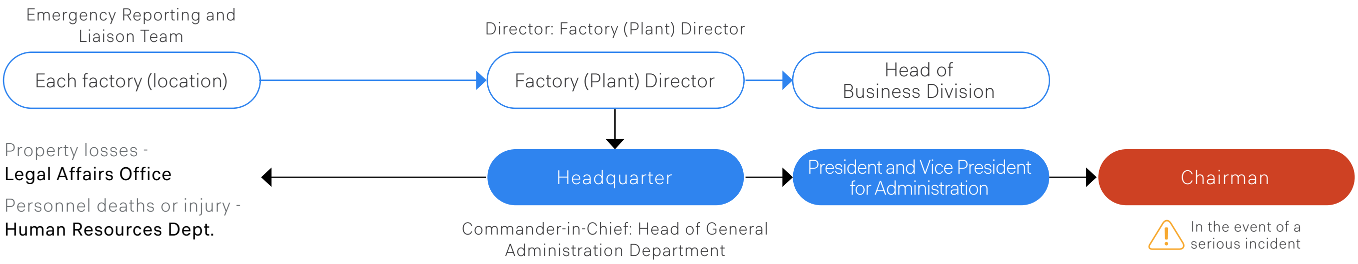
Risk Type	Risk Identification	Strategy/Action Taken
Regulatory Risk	**Site Industrial Accidents**	According to the "Control Procedure for the Investigation and Handling of Environment, Safety and Health Accidents and Anomalies" in the CYS EHS Management System, if there is an anomaly or accident on the site then the cause should be analyzed and reasonable, practical corrective measures devised. The results of corrective action should be monitored to confirm that the cause has been resolved and to prevent further recurrence.

CYS Occupational Injury Reporting Process Chart



Risk Type	Risk Identification	Strategy/Action Taken
Natural Disaster Risk	**Typhoons, earthquakes, or other**	Emergency response at CYS is governed by the "Natural Disaster Emergency Response Regulations." A natural disaster emergency response organization is established when a natural disaster is predicted (e.g. typhoons) to direct preparations.

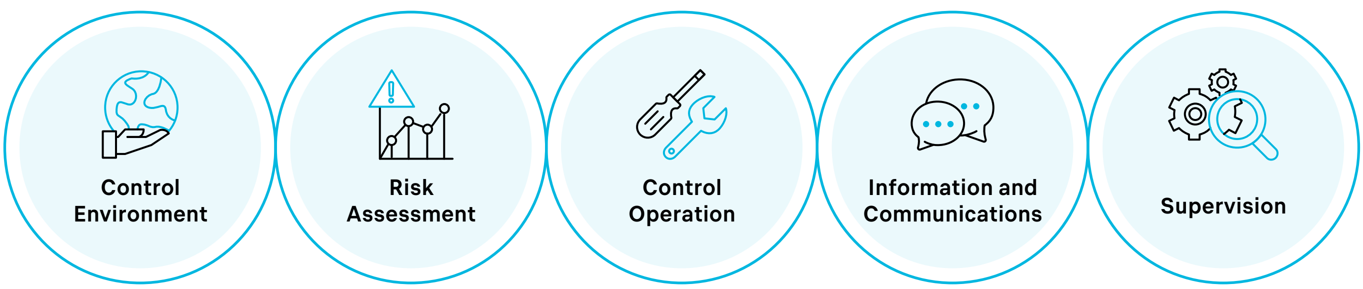
CYS Occupational Injury Reporting Process Chart



Internal Control and Management

A comprehensive internal control system has been devised by CYS for all units to follow to strengthen governance and promote the sound management of the company. Company rules are fully disclosed through the internal corporate platform for employees to review and use at any time. The ongoing enforcement of Internal checks and self-assessments encourage all units to practice self-management and self-supervision. Employees can refer any ethical or compliance questions to staff at the Human Resources Department or Legal Affairs Department.

Chun Yuan Steel Statement of Internal Control



1.5 Compliance

CYS has always monitored all policies and legislation that may affect our operations. We pay close attention to compliance and pride ourselves on being a law-abiding enterprise. Employees are also reminded about corporate governance, the employee code of conduct and other ethical guidelines at different times each year. We adhere to the principle of ethical business management in complying with domestic and overseas laws and regulations. The CYS Legal Affairs Office assists employees with clarifying legal questions. We also conduct related education and training so that employees not only comply with the law but know how to avoid actions that may break the law. If an employee violates the law, labor safety standards or regulations, employment contract or business ethics, legal or disciplinary action is taken by CYS. The employee's performance evaluation will also be affected to a reasonable extent. CYS was not involved in any legal action over anti-competitive, anti-trust or monopolistic practices in 2025. Nor were there any major monetary or non-monetary penalties over non-compliance with laws and regulations governing commerce and business operations.

CYS is continuing to monitor domestic and overseas policies and legislation that may potentially affect our business and finances to ensure ethical business management and compliance. In terms of compliance, CYS has formulated various corporate governance rules and regulations that we adhere to. Major fines pertaining to company operations is defined in accordance with Chapter 2 (Material Information), Article 4, Paragraph 26, Sub-paragraph 3 of the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities as where the administrative fines for one single event have accumulated to NTD 1 million or more. The Compliance aspect is summarized in the table below.

Governance-related laws and regulations

- No violation of the Company Act
- No violation of the Commerce Act
- No violation of securities and finance regulations
- No incidents of corruption
- No political contributions
- Not involved in legal action linked to anti-competitive behavior, anti-trust and monopolistic practices

Environmental compliance

- No violation of the Waste Disposal Act
- No violation of the Water Pollution Control Act
- No significant spills

Labor rights laws and regulations

- No forced labor
- No use of child labor
- No violation of indigenous rights

Product-related laws and regulations

- No banned or controversial products
- No violation of marketing-related laws and regulations or voluntary codes of conduct
- No major fines over the provision and use of products and services that violate laws and regulations
- No violation of customer privacy, or loss of customer information

Explanation on Violation of OHS Regulations at CYS in 2025

An injury occurred due to negligence during lifting operations while delivering goods to a customer site, resulting in a fine of NTD 100,000 for violations of occupational safety and health regulations.
The following preventive measures were implemented in response to this occupational safety incident:

- The contractor has replaced the lifting equipment with fabric slings to reduce risks to personnel.
- Establish mutually agreed lifting signal hand gestures between overhead crane operators and customer-site personnel.
- Occasionally accompany delivery vehicles to customer sites to assess the safety of drivers' loading and unloading operations.
- Installation of fixed safety guards and interlocked enclosures around chain transmission areas to prevent unauthorized hand entry and mechanical hazards during operation.

At the construction site, carbon dioxide cylinders were not properly secured, and unrelated items were placed near the cylinders, resulting in a fine of NTD 100,000 for violations of occupational safety and health regulations.
The following preventive measures were implemented in response to this occupational safety incident: the gas cylinders were securely fastened, and housekeeping and organization of the storage area were strengthened.

At the construction site, guardrails were of insufficient strength and warning signs were not posted. Fine of NTD 110,000 imposed for violation of safety and health regulations.
The following preventive measures were implemented in response to this occupational safety incident:

- Replace the existing guardrails with new GIP guardrails.
- Post warning signs at 1.5-meter intervals throughout the construction work area.

At the construction site, the area beneath suspended loads was not properly cordoned off and controlled, and guardrails were not installed promptly on steel stairways, resulting in a fine of NTD 120,000 for violations of occupational safety and health regulations.
The following preventive measures were implemented in response to this occupational safety incident:

- Establish restricted and controlled zones beneath suspended loads.
- Install guardrails on steel stairways.

At the construction site, welding sparks fell onto a windbreak structure and ignited combustible materials, resulting in a fine of NTD 100,000 for violations of occupational safety and health regulations.
The following preventive measures were implemented in response to this occupational safety incident:

- Completely cover the gaps between the steel columns and the windbreak structure with fire blankets.
- Regularly remove combustible materials from the windbreak structure.

An injury occurred due to negligence during the operation of a laser cutting machine in the factory, resulting in a fine of NTD 100,000 for violations of occupational safety and health regulations.
As a preventive measure in response to this occupational safety incident, additional safety guarding was installed around the operating range of the laser cutting machine.

At the construction site, damaged electrical wiring, unprotected scaffold openings, and the absence of wall tie rods on scaffolding resulted in a fine of NTD 300,000 for violations of occupational safety and health regulations.
The following preventive measures were implemented in response to this occupational safety incident:

- The contractor immediately replaced the damaged electrical wiring with new wiring.
- Install guardrails at scaffold openings where cross braces are provided.
- Install additional wall tie rods on the scaffolding.

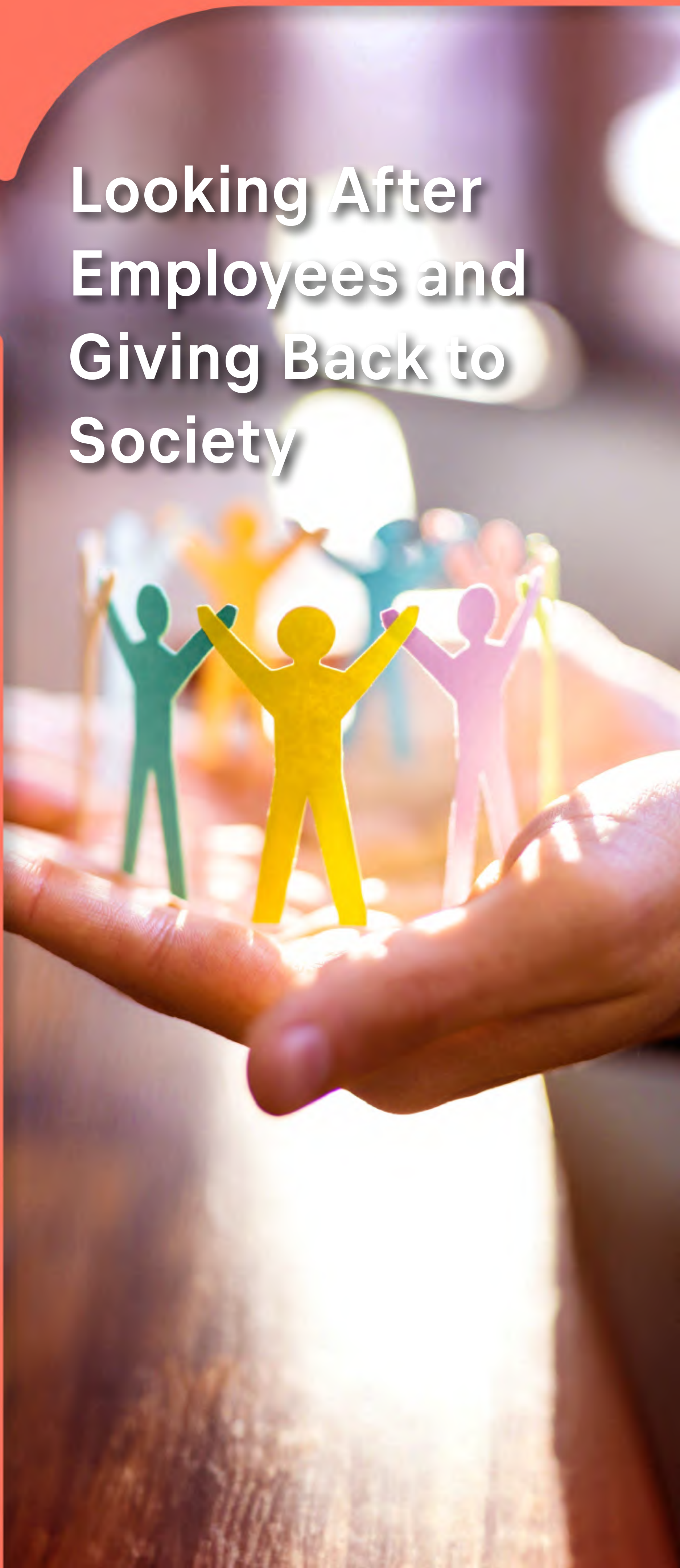
At the construction site, the connection points of an AC welding machine were not insulated or covered, resulting in a fine of NTD 100,000 for violations of occupational safety and health regulations.
As a preventive measure in response to this occupational safety incident, insulation coverings were reinstalled.

At the construction site, safety helmets were not worn properly, resulting in a fine of NTD 100,000 for violations of occupational safety and health regulations.
As a preventive measure in response to this occupational safety incident, workplace inspections were intensified and safety awareness was reinforced through employee education and communication.

Explanation of Chun Yuan Steel's Environmental Protection Violations in 2025

The Company was fined a total of NTD 4,500 for violations of the Air Pollution Control Act after three trucks entered a designated Air Quality Maintenance Area without having valid vehicle emissions inspection records prior to the inspection date.

2 Looking After Employees and Giving Back to Society



2025 Sustainability Management Performance

100% coverage from Labor-Management Committee agreements

✦ 100% of all company employees are covered by Labor-Management Committee agreements.

100% of employees were reinstated

✦ In 2025, one employee applied for unpaid parental leave and one employee were to be reinstated after returning from leave. The actual number of employees reinstated was one so the reinstatement rate was to 100%.

Ratio of labor representatives was 35%

✦ The "Labor Safety and Health Committee" was established by CYS in accordance with the law. In 2025, 35% of the Labor Safety and Health Committee was made up of labor representatives.

Safety-related topics accounted for 60%

Health-related topics accounted for 40%

✦ Of the health and safety topics listed in the "Occupational Health and Safety Management Regulations," safety accounted for 60% and health accounted for 40% of the topics discussed at Longtan Plant in 2025 according to the meeting minutes.

TTQS Gold Medal

✦ Gold certification for Talent Quality-Management System in 2025.

2.1 Human Resources

Workforce Structure

The total number of employees of Taiwanese nationality at the end of 2025 was 1,110, including 928 men (190 in management positions, 738 in administrative and technical positions), or 84% of the total workforce, and 182 women (16 in management positions, 166 in administrative and technical positions), or 16% of the total workforce. All were permanent or full-time employees. There were also a total of 441 migrant workers. Upper management consisted of assistant vice president or higher-ranking managers. 100% were Taiwanese citizens.

Overview of the Number of Employees of Taiwanese Nationality

Reporting period

Contract type	Female	Male	Others Note 1	Not disclosed Note 2	Total
No. of permanent employees	182	928	0	0	1,110
No. of temporary employees	0	0	0	0	0
No. of employees with no guaranteed working hours	0	0	0	0	0
No. of full-time employees	182	928	0	0	1,110
No. of part-time employees	0	0	0	0	0

Note1: Employees are entitled to identify their own gender.
Note2: Employees are entitled not to disclose their gender.
Note3: "Domestic" refers to Taiwan proper; "Overseas" refers to areas outside of Taiwan (such as the United States, Vietnam and other regions).
Note4: Domestic employees: refers to individuals who enter into an employment relationship with an organization in compliance with the applicable requirements of the country's laws (in the case of Taiwan, employees who are covered by labor insurance).
Note5: Permanent employees: individuals who sign indefinite contracts.
Note6: Temporary employees: individuals who sign fixed-term contracts.
Note7: Non-guaranteed working hours: Employees who do not have a guaranteed minimum or fixed number of working hours per day, week, or month, but are potentially available for work as needed.
Note8: Full-time: individuals who fall under the definition of working hours according to the Labor Standards Act, where in Taiwan, it means not exceeding 8 hours per day and 40 hours per week.
Note9: Part-time: employees who aren't full-time.
Note10: This table is calculated using headcount or full-time equivalent (FTE) methodology.

2025 CYS Manpower Structure

Type	Management				Non-management			
Gender	Female		Male		Female		Male	
Age	Persons	Percentage of total workforce	Persons	Percentage of total workforce	Persons	Percentage of total workforce	Persons	Percentage of total workforce
Under 30 years	0	0.00%	0	0.00%	32	2.28%	112	10.09%
30 ~ 50 years	7	0.63%	107	9.64%	80	7.20%	443	39.90%
Over 50 years	9	0.81%	83	7.47%	54	4.86%	183	16.48%
Total	16	1.44%	190	17.11%	166	14.95%	738	66.48%

Note: There are a total of 1,110 employees of Taiwanese nationality and 441 foreign migrant workers.

Diversified Structure

According to Article 38 of the People with Disabilities Rights Protection Act, if the number of employees in a private business is more than 67, the ratio of employees with disabilities should be 1%, and shall not be less than one employee. In addition, according to Article 98 of the Government Procurement Act and Paragraph 1 and 3 of Article 12 of the Indigenous Peoples Employment Rights Protection Act, if the number of employees in the domestic market exceeds 100, the Company shall employ indigenous peoples during the performance period, and the number of indigenous peoples shall not be less than 1% of the total workforce. CYS has met the requirements.

Diversified Manpower Structure at CYS in 2025

	Persons	Percentage of total workforce
Physically or Mentally Disabled	16	1.44%
Indigenous People	22	1.98%

2.2 Employee Care

Management Approach		Diversity and Equal Opportunity
Item	Description	Content
Material Topics and Boundaries	Significant Reason for This Topic	To enforce gender equality in employment, eliminate gender discrimination, and to provide employees with a safe and equal workplace in accordance with the law. Failure to promote and enforce such protections will expose the Company to legal penalties.
	Boundaries of This Topic	The topic encompasses CYS's headquarters in Taiwan as well as production operations in the north, center, and south.
	Limits of Disclosure for This Topic	Disclosures relating to the topic of Gender Equality in this report cover information relating to our Taiwan headquarters as well as production operations in the north, center and south.
Management Approach and Elements	Management Goal in This Topic	Provide employees and job applicants with a working and service environment free from sexual harassment. Appropriate preventive, corrective, disciplinary and administrative actions should also be taken immediately to effectively protect the rights and privacy of the affected party.
	Policy	The Company considers all employees to be important company assets. Respect for human rights, equality, and anti-discrimination form part of our core philosophy and policies on fostering cultural diversity.
	Commitment	CYS is committed to establishing a workplace believes in the importance of human rights. We promise to treat everyone employee with respect and as equals.
	Purpose and Target	Prevent incidents of discrimination, sexual harassment, and human rights abuse.
	Responsibility	• Protection of complainants: Ensure that employees making a complaint or assisting others with making a complaint are protected from dismissal or other unfavorable actions. • To establish a workplace that believes in the importance of human rights, no violation of human rights or demeaning conduct on the basis of gender, race, nationality, age, physical or mental disability, religion, ethnicity or any other attributes protected by law is permitted.
	Resources	Rules relating to gender equality are explicitly stated in the company regulations.
	Complaint Mechanism	Sexual Harassment Complaint Review Committee
	Specific Actions	• The heads of every division, factory, office and site use every opportunity and method of communication including meetings, broadcasts, e-mail, or internal documents to raise employee awareness on sexual harassment prevention measures and complaints channels. • According to the Gender Equality in Employment Act, female employees may apply for unpaid leave during their pregnancy, pregnancy checkup leave, and maternity leave. Male employees are entitled to paternity leave for pregnancy checkups and childbirth as well. For employees with childcare requirements, unpaid parental leave can be organized in accordance with the Gender Equality in Employment Act and Regulations for Implementing Unpaid Parental Leave for Raising Children. CYS arranges for employees returning from unpaid parental leave to return to their original unit and position, and actively help them re-integrate with the workplace.
Management Approach Assessment	Management Evaluation Mechanism	Sexual harassment prevention and control regulations have been devised in accordance with government regulations. If a complaint is opened then the Sexual Harassment Review Committee is established in accordance with the law to conduct the investigation and deal with the matter.
	Performance and Adjustment	• Chun Yuan Steel did not experience any incidents involving discrimination, human rights violations, or adverse social impacts in 2025. However, one sexual harassment incident occurred, for which the Company completed an internal investigation and reported the matter in accordance with applicable regulations. • CYS reinstatement rate after unpaid parental leave was 100% in 2025.
	Preventive and Remedy Measures	• When a complainant reports a case of sexual harassment, it is crucial to initiate the appropriate investigation procedures to thoroughly investigate and address the matter. • To prevent similar incidents from occurring again, it is important to conduct awareness campaigns or educational training on the prevention of sexual harassment for all employees. • We shall empathize with the feelings of the complainant and provide necessary support, counseling, medical assistance, or any other required assistance.

Valuing Basic Human Rights

CYS strives to protect the human rights and personal privacy of employees, and prohibits improper discrimination in accordance with the law. Talent recruitment follows the principles of fairness, impartiality, and integrity. All recruitment, selection, and employment of personnel adhere to government regulations. There is no discrimination or difference in compensation on the basis of race, class, language, thought, religion, political party, ethnic background, place of birth, gender, sexual preference, age, marital status, appearance, facial features, physical and mental disability, star sign, blood type, or union membership.

Employee Welfare

Labor-Management Committee

CYS upholds the principles of integrity and transparency in business. The notification procedure for major changes to operations is always followed in accordance with the Labor Standards Act and other regulations to ensure that employees receive proper notice. Employees can make suggestions to the company through regular meetings of the Employee Welfare Committee and Labor-Management Committee. Problems can also be reported through the grievance mechanism. 100% of all company employees are covered by Labor-Management Committee agreements. Labor and management each have 5 representatives at the Labor-Management Committee for engaging in a through exchange of opinions. The regular meeting is convened once every three months. The Topics related to labor rights and working conditions are discussed during the meeting and issues are always resolved through effective communication.

Retirement

The sound financial structure of CYS includes the making of regular pension contributions in accordance with the "Employee Retirement Regulations" based on the Labor Standards Act and Labor Pension Act. CYS also engages actuaries to provide regular reports on pensions. The pension fund is fully funded to ensure that employees can access their pensions in the future. Under the Labor Standards Act and Labor Pension Act, all employees that joined the company before June 30, 2005 (inclusive) retain their seniority under the old pension scheme. Employees will only accrue seniority under the new pension scheme if they choose to switch over to the new system. Under the old pension scheme, monthly contributions are made to the account of the preparatory fund for old pensions at Bank of Taiwan.

Under the new pension scheme, each worker makes a contribution equal to 6% of their monthly salary range into the employee's personal pension account. In addition to the standard 6% contribution from the employer, employees can also volunteer to make a contribution of between 0 ~ 6% to their personal pension account.

Equal Compensation

The wages of new recruits at CYS are determined by measuring the supply and demand situation of the labor market, and the market level of wages, with the principle of being better to the minimum salary stipulated by Taiwan's Labor Standards Act, while taking into account the job to be assigned, education, and relevant work experience, manpower demand in the market, and current wages of the same jobs or the same seniority. The starting salary for indirect employees range from NTD 33,000 to NTD 40,000, and is about 1.15 times higher than the minimum wage. The starting salary for direct employees range from NTD 31,000 to NTD 35,000, and is about 1.08 times higher than the minimum wage. New employees that complete three months of work undergo an evaluation and have their salaries. Indirect employees undergo a performance evaluation and have their salaries adjusted every six months until they have completed 3 years of service. Indirect employees receive salary adjustments based on their performance every 6 months up until three years of service. Direct employees receive salary adjustments based on their performance every 6 months up until 2 years of service. Employees receive equal pay for performing the same work regardless of race, nationality, age, or gender.

Item	2023	2024	2025
No. of permanent employees in non-management roles (A)	1,389 persons	1,377 persons	1,433 persons
Total compensation for permanent employees in non-management roles (B)	NTD 996,302,437	NTD 1,048,475,285	NTD 1,065,922,579
"Average salary" of permanent employees in non-management roles (C)	NTD 717,280	NTD 761,420	NTD 743,839
"Median salary" of permanent employees in non-management roles	NTD 623,442	NTD 653,591	NTD 644,474

Note1: The number of full-time employees in non-management roles is calculated based on the average number of employees paid at the end of each month, including migrant workers, is (A).

Note2: The total salaries of full-time employees in non-management roles are based on the broad payroll concept (B).

Note3: "Average" (C) = (B) / (A).

Minimum Notice Period for Operational Changes

I. Under Article 9 of the CYS "Personnel Management Regulations", labor contracts can be terminated after notice is given by CYS in any one of the following situations:

1. Suspension of business or transfer of ownership.
2. Business has suffered an operating loss or is contracting.
3. Business is suspended for more than one month due to force majeure.
4. Change in nature of business necessitates the reduction of the workforce and terminated employees cannot be reassigned to other suitable positions.
5. Employee is clearly not capable of performing their assigned work.
6. Employee has been declared by a public/private or National Health Insurance-approved hospital as being too ill to continue working, or still has not recuperated after going on unpaid sick leave and does not qualify for retirement.

II. Notice

When a labor contract is terminated by CYS in the aforementioned situations, the notice period is governed by the following rules:

1. 10 days notice if they had worked continuously for more than three months but less than one year at CYS.
2. 20 days notice if they had worked continuously for more than one year but less than three years at CYS.
3. 30 days notice if they had worked continuously for more than three years at CYS.

If notice has been given in accordance with the preceding conditions, the employee may apply for up to two days of paid leave per week to find new employment.

Welfare System

CYS knows that the sustainable development of the company not only requires financial growth but also more importantly, the selection and retention of employees. We have established a comprehensive welfare and cultivation system to protect the rights and benefits of all CYS employees so that they can grow with the company.

Insurance

- Labor Insurance, National Health Insurance, Labor Pension
- Employee and dependents group insurance (includes life insurance, accident insurance, medical insurance, cancer insurance)
- Travel insurance is also provided for personnel on business trips/ field assignments

Services

- System-related (employee uniform, meal allowance subsidy)
- Leave system (special/annual leave, paternity leave, family leave, menstrual leave, parental leave)
- Employee Health Checkup

Economic

- Wedding subsidy, child subsidy, educational subsidy, bereavement subsidy
- Birthday cash gift, labor cash gift, Dragon boat and Mid-Autumn Festival cash gift, Lunar New Year cash gift
- Hospitalization condolence payment, emergency assistance

Development

- Comprehensive education and training (new recruit training, grade-specific training, competency training)
- Clear career progression paths

Bonuses

- Employee compensation, Mid-Autumn Festival bonus, annual bonus

Facilities

- Employee cafeteria, dormitories (Longtan, Xizhi), and recreation rooms are provided to look after employees' health, safety, and spiritual development.

Leisure

- A variety of entertainment and leisure activities are offered to promote the physical and mental well-being of employees as well as work-life balance.
  (1) Clubs and cultural activities (2) Competitions for ball sports (3) Company holidays for employees and their families (4) Domestic/overseas travel subsidy

Unpaid Parental Leave

In 2025, 2 employees (0 men/2 woman) applied for unpaid parental leave; 1 employee (0 men/1 women) were due to be reinstated after returning from leave. The actual number of employees reinstated was 1 so the reinstatement rate was 100%. Detailed information is as below:

Item Description	2024			2025		
	Male	Female	Total	Male	Female	Total
No. of actual applications for unpaid parental during the year - A	2	0	2	0	2	2
No. of reinstatements due after unpaid parental leave during the year - B	4	2	6	0	1	1
No. of actual reinstatements after unpaid parental leave during the year - C	3	2	5	0	1	1
No. of reinstatements due after unpaid parental leave from the previous year - D	0	0	0	3	2	5
No. of employees still with the company one year after reinstatement from unpaid parental leave - E	0	0	0	2	2	4
Reinstatement rate after unpaid parental leave for the year (%) (C/B)	75	100	83	-	100	100
Retention rate after unpaid parental leave during the year (%) (E/D)	-	-	-	67	100	80

2.3 Human Resources Development

Management Approach		Labor/Management/Labor Relations
Item	Description	Content
Material Topics and Boundaries	**Significant Reason for This Topic**	To ensure a diverse, equal, and inclusive working environment for employees in accordance with labor laws. Failure to promote and enforce such protections will expose the Company to legal penalties and affect the Company's competitiveness.
	Boundaries of This Topic	The topic employment relationship and labor-management relations encompasses CYS's headquarters in Taiwan as well as production operations in the north, center, and south.
	Limits of Disclosure for This Topic	Disclosures relating to the topics of Employment and Labor-Management Relations in this report cover information relating to our Taiwan headquarters as well as production operations in the north, center and south.
Management Approach and Elements	**Management Goal in This Topic**	CYS adopts an employee-oriented philosophy to building harmonious Employment relations. We strive to construct a welcoming and stable workplace that places a priority on employee safety, talent cultivation and development.
	Policy	Our medium and long-term strategic objective is harmony between the employees and employer.
	Commitment	"It takes good employees to build a good department, and it takes good departments to build a good company." We provide every employee with an appropriate level of attention, support and care. We are committed to providing all employees with a platform for developing their talents, finding self-fulfillment through career accomplishments, and the creation of a comfortable, LOHAS, and healthy friendly workplace.
	Purpose and Target	There were no major employee-employer disputes.
	Responsibility	● Protection of complainants: Ensure that employees making a complaint or assisting others with making a complaint are protected from dismissal or other unfavorable actions. ● To establish a workplace that believes in the importance of human rights, no violation of human rights or demeaning conduct on the basis of gender, race, nationality, age, physical or mental disability, religion, ethnicity or any other attributes protected by law is permitted.
	Resources	● Work rules are filed with the competent authority and disclosed within the company in accordance with the law. ● The relevant personnel rules are explicitly stated in the company regulations.
	Complaint Mechanism	Labor-Management Committees and Employee Welfare Committees were set up to provide an organizational channel for open communication on labor-management relations. Reward and Penalty Procedures for Employees as well as Rules for Sexual Harassment Prevention, Complaints and Disciplinary Action have also been put into place.
	Specific Actions	● Talent recruitment: The principles of fairness, impartiality, and integrity are followed by CYS. All recruitment, selection, and employment of personnel adhere to government regulations. There is no discrimination or difference in compensation on the basis of race, class, language, thought, religion, political party, ethnic background, place of birth, gender, sexual preference, age, marital status, appearance, facial features, physical and mental disability, star sign, blood type, or union membership. ● Compensation system: CYS treats all employees equally regardless of gender. Equal pay for the same work is emphasized and there is no difference in work, compensation, benefits and promotion on the basis of gender. Physically or mentally disabled employees receive the same treatment as well. ● Personnel system: All regulations and benefits relating to the compensation, promotion, rewards and disciplinary action, performance evaluation, leave and pension of workers exceed the requirements of the Labor Standards Act to ensure that we take proper care of employees. ● Diverse range of benefits: 1. Comprehensive insurance program: In addition to enrolling employees in Labor Insurance and National Health Insurance, and making monthly contributions to their labor pension, CYS also organizes group insurance (including life insurance/accident insurance/medical insurance and cancer insurance) for employees, as well as travel insurance for employees on business trips/field assignments to provide enhanced coverage overall. 2. Extensive benefits: Holiday bonuses are issued for Labor Day, Dragon boat Festival, Mid-Autumn Festival, Lunar New Year, employee birthdays and other important holidays. We also provide wedding subsidies, hospital condolence payments, bereavement subsidies, and emergency assistance. 3. Diverse welfare facilities: Employee cafeteria, dormitories, and recreation rooms are provided to look after employees' health, safety, and spiritual development. 4. Employee activities: Company holidays for employee families, end-of-year parties, domestic/overseas travel subsidies, and club activities are organized by CYS. A variety of entertainment and leisure activities are offered to promote the physical and mental well-being of employees as well as work-life balance.

Management Approach	Labor/Management/Labor Relations	
Item	Description	Content
Management Approach Assessment	Management Evaluation Mechanism	The Labor-Management Committee was established in accordance with the law for "liaising on labor-management relations, promotion of labor-management cooperation, and increasing productivity." The Labor-Management Committee is made up of 10 representatives each appointed for a term of four years. There are 5 company-appointed representatives and 5 labor representatives elected by workers at each site. The Committee meets every 3 months for discussions.
	Performance and Adjustment	● Chun Yuan Steel did not experience any incidents involving discrimination, human rights violations, or adverse social impacts in 2025. However, one sexual harassment incident occurred, for which the Company completed an internal investigation and reported the matter in accordance with applicable regulations. ● CYS reinstatement rate after unpaid parental leave was 100% in 2025. ● 100% of CYS employees were covered by Labor-Management Committee agreements in 2025.
	Preventive and Remedy Measures	● Establish an employee grievance system to improve labor-management relations. ● Formulate work rules and personnel management regulations that clearly define the rights, obligations, and management matters for both labor and management. This ensures that employees have a comprehensive understanding and can effectively safeguard their rights and interests. ● Provide a healthy and safe workplace environment: We are committed to providing a healthy and safe workplace environment for our employees, ensuring compliance with relevant regulations in all aspects of occupational safety and health.

Talent Retention

In 2025, a total of 163 employees (139 men and 24 women) were recruited by Chun Yuan Steel, accounting for 14.7% of the total workforce; 123 employees (109 men and 14 women) resigned, accounting for 11.1% of the total workforce; 18 employees (17 men and 1 women) retired, accounting for 1.6% of the total workforce; and 2 employees applied for unpaid parental leave (0 men and 2 women), accounting for 0.2% of the total workforce.

	Year	2024				2025			
	Gender	Female		Male		Female		Male	
	Age	Total	Ratio	Total	Ratio	Total	Ratio	Total	Ratio
Ratio of new hires to total workforce	Under 30 years	43	3.9%	13	1.2%	48	4.3%	13	1.2%
	30 ~ 50 years	61	5.6%	11	1.0%	80	7.2%	11	1.0%
	Over 50 years	3	0.2%	0	0.0%	11	1.0%	0	0.0%
	Total	107	9.8%	24	2.2%	139	12.5%	24	2.2%
Ratio of separations to total workforce	Under 30 years	41	3.8%	7	0.5%	45	4.1%	5	0.5%
	30 ~ 50 years	59	5.4%	5	0.4%	52	4.7%	9	0.8%
	Over 50 years	5	0.5%	0	0.1%	12	1.1%	0	0.0%
	Total	105	9.6%	12	1.0%	109	9.8%	14	1.3%
Ratio of retirements to total workforce	Under 30 years	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	30 ~ 50 years	0	0.0%	0	0.0%	1	0.1%	0	0.0%
	Over 50 years	15	1.4%	4	0.4%	16	1.4%	1	0.1%
	Total	15	1.4%	4	0.4%	17	1.5%	1	0.1%
Total Workforce		1,091				1,110			

Note: Ratio is defined as total number/company workforce * 100%

2025 Employee Commendations

Human resources are an enterprise's most valuable asset as well as the primary engine for economic growth and industry development. "Senior Employees" are recognized to reflect the high value placed on talent by the Company. Senior employees refer to those that have served 5, 10, 15, 20, 25, 30, 35, 40 and 45 years with the company, and there were 198 such employees in total. CYS is grateful for their long-term dedication and contributions to the company!

Talent Development

Management Approach		Training and Education
Item	Description	Content
Material Topics and Boundaries	Significant Reason for This Topic	A competency-based education and training system was set up to enhance and revitalize the development of employee competency and support the long-term enterprise development. The education and training system is planned along holistic learning lines. From new recruit training, core competency training, specialist competency training to self-inspiration training and competency training, courses are organized to provide employees with a variety of training channels on the skills they need for career development.
	Boundaries of This Topic	The topic Training and Education encompasses CYS's headquarters in Taiwan as well as production operations in the north, center, and south.
	Limits of Disclosure for this Topic	Disclosures relating to the topic of Training and Education in this report cover information relating to our Taiwan headquarters as well as production operations in the north, center and south.
Management Approach and Elements	Management Goal in this Topic	The cultivation and completeness of competency in each employee is valued by the Company. Each division, factory or office is required to draw up their annual training plan and budget based on their business targets, plans, resources and future direction of development by the end of October each year. A competency-based education and training system was set up to enhance and revitalize the development of employee competency and support the long-term enterprise development.
	Policy	● Developing the Company's core competitiveness in support of corporate vision and strategy. ● Encourage employees to engage in lifelong learning and improve their individual competitiveness. ● Cultivate professional management talent with global perspectives. ● Imbue the Company's culture and values in the work ethics of employees.
	Commitment	● Practice knowledge management, construct learning maps and develop the Company's core competitiveness. ● Reach 80% readiness on employee competency. ● Continue to cultivate management talent that meets organizational requirements. ● Continue to cultivate mentors to accelerate the integration of new employees within the company organization and culture.
	Purpose and Target	Fulfil the company's vision by improving the professional ability and performance of employees so that their unit's annual targets as well as the short/medium/long-term strategies of the Company can be realized.
	Responsibility	● Human Resources Department: Formulate the education and training policy and system as well as draw up the annual education and training plan and budget based on the company vision. ● Division/Factory: Develop unit-level education and training plans and budgets based on the strategic planning of the business units, key annual targets, the outcomes of personal performance interview, and inventory of professional skills.
	Resources	● Average hours of physical classes undertaken by each person each year: 26 hours ● Average cost per person of physical classes each year: NTD 4,526 ● Digital platform: Digital teaching materials ● Suitable training classrooms/aids are provided in each department.
	Complaint Mechanism	● Complaint: The Education and Training Management Regulations is published for all employees and clear criteria is defined for the selection of students for each course. Students must fill out a satisfaction survey after each class: Students can use the survey to provide their opinions on the course instructor, and instruction content/quality. The training organizer will conduct an investigation then provide the student with feedback on the outcome.
	Specific Actions	● The Company should place particular emphasis on training quality and performance when resources are being invested to improve human resources capital. The Talent Quality-Management System (TTQS) was developed by the Workforce Development Agency for the planning, design, execution, verification and assessment of training content. CYS used TTQS as a guide to compile the "Education and Training Quality Handbook" on human resources capital development.

Management Approach	Training and Education	
Item	Description	Content
Management Approach Assessment	Management Evaluation Mechanism	The "Training Outcome Assessment Regulations" from the training quality handbook was used to assess training on the "trainee", "training plan" and "organization" level in order to determine whether the training accomplished the anticipated goals, the cost-effectiveness of training, and the benefits to the trainee. A database on employees and training is also compiled to assist with future decision-making.
	Performance and Adjustment	Training effectiveness was assessed using the Kirkpatrick Model: ● Reaction level: Assess the student's thoughts about the entire training plan ● Learning level: Measure the student's understanding of the training course and increase in knowledge upon completion of training. ● Behavior level: Assess the student's ability to transfer what they learned to their job and whether the training resulted in behavioral change. ● Result level: Track the student to see if tangible results were produced after training, the organizational benefits that resulted, and so on.
	Preventive and Remedy Measures	For planning, design, execution and outcomes: ● Continuous monitoring: The responsible units shall monitor and improve the planning, design, execution and outcome of training sessions. ● Evaluation reports and regular comprehensive analysis: Following the completion of training, a documented evaluation report should be prepared to assess the effectiveness and impact of the training program. ● Abnormal Handling and Corrective Actions: When addressing training abnormalities, it is important to request "corrective measures" to ensure that the identified issues are appropriately addressed and resolved according to the corrective actions specified.

CYS set up a holistic, competency-oriented talent development and training system. The HR department has been working with all employer units since 2007 to inventory the abilities (K/S) needed for each position through work analysis. Establishing the behavioral indicators for professional skills helped supervisors assess the competency gap of employees and devise a personalized learning and development plan. The goal is to improve employee competency to 80% with an eye towards multi-skilling and the training of substitutes.

CYS Education and Training System

<table>
<tr><th rowspan="2" colspan="2">Course Type</th><th rowspan="2">Manager and higher</th><th rowspan="2">Section-level</th><th rowspan="2">Team level</th><th colspan="2">General/professional functions</th></tr>
<tr><th>General/professional functions</th><th>New recruits (less than 0.5 years)</th></tr>
<tr><td rowspan="5" colspan="2">OJT
On-the-Job Training</td><td colspan="5">Internal departmental training (KS for inventory of professional skills)</td></tr>
<tr><td></td><td colspan="3">Mentor: Guide new hires</td><td></td></tr>
<tr><td></td><td colspan="3">Meeting: External Meetings/Seminars</td><td></td></tr>
<tr><td></td><td colspan="2">Meeting: Executive meeting</td><td></td><td></td></tr>
<tr><td colspan="3">Agent: Act as agent for leader's services</td><td></td><td></td></tr>
<tr><td rowspan="19">OFF-JT
Off-the-Job Training</td><td rowspan="11">Level</td><td>Monthly meetings and lectures</td><td colspan="2">Strategic planning and goal management</td><td colspan="2">3C Competency</td></tr>
<tr><td>International Political and Economic Trends</td><td colspan="2">Performance management</td><td>Training for candidate officers</td><td>New hire training</td></tr>
<tr><td></td><td colspan="2">Professional capability inventory</td><td></td><td></td></tr>
<tr><td></td><td colspan="2">Human resource planning</td><td></td><td></td></tr>
<tr><td></td><td colspan="2">Recruitment, selection and orientation</td><td></td><td></td></tr>
<tr><td></td><td colspan="2">Presentation production skills</td><td></td><td></td></tr>
<tr><td></td><td colspan="2">How to read and interpret financial analysis</td><td></td><td></td></tr>
<tr><td colspan="3">Labor laws and regulations</td><td></td><td></td></tr>
<tr><td colspan="3">TQM/TPM/TPS</td><td></td><td></td></tr>
<tr><td>MTPI</td><td>MTP、TWII</td><td>TWI</td><td></td><td></td></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td rowspan="6">Competency</td><td></td><td></td><td></td><td colspan="2">Construction contract management</td></tr>
<tr><td></td><td></td><td></td><td colspan="2">Required business skills</td></tr>
<tr><td></td><td></td><td></td><td colspan="2">Metal material processing characteristics</td></tr>
<tr><td></td><td></td><td></td><td colspan="2">7 QC techniques</td></tr>
<tr><td></td><td></td><td></td><td colspan="2">Activity counseling tips</td></tr>
<tr><td></td><td></td><td></td><td colspan="2">Safety and health</td></tr>
<tr><td rowspan="2">Project</td><td></td><td colspan="3">Improve internal instructor team, Internal instructor training</td><td></td></tr>
<tr><td></td><td colspan="3">Counselor training</td><td></td></tr>
<tr><td colspan="2">SD</td><td colspan="5">Book reading, e-learning online information, foreign language learning</td></tr>
</table>

CYS employees received on average of approximately 26 hours of education and training in 2025. Most non-management courses with the exception of common causes focused on production and manufacturing, safety and health. Production units have mostly male employees so the average external training hours are higher for men than women; internal training courses for section/team-level supervisors were geared towards management competency training for new appointments. In 2024, the ratio of male section/team supervisors was slightly higher than men so male section/team supervisors completed more hours of internal training than women; manager and higher supervisors generally undertake internal training courses. The lower number of female managers meant that average hours of external training were easily distorted by individual courses.

Average hours of education and training in 2025

Unit: hour

	Internal Training		External Training	
	Male	Female	Male	Female
Manager and higher	22.07	28.80	44.67	35.50
Section and Team level	41.80	38.73	22.44	12.67
Non-management	12.65	17.10	30.80	24.34

Performance Evaluation

The CYS performance management system is set out in the management regulations. Evaluations are conducted for the first semester and second semester. Evaluations look at ability (30%) and performance (70%). The management system combines actual personal performance with promotions and rewards to ensure the proper employment and retention of talent.

Performance Evaluation Method

1. Goal Setting	• Defining of individual performance and development plans: Performance interviews and the current performance plan are used to develop personalized training, work improvement and management assistance plans.
2. Interim review	• Performance improvement plan: If the evaluator notices during the evaluation period that the subject requires assistance, counseling or corrective action, a performance improvement plan can be devised when appropriate, and the subject directed to complete the improvement plan by the given date so that the goals can be achieved. • Performance diary: The evaluator records the subject's work performance, major events, or outstanding accomplishments during the evaluation period to provide a basis for evaluating performance. • Interim review: Performance target may be adjusted depending on progress.
3. Final assessment	• Performance interview and evaluation.
4. Performance counseling and improvement plan	• A performance interview is conducted between the employee being evaluated and their direct superior so that a "Performance Counseling and Improvement Plan" focusing on weaknesses can be developed together. • Follow-up: The direct superior should verify progress on performance improvement in accordance with the given improvement timeline (6-month intervals).

Ratio of Men and Women in CYS Performance Evaluations in 2025

	Male			Female		
	Headcount	male	Ratio	Headcount	female	Ratio
Ratio of Employees Evaluated	918	928	99%	179	181	99%

Note5: The number of people excludes migrant workers.

Note6: New employees who have been on the job for less than three months and those who have been on leave without pay for more than three months (excluding unpaid parental leave) and those on fixed-term contracts for part of their working hours are excluded from the evaluation.

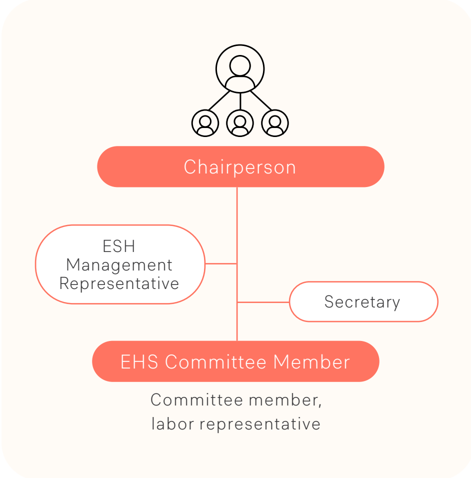
2.4 Occupational Safety and Health

Management Approach		Occupational Health and Safety
Item	Description	Content
Material Topics and Boundaries	**Significant Reason for This Topic**	Analysis of degree of concern and degree of impact through stakeholder communications determined that the topic of Occupational Health and Safety (OHS) was comparatively important to CYS. Failure to engage in occupational health and safety management may result in legal penalties being imposed on CYS. Diligent OHS management reduces the cost risks to CYS while improving the safety of employees during the production and manufacturing process.
	Boundaries of This Topic	The topic Occupational Health and Safety encompasses CYS's headquarters in Taiwan as well as production operations in the north, center, and south.
	Limits of Disclosure for this Topic	Disclosures relating to the topic of Occupational Health and Safety in this report cover information relating to our Taiwan headquarters as well as production operations in the north, center and south.
Management Approach and Elements	**Management Goal in this Topic**	To effectively manage occupational safety and health regulatory risk at CYS.
	Policy	The OHS policy of CYS is defined as "regulatory compliance, total participation, zero disaster, proper communications, enhanced performance, continuous improvement, and sustainability."
	Commitment	OHS at CYS conforms to occupational safety regulations in Taiwan.
	Purpose and Target	The OHS goal of CYS is "zero industrial injury."
	Responsibility **Resources**	Working groups focusing on OHS has been set up at our production operations in the north, center and south. The head of each operation serves as the convener.
	Complaint Mechanism	The "Labor Safety and Health Committee" was set up by CYS to review, coordinate and make recommendations on matters relating to labor safety and health management in accordance with the law. The Committee is made up of both labor and management representatives, and it serves as a platform for labor-management communications to protect the safety and health of workers.
	Specific Actions	The ISO 45001 and TOSHMS management systems were progressively introduced at CYS to effectively manage the topic of Occupational Health and Safety.
Management Approach Assessment	**Management Evaluation Mechanism**	CYS conducts validity assessment on PCDA for OHS management each year in accordance with the ISO 45001 and TOSHMS internal management review procedures.
	Performance and Adjustment	The 2025 Frequency-Severity Index of CYS was lower than 2024 and we will continue to strengthen our hazard risk management.
	Preventive and Remedy Measures	• The Company implements monthly hazard prevention focus campaigns, inspections, and patrols to identify and address potential hazards. For anomalies, corresponding measures are taken to prevent the occurrence of high-risk hazards. • According to the "Control Procedure for the Investigation and Handling of Environment, Safety and Health Accidents and Anomalies" in the CYS EHS Management System, if there is an anomaly or accident on the site then the cause should be analyzed and reasonable, practical corrective measures devised. The results of corrective action should be monitored to confirm that the cause has been resolved and to prevent further recurrence.

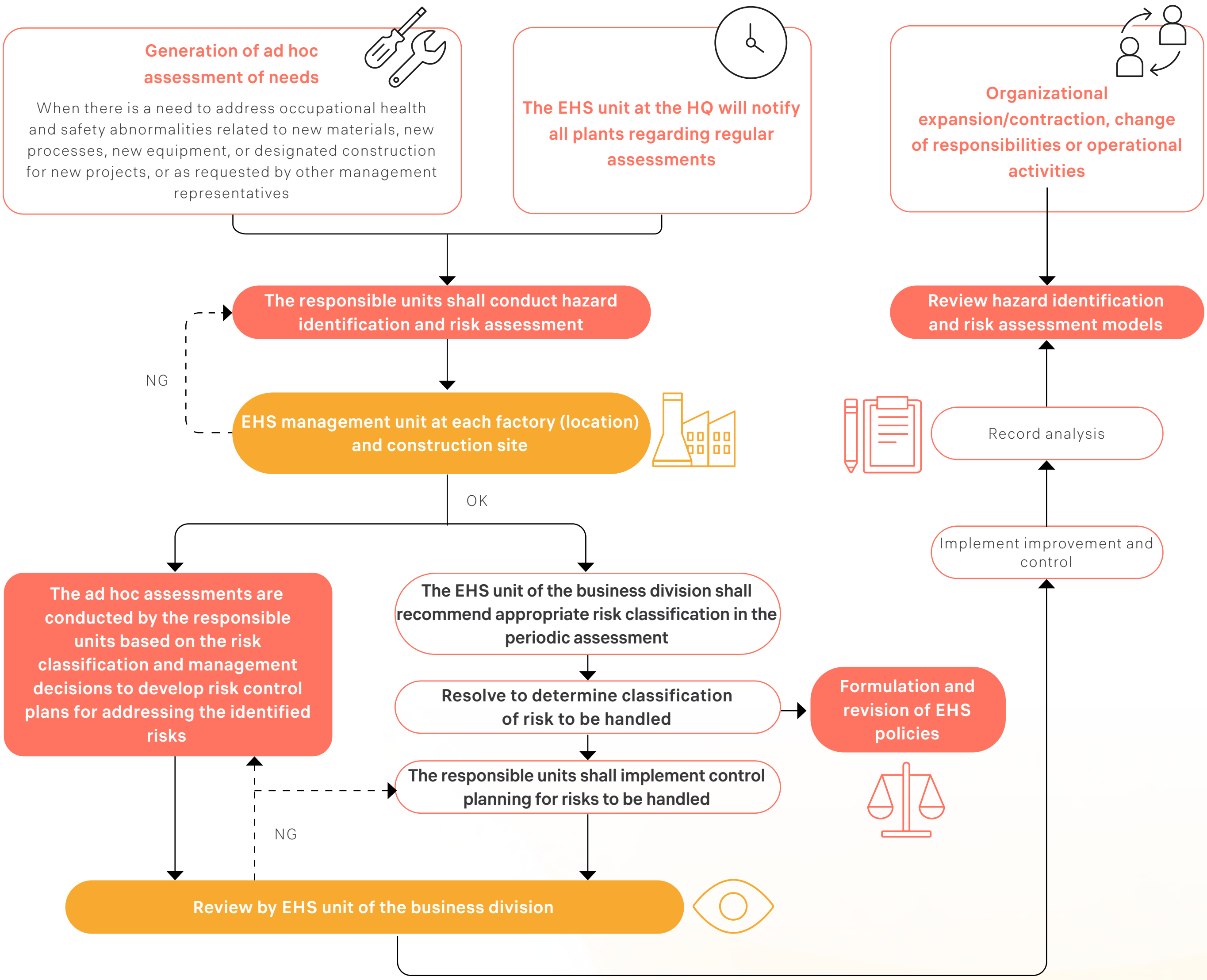
Occupational Health and Safety Management Approach

Except for the Special Steel's Tucheng, Taichung locations and Houlong Plant in Miaoli, all CYS operating locations have obtained ISO 45001 Occupational Safety and Health Management certification (valid until 2026/06/19). Longtan Plant 1 in particular has grown to a size covered by the Occupational Safety and Health Management Regulations so it also completed the Taiwan Occupational Safety and Health Management System (TOSHMS) certification (valid until 2026/06/18). All renewal and annual follow-up audits were completed on schedule to date. The "Labor Safety and Health Committee" was set up by CYS to review, coordinate and make recommendations on matters relating to labor safety and health management in accordance with the law. The Committee is made up of both labor and management representatives, and it serves as a platform for labor-management communications to protect the safety and health of workers. The CYS Safety and Health Committee is convened every three months by each business unit. The statistics on ratio of labor representatives in the Safety and Health Committee from 2023 to 2025 were 39%, 36% and 35% respectively, and met the quota of 33% set in the "Occupational Safety and Health Management Regulations" of the Ministry of Labor. Each factory and operating location convenes four safety and health committee meetings each year. Health and safety topics are listed in the "Occupational Health and Safety Management Regulations." According to the 2025 meeting minutes of Longtan site, 60% of the topics discussed were safety-related and 40% were health-related.

Organizational Chart of the Environment, Health, and Safety Committee



Hazard Identification and Risk Assessment



EHS Education and Training

Before new or existing employees under go job changes

Course contents:

- EHS policy and overview of objectives.
- Summaries of operational safety/health and environment-related regulations.
- Concepts of occupational health and safety and safety and health work guidelines (including the right to refuse unsafe work).
- Pre-, during- and post-operation inspections.
- Standard operating procedures.
- Operation related major environmental considerations, occupational health and safety risks and other relevant actual or potential EHS impacts.
- Contributions to the effectiveness of the EHS management system, as well as non-compliant behaviors or status.
- EHS emergency response and handling.
- Fire safety and first-aid basics and drills.
- Other EHS knowledge, incidents and outcomes of investigations pertaining to labor operations.

Before newly hired or existing managerial personnel undergo a change in job responsibilities, including supervisors and managers at all levels of the organization (including managers and supervisors responsible for relevant monitoring)

Course contents:

- The ten aforementioned courses for "Before new or existing employees under go job changes".
- Management and executions of EHS related affairs.
- Automatic inspections.
- Improvement of working methodologies.
- Safe operating standards.

EHS hazard assessment personnel

Course contents:

- Description on EHS hazard assessment

EHS regulation assessment personnel

Course contents:

- Pertinent EHS management regulations.
- Description on EHS regulation assessment.

Emergency response taskforce personnel

Course contents:

- Relevant operating standards for emergency response.
- Handling of emergency situations.

Automatic inspection personnel

Course contents:

- Relevant automatic inspection operating standards.
- Daily spot inspections.

Occupational Health and Safety Committee member

Course contents:

- Occupational Health and Safety Policy.
- Safety and health education and trainings.
- Operating environment monitoring.
- Health management and prevention of occupational illnesses.
- Occupational health and safety proposals.
- Automatic inspections and safety and health audit.
- Preventive measures for machinery, equipment, raw materials/materials.
- Occupational disaster investigation report.
- Contractor occupational health and safety management.

Occupational Health and Safety Supervisor

Occupational Health and Safety Management Personnel

Labor Health Service Care Personnel

High-Pressure Gas Operation Supervisor

Hazardous Operation Supervisor

Operating Personnel of Dangerous Machinery/Equipment

Personnel engaged in hoisting operations using lifting equipment

Operators responsible for driving forklifts with a lifting capacity of one ton or more

Operators responsible for operating acetylene welding equipment or gas collection systems

First aid personnel

Construction Operation Supervisor

As required by law

Occupational Safety Performance

There have been no occupational disease cases among employees and non-employees in the past three years. However, occupational injuries have occurred due to the lack of anti-dumping facilities for some materials and failure of hoisting personnel to maintain a safe distance from lifted objects, and other unsafe behaviors. The statistics of occupational injuries among employees and non-employees are shown in the table below:

Occupational Injuries Statistics for Employees and Non-employees

Type	Item	2023	2024	2025
Total no. of work hours	Total no. of work hours performed by women	342,112	350,017	375,608
	Total no. of work hours performed by men	2,754,637	2,809,048	2,805,808
	Total no. of work hours performed	3,096,749	3,159,065	3,181,416
No. of fatalities caused as a result of occupational injuries	No. of female fatalities	0	0	0
	No. of male fatalities	2	1	0
	Total number of fatalities	2	1	0
No. of severe occupational injuries (excluding fatalities)	Total no. of female personnel with severe occupational injuries	0	0	0
	Total no. of male personnel with severe occupational injuries	1	0	0
	Total no. of personnel with severe occupational injuries	1	0	0
Recordable occupational injury count (including fatalities and severe occupational injuries)	Total no. of female personnel with occupational injuries	0	0	1
	Total no. of male personnel with occupational injuries	15	9	7
	Total no. of personnel with occupational injuries	15	9	8
Percentage of fatalities caused as a result of occupational injuries		0.65	0.32	0
Percentage of severe occupational injuries		0.32	0	0
Percentage of recordable severe occupational injuries		4.84	2.85	2.51

Note1: Ratio of fatalities caused by occupational injuries = (No. of fatalities caused by occupational injuries/No. of hours worked)*1,000,000.
Note2: Ratio of severe occupational injuries = (No. of severe occupational injuries (excluding fatalities)/No. of hours worked)*1,000,000.
Note3: Ratio of recordable occupational injuries = (No. of recordable occupational injuries (including no. of fatalities and severe occupational injuries)/No. of hours worked)*1,000,000.
Note4: A severe occupational injury refers to an injury that prevents an individual from recovering their health within a period of six months.
Note5: Recordable occupational injuries do not include occupational injuries caused during commuting to and from work.
Note6: There were 8 recordable cases of occupational injuries in 2025. Thee type of injury and corrective actions subsequently taken are outlined below:
(1) The corrective actions taken for the 8 cases involving Company employees are outlined below:
A. Caught-in/between hazards: Hand tools are used during lifting operations to prevent direct hand contact with lifting devices, and guards, protective barriers, and alarm devices are installed within the movement range of rail-mounted machinery.
B. Cutting hazards: Hazard warning signs in Chinese and Thai have been added to the guards of woodworking saws.
C. Falls and slips: Safe access equipment such as portable ladders is provided, information is verified at ground level to reduce work at heights, black-and-yellow warning tape and adequate lighting have been added, and warning signs have been posted.
D. Crushing hazards: Steel-handled hammers are used, hammers with broken handles are replaced in their entirety, and auxiliary tools are used to secure the hammerhead when replacing wooden handles.

Since 2023, the number of hours worked by non-employees has been investigated in conjunction with the GHG inventory, and the difference was mainly due to the optimization of the statistical method of the engineering unit.

Item	2023	2024	2025
Total non-employee working hours	822,429	1,381,675	1,462,522
No. of fatalities caused as a result of occupational injuries of non-employees	2	1	0
No. of severe occupational injuries (excluding fatalities) of non-employees	0	0	0
Recordable occupational injuries involving non-employees number of cases (including fatalities and severe occupational injuries)	2	1	1
Percentage of fatalities caused as a result of occupational injuries	2.43	0.72	0.68
Percentage of severe occupational injuries	0	0	0
Percentage of recordable severe occupational injuries	2.43	0.72	0.68

Occupational Safety Performance by Gender

The physically demanding nature of work means most front-line personnel are men. The safety and health hazard risk for male employees is therefore higher than those of female employees. Analysis of statistics on occupational injuries found that the Disabling Injury Frequency Rate (FR) and Disabling Injury Severity Rate to be quite high. The description is as below:

Percentage of Lost Days

	2023		2024		2025	
	Male	Female	Male	Female	Male	Female
Lost Days	965	32	509	25	404	70
Percentage of Lost Days	97%	3%	95%	5%	85%	15%

Type of Occupational Injury

	2023	2024	2025
Cases	26	24	25
Male	The three most common accidents were Traffic accidents (9 incidents) Pinching and clamping (3 incidents) Objects overturning or falling (2 incidents for each)	The three most common accidents were Traffic accidents (10 incidents) Pinching and clamping (4 incidents) Objects overturning or falling (3 incidents)	The three most common accidents were Traffic accidents (12 incidents) Pinching and clamping (2 incidents) Falling (2 incidents)
Female	3 traffic accidents	5 traffic accidents	Traffic accidents (5 cases) and clamping injuries (1 case)

Reactive Indicators According to Gender

	2023		2024		2025	
	Male	Female	Male	Female	Male	Female
Disabling Injury Frequency Rate (FR)	8.44	8.77	7	14.29	6.77	15.97
Disability Injury Severity Rate (SR)	354	94	188	71	144	187
Frequency-Severity Index	1.7	0.9	1.2	1.0	1.0	1.7

Occupational Safety Performance by Region

CYS operations are distributed in the north, central region and south. On average, 668 days of work were lost each year between 2023 and 2025. Longtan Plant 1 is an important production site for CYS so it has more employees, many of whom are involved with high-risk, dynamic collaborative work such as the processing and fabrication of steel structures and racks. As a result, days lost due to injuries at the factory are higher in the north. The regional distribution of days lost by from 2023 through to 2025 are detailed below:

Percentage of Lost Days

	2023			2024			2025		
	North	Central region	South	North	Central region	South	North	Central region	South
Lost Days	902	6	89	367	25	142	252	77	145
Percentage of Lost Days	90%	1%	9%	69%	5%	27%	53%	16%	31%

Type of Occupational Injury

	2023	2024	2025
Total no. of cases	26	24	25
North	18 injuries compared to 2022 Tripping and lower back injuries each decrease by 1 incident, traffic, crush and fall accidents each increased by 2 incidents, pinching and clamping and objects overturning each increase by 1 incident	18 injuries compared to 2023 Falling decreased by 2 incident, traffic accident increased by 2 incidents, pinching and clamping and objects overturning each increase by 1 case	16 injuries compared to 2024 Collapsing object incidents and caught-in/between incidents each decreased by 2 cases, cutting injuries decreased by 1 case, while falls increased by 2 cases and crushing injuries increased by 1 case
Central region	2 injuries compared to 2022 2 traffic accidents	2 injuries compared to 2023 2 traffic accidents	3 injuries compared to 2024 3 traffic accidents
South	6 injuries compared to 2022 Falls accidents decreased by 2 cases, pinch, crush and falling objects each decreased by 1 case, overturning objects and collisions each increase by 1 case, and traffic accidents increased by 2 cases	4 injuries compared to 2023 Cutting injury and falling objects each reduced by 1 incident	6 injuries compared to 2024 Collapsing object incidents and collision incidents each decreased by 1 case, while traffic accidents, falls, and electric shock incidents each increased by 1 case

Reactive Indicators According to Region

	2023			2024			2025		
	North	Central region	South	North	Central region	South	North	Central region	South
Disabling Injury Frequency Rate (FR)	7.53	10.63	12.3	7.53	11.13	7.86	6.40	19.80	11.31
Disability Injury Severity Rate (SR)	377	32	182	153	141	278	101	508	273
Frequency-Severity Index	1.7	0.6	1.5	1.1	1.3	1.5	0.8	3.2	1.8

General Assessment of Occupational Safety Performance

The SRI statistics at CYS for the past three years showed that the 2025 SRI was lower than the previous year, primarily due to a reduction in lost days.

Comprehensive OHS Performance Evaluation

Year	2023	2024	2025
Disabling Injury Frequency Rate (FR)	8.48	7.84	7.86
Disability Injury Severity Rate (SR)	325	174	149
Frequency-Severity Index	1.66	1.17	1.08

Employee Health Promotion

According to the "Labor Health Protection Rules", CYS conducts general health examinations for employees aged under 40 every three years, for employees aged 40 or above but under 65 years old every two years, and for employees aged 65 or above every year. Each year, the Company organizes health check-up for employees involved in special operations.

In Q4 2025, general health examinations were conducted for employees aged 65 and above, as well as special health exams for employees engaged in special operations.

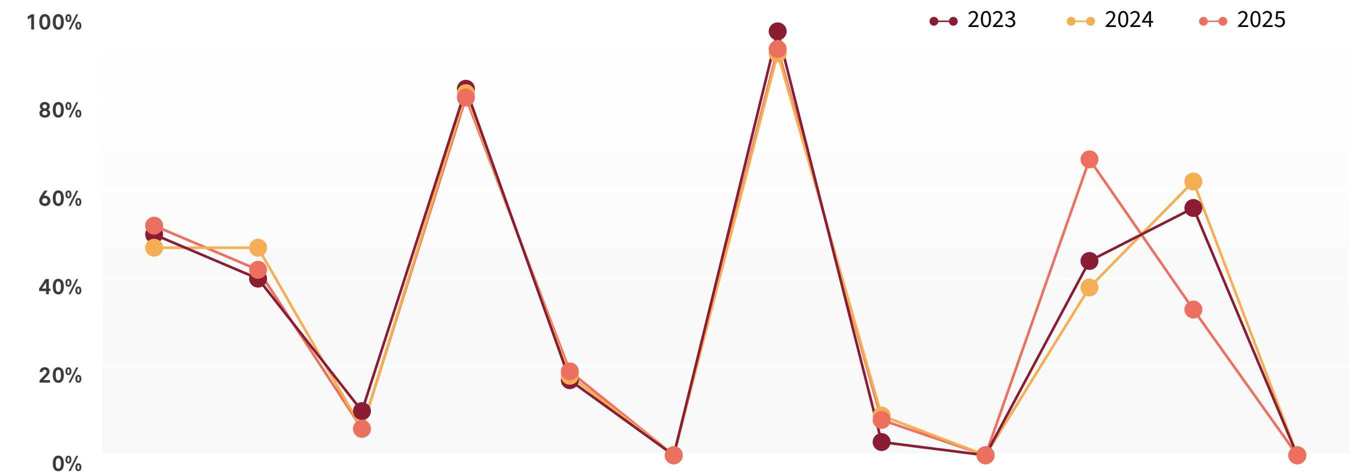
Health Management for Operations with Special Hazards

Operations with Special Hazards at CYS

Item	Steel sheet cutting and stamping, electro-welding operations, and steel structures etc.	Electro-welding operations, sandblasting operations	X-ray detection for rolling machine
Effect and Hazard	Noise hazard	Manganese smoke and powder dust hazard	Ionizing radiation hazard

Noise was the main health hazard out of the 3 health hazard factors listed above. Efforts to prevent hearing loss and damage in employees include group health education, regular training, devising of practical engineering controls, as well as enforcement and education on proper wearing of hearing protection. The number of people registered for special health examinations between 2023 and 2025 are shown below.

Special Health Examination Operations from 2023 to 2025 | Percentage of managers by level



	Noise operations			Dust operations			Manganese operations			Ionizing radiation operations		
	Level 1 management	Level 2 management	Level 4 management	Level 1 management	Level 2 management	Level 4 management	Level 1 management	Level 2 management	Level 4 management	Level 1 management	Level 2 management	Level 4 management
2023	50%	40%	10%	83%	17%	0%	96%	3%	0%	44%	56%	0%
2024	47%	47%	6%	82%	18%	0%	91%	9%	0%	38%	62%	0%
2025	52%	42%	6%	81%	19%	0%	92%	8%	0%	67%	33%	0%

2.5 Social Engagement

Community Environment Maintenance

Sustainable business management is about more than just continued profitability. It must be rooted in the fulfillment of social responsibility and corporate citizenship. The fulfillment of social responsibility encourages close and positive relationships between the enterprise and audience groups. All production and operations inevitably have an environmental impact and affects their local society. Maintaining a harmonious relationship with the local society avoids problems with production. It also helps the company avoid friction from local factors and arrive at a mutually beneficial outcome. Neighborhood engagement initiatives aim to maintain harmonious relations with the local community through acting in good faith, and avoiding impacts on the local residential environment. Each factory (location) engaged with their community in the following manner:

- Practice proper pollution prevention and control management, make continuous improvements to the environment, and lower noise around the site to reduce complaints from nearby residents and the impact on local communities.
- Actively participate in local activities and engage in thorough communication/coordination with the local people.
- Continue to promote the ISO 14001 environmental management system.
- Regularly conduct voluntary environmental inspections in accordance with the relevant environmental testing regulations. Engage in environmental monitoring based on external communication logs and propose effective corrective actions for achieving environmental compliance.

Community Relations Building and Donations at the Longtan Plant in 2025

Recipient

	Bade Community Development Association Activity Fee	Shengde Borough Mid-Autumn Celebration	Graduation prizes for Delung Elementary School
Item	Funding	Funding	Funding
Amount	NTD 30,000	NTD 18,000	NTD 5,865

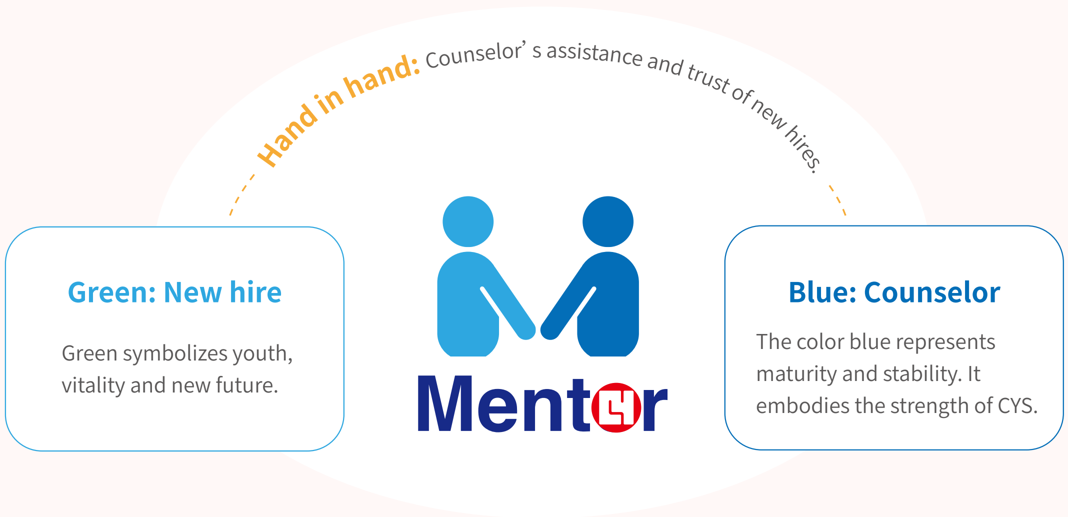
Nurturing Human Resources Column

CYS' Half-Century Talent Cultivation Recognized — Awarded the TTQS Gold Award by the Ministry of Labor as an Exemplary Model

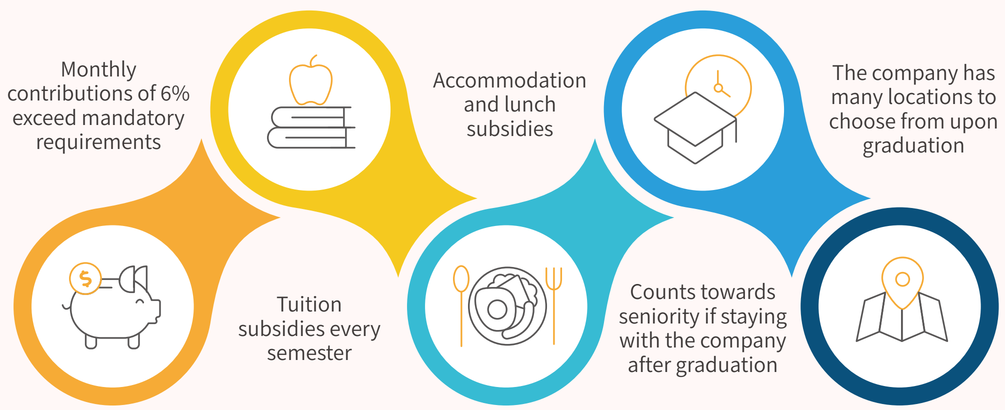
In order to encourage businesses to invest in talent development and enhance the quality of training, the Workforce Development Agency of the Ministry of Labor has been promoting guidance and assessment of the Talent Quality-management System (TTQS) to cultivate human capital. CYS delivered another strong performance in 2025 by obtaining eligibility for exemption from evaluation as a Gold Award recipient.

Since 2014, CYS has been utilizing the "Enterprise Human Resources Enhancement Program" and "Takeoff Program" to enhance talent development with the support of resources. Starting from 2009, the company has consistently achieved the Silver Award in the biennial TTQS assessment for the 7th time. In 2017, the Company earned the prestigious Gold Award, and in 2025, it has obtained eligibility for exemption from evaluation as a Gold Award recipient, with the validity period extended through December 2026. These accolades exemplify our steadfast commitment to nurturing talent and investing in its workforce. With highly skilled employees and rigorous quality control standards, the Company is dedicated to providing exceptional services to customers worldwide. This recognition validate the belief that investing in talent is the most valuable investment a company can make.

Comprehensive training system - Counselor (work instruction)



Creation of a safe working environment through a comprehensive company system



3

Green & Sustainable Enterprise

2025 Sustainable Environmental Management Performance

Energy saved: 17,520 kWh/year

- ✦ The Company replaced outdated lighting fixtures with LED lighting and is expected to reduce electricity consumption approximately 17,520 kWh/year.

Air pollution emissions all complied with the permit

- ✦ In 2025, all air pollution emissions fell within the permitted discharge threshold of the plant.

There were no major spills from discharge of effluents

- ✦ The effluent discharge volume, discharge limits and monitored readings from CYS operations in Tucheng, Tainan, and Kaohsiung industrial parks are shown in the table below. There were no significant spills in 2025.

Waste recycling ratio reached 98%

- ✦ Approximately 98% of waste is recycled for reuse.

No violation of the Waste Disposal Act

- ✦ No penalties were imposed against CYS in 2025 for violating the Waste Disposal Act

3.1 Energy Resource Management

Management Approach	Energy	
Item	Description	Content
Material Topics and Boundaries	Significant Reason for This Topic	Analysis of degree of concern and degree of impact through stakeholder communications determined that Energy will be an important topic for CYS in the future. Failure to engage in energy management may result in regulatory requirements and penalties being imposed on CYS. Conducting due diligence on energy management may reduce cost risk for CYS and improve the competitiveness of CYS products in terms of sustainability.
	Boundaries of This Topic	The topic Energy Management encompasses CYS's headquarters in Taiwan as well as production operations in the north, center, and south.
	Limits of Disclosure for this Topic	Disclosures relating to the topic of Energy Management in this report cover information relating to our Taiwan headquarters as well as production operations in the north, center and south.
Management Approach and Elements	Management Goal in this Topic	In order to effectively manage energy efficiency and cut energy costs in light of the latest trends in green energy, CYS has adopted a multi-pronged approach that involved the introduction of energy-saving equipment and study of feasibility of setting up a solar power system in parallel.
	Policy Commitment	Cooperate with the global GHG reduction strategy while balancing sustainable energy development goals such as resource energy efficiency, and energy conservation and environmental protection.
	Purpose and Target Responsibility	Cooperate with government policy by carrying out various energy-efficiency projects every year.
	Resources	Capital expenditure along with the necessary manpower and materials are invested to meet the resource requirements of energy-saving plans.
	Specific Actions	Skylight panels are incorporated during the construction of new factory buildings for electricity savings on lighting. Older equipment was also upgraded with variable frequency motors and green building design guidelines adopted for the construction of new office buildings.
Management Approach Assessment	Management Evaluation Mechanism	Statistics on energy usage are regularly collected by CYS in accordance with internal management procedure. PDCA validity assessment is conducted on energy management each year.
	Performance and Adjustment	Energy usage at CYS decreased by 5.81% in 2025. We will continue to focus on the topic of Energy Management in the future.
	Preventive and Remedy Measures	CYS conducts statistical analysis of energy usage to proactively assess energy-saving measures for high-consumption equipment. The Company also actively evaluates the feasibility of installing solar power systems on the rooftops of its facilities as part of its commitment to exploring renewable energy sources.

Sustained Introduction of Environmental Management System

The ISO 14001 environmental management system was introduced by CYS to fulfill our sustainability responsibility on the environment. Funding is also channeled towards environmental protection tasks. Most factories (locations) have obtained ISO 14001 environmental management system certification (current certificate will expire on 2026/06/19) since 2008. Special Steel's Tucheng, Taichung locations and Houlong Plant in Miaoli, as well as the Steel Structure Plant were not included in the scope of verification as the factories are leased and improvements are needed to their production equipment. Chun Yuan Steel's environmental policy is "Compliance with Regulations, Full Participation, Green Consumption, and Continuous Improvement." In 2025, three Company trucks entered a designated Air Quality Maintenance Area without having a valid vehicle emission inspection record prior to the inspection date. As a result, the Company violated the Air Pollution Control Act and was fined a total of NTD 4,500. The following table lists expenditures related to environmental protection.

2025 CYS Environmental Protection Expenditures

Unit: NTD

Item	Air pollution and effluent treatment fees	Waste disposal	Energy-saving equipment	Total
Amount	1,538,195	9,995,990	6,969,021	18,503,206

Raw Materials Usage

Management Approach		Raw Material
Item	Description	Content
Material Topics and Boundaries	Significant Reason for This Topic	Apart from being a significant player in the domestic steel processing and distribution industry, CYS also undertakes various large-scale steel structure projects. The majority of our procurement is focused on raw materials, accounting for over 80% of the total procurement amount. Among the raw material suppliers, China Steel Corporation (CSC), being the sole blast furnace plant in the country, contributes to more than 80% of the steel products we purchase. While maintaining a close working relationship with CSC, CYS also prioritizes seeking high-quality, reliable, and competitively priced suppliers for other material categories.
	Boundaries of This Topic	The topic of Material Management encompasses CYS's headquarters in Taiwan as well as production operations in the north, center, and south.
	Limits of Disclosure for this Topic	Disclosures relating to the topic of Raw Material Procurement Policy in this report cover information relating to our Taiwan headquarters as well as production operations in the north, center and south.
Management Approach and Elements	Management Goal in this Topic	To ensure effective management of raw materials at CYS.
	Policy Commitment	● Diversification of material sources: diversify suppliers to mitigate risks and enhance supply stability. ● Quality management: establish quality standards, evaluate suppliers, and inspect the quality of raw materials. ● Price negotiation: Engage in price negotiations with suppliers to lower costs. ● Contract management: Sign contracts to validate transactional details and subsequent risk management. ● Risk Management: Conduct regular assessments of suppliers to reduce risks and establish contingency plans. ● Environmental Protection: Focus on sustainable or environmentally friendly green products and services. ● Relationship Management: Establish good relationships with suppliers and ensure transparent and smooth communication channels between each other.
	Purpose and Target Responsibility	The procurement unit shall strive to negotiate a price reduction rate of 1.15% on the monthly purchasing amount. Additionally, the goal is to onboard 10 new suppliers each quarter,
	Resources Specific Actions	The Company follows ISO 9001 Quality Management System and implements various quality management activities.
Management Approach Assessment	Management Evaluation Mechanism	In addition to conducting regular audits in accordance with ISO 9001, CYS also follows internal management procedures to regularly compile and analyze various procurement data.
	Performance and Adjustment	Due to the fact that China Steel Corporation is the sole blast furnace plant in Taiwan, it remains our primary supplier for raw materials. However, we have indeed achieved the goal of adding 10 new suppliers for other raw materials every quarter.
	Preventive and Remedy Measures	In terms of steel raw materials, we will continue to make efforts to expand overseas steel mills and diversify our suppliers in other categories in the future. so that we can achieve the goal of having a diversified supplier base.

The primary raw materials used during CYS production are steel sheets/steel coils. Steel is a material that can be repeatedly used, manufactured and recycled. Reuse extends the service life of resources while reducing the consumption of energy and raw materials, lessening the impact on the environment.

Name of raw material	Unit	Whether it can be regenerated	2025
Steel (hot-rolled, cold-rolled, angle steel, steel sheets)	Tons	No	332,280MT

Note1: CYS's primary raw material is steel coils, including hot-rolled, cold-rolled, steel plates, and structural steel. Our main supplier is China Steel Corporation (CSC), accounting for approximately 80% of the total supply. The remaining 10% comes from domestic suppliers, while the remaining 10% is imported from overseas.

Note2: Non-renewable materials are resources that cannot be replenished in the short term. For example: Minerals, metals, petroleum, natural gas, coal and so forth.

Note3: Renewable materials are resources that can be replenished through ecological cycles or agricultural processes after use, with the potential for sustainable use in the future. Example: Animals, plants, water.

Steel Purchases

Unit: Tons

Year	2023	2024	2025
Domestic Steel Mill	219,944	322,772	316,004
Import	33,549	43,523	37,723
Material Procurement	8,084	5,933	6,037
Transfer Between Peers	18,925	18,574	16,925
Total Steel Purchases	280,502	390,802	376,689

Circular Material Purchases

Unit: Tons

Year	2023	2024	2025
Electric Arc Furnace Import	5,642	7,322	8,095
Total Reclaimed Material Purchases	13,003	15,021	13,827
Ratio of Reclaimed Materials to Total Iron and Steel Purchases	4.64%	3.84%	4.16%

Energy Management

CYS Energy Consumption Statistics

Quantitative Indicator	Unit	2023	2024	2025	Percentage Increase/Decrease in 2025 Compared to 2024
Electricity Usage	kWh/Year	17,362,616	18,778,795	19,593,246	4.34%
Liquefied Petroleum Gas (LPG)	KG/Year	267,074	378,741	275,305	-27.31%
Petrol Usage	L/Year	17,866	15,396	14,536	-5.58%
Diesel Usage	L/Year	760,182	1,176,867	975,230	-17.13%
Total Energy Consumption	GJ	97,236.93	120,112.88	113,138.25	-5.81%
Annual Production	Metric tons	409,197	440,479	458,618	4.12%
Energy Intensity	GJ/Metric tons	0.238	0.273	0.247	-9.53%

Note1: The production output of 458,618 tons in 2025 represented an increase of 18,139 tons compared to 2024.

CYS Energy-Saving Measures and Estimated Energy Savings in 2025

Energy-saving measures	Action taken	Estimated savings
Outdated lighting fixtures replacement	Existing electrodeless lighting fixtures were replaced with LED lighting fixtures	17,520 kWh/year
[Case 1]	• A total of 10 mercury vapor lamps (500W) surrounding the steel structure plant were replaced with LED lights (150W). • Mercury vapor lamps: 500W × 12 hours × 365 days × 10 units = 21,900 kWh/year. • LED lights (150W) × 12 hours × 365 days × 10 units = 6,570 kWh/year. • Electricity savings: 21,900 kWh - 6,570 kWh = 15,330 kWh/year.	
[Case 2]	• A total of 8 electrodeless lamps (200W) along the plant roads were replaced with LED lights (150W). • Electrodeless lamps: 200W × 12 hours × 365 days × 10 units = 8,760 kWh/year. • LED lights (150W) × 12 hours × 365 days × 10 units = 6,570 kWh/year. • Electricity savings: 8,760 kWh - 6,570 kWh = 2,190 kWh/year.	
Total energy savings: 15,330 kWh/year + 2,190 kWh/year = 17,520 kWh/year.		

Water Resource Management

CYS employs a water-less iron production process and total water usage in 2025 was 85,923M^3. Water sources included legal withdrawal of ground water and tap water. Water sources were not significantly affected by water withdrawal.。

Year	2025	
Plant	Plants with water meters installed Commercial Steel Tucheng Plant, Commercial Steel Taichung Plant, Commercial Steel Tainan Plant, Commercial Steel Kaohsiung Plant, Special Steel Taichung Plant, Steel Structure Kaohsiung Plant	Plants yet to install water meters Taipei Office, Xizhi Plant, Longtan Plant, Commercial Steel Taoyuan Plant, Commercial Steel Hsinchu Plant, Special Steel Tucheng Plant, Special Steel Taichung Plant
Water drawn (million liters)	18.45100	67.47200
Water discharged (million liters)	14.76110	67.47200
Water consumed (million liters)	3.68990	67.47200
Volume of water used for internal recycling (million liters)	0	0
Water recycling and reuse rate (%)	0	0
Organization specific metrics (production volume)	458,618 metric tons	
Water intensity (production volume)	0.000187	

Note1: Water consumed = Water drawn - Water discharged.
Note2: Water recycling and reuse rate = Volume of water used for internal recycling / (Water drawn + Volume of water used for internal recycling)*100%.
Note3: The formula for water intensity is: Water drawn (million liters) / Organization specific metrics.
Note4: Due to the absence of water meters in some of our facilities, it has been challenging to measure water consumption accurately. In the future, CYS will implement a plan to gradually install water meters in all our facilities for better monitoring and measurement of water usage.

CYS Water Usage Statistics

Unit: M^3

	2023	2024	2025
Tap Water Usage	25,012	23,051	30,822
Ground Water Usage	61,372	59,250	55,101

Note1: Ground water permit for Longtan Plant: Taoyuan City Government Water Permits No. H0118479, No. H1100046 and No. H0113186.
Note2: The water sources for tap water used by CYS business divisions: (Xizhi Plant / Sinshan Reservoir), (Taipei, Sanchong Offices / Feicui Reservoir), (Longtan Plant, Commercial Steel Taoyuan, Commercial Steel Tucheng, Special Steel Tucheng/ Shihmen Reservoir), (Commercial Steel Hsinchu/Baoshan Reservoir), (Electrical Steel Taichung, Commercial Steel Taichung / Deji Reservoir), (Tainan Plant / Nanhua Reservoir), (Kaohsiung Plant / Fengshan Reservoir).

Ecological Conservation

The factories and operations of Chun Yuan Steel Industry Co., Ltd. such as the Xizhi Plant, Longtan Plant, Taichung Plant, Tainan Plant and Kaohsiung Plant are located in industrial parks or planned industrial zones. They comply with environment impact assessment regulations so are not sensitive protected areas or habitats. CYS production activities, products and services have no significant impact on protected areas or other areas of high biodiversity value.

3.2 Pollution Prevention and Control Management

CYS conducted an inventory of greenhouse gas emissions in 2025 and it does not meet the control threshold specified by the Ministry of Environment. Such restrictions not only require businesses to provide regular disclosure on GHG information but may also impose limits on emissions. Many governments are also looking into the levying of carbon or energy taxes. Prices for raw materials and energy essential to production operations have continued to rise as well. All of these factors contribute to higher production costs. CYS will continue to monitor changes in domestic and overseas regulations to keep track of regulatory trends and prepare in advance. We will also actively communicate with the government through industry associations and organizations, and offer our recommendations proposed regulatory changes to make them more reasonable and appropriate.

Air Pollution Prevention and Control

No CFC-11 is produced by CYS production processes. Purchase/use of Halon fire extinguishers have now been banned in line with government policy and regulations so other types of fire extinguishers are used instead. Older models of air conditioning are being progressively replaced based on their usage frequency to ensure compliance.

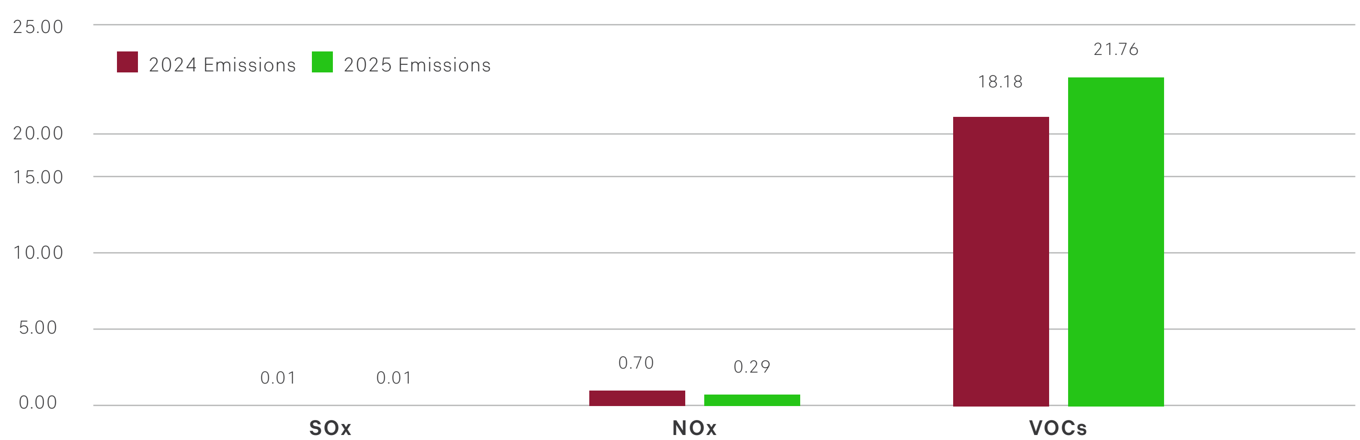
Longtan Plant 1 is the only CYS operating location subject to the Air Pollution Control Act with stationary pollution source operating permits required for the steel structure painting process and steel sheet heat treatment process. Permit renewal testing was conducted in 2024 and 2025, respectively. The main emissions produced by steel structure painting are volatile organic compounds (VOCs) while the main emissions produced by metal sheet heat treatment are nitrogen oxides (NOx) and sulfur oxides (SOx). Regulator testing and reporting are conducted for the three types of air pollutants mentioned above. CYS Longtan Plant 1 monitors air pollutants in accordance with the conditions of the stationary pollution source operating permit. All monitor readings complied with the emission standards as shown in the table below:

Test Item	2023				2024				2025			
	Test result	Standard	Pass		Test result	Standard	Pass		Test result	Standard	Pass	
			Yes	No			Yes	No			Yes	No
Nitrogen Oxides (NOx)	118ppm	250 ppm	●		80.5 ppm	250 ppm	●		205 ppm	250 ppm	●	
Sulfur Oxides (SOx)	Testing not mandatory		●		Testing not mandatory		●		ND	300 ppm	●	
Particulate matter	Testing not mandatory				Testing not mandatory				1.9 mg/Nm^3	100 mg/Nm^3		
Odor	Testing not mandatory				Testing not mandatory				<10	30		
Volatile Organic Compound (VOCs)	Testing not mandatory		●		3 ppm		●		Testing not mandatory		●	
Toluene	Testing not mandatory				ND	0.134 g/s	●		Testing not mandatory		●	

CYS emissions of NOx, SOx, and VOCs from 2024 and 2025 are shown below. There was an increase in emissions of VOCs in 2025 compared to 2024 due to increased customer demand for the painting process.

Air pollutant emissionsin 2024 and 2025

Unit: Tons



春源鋼鐵 CHUN YUAN STEEL

GHG Emissions

Chun Yuan Steel's Scope 1 and Scope 2 greenhouse gas emissions on a consolidated basis totaled 22,347.65 metric tons of CO_2e in 2025. The parent company of Chun Yuan Steel recorded an increase of 0.08% in 2025 compared with 2024.

CYS GHG Emission Statistics

Quantitative Indicators	Unit	2023	2024	2025	Percentage Increase/Decrease in 2025 Compared to 2024
Scope 1 GHG Emissions	Tons CO_2e	4,077.54	5,493.02	4,844.04	-11.81%
Scope 2 GHG Emissions	Tons CO_2e	8,594.49	8,626.98	9,287.20	7.65%
Scope 1 + Scope 2 GHG Emissions	Tons CO_2e	12,672.04	14,120.00	14,131.24	0.08%
Annual Production	Tons	409,197	440,479	458,618	4.12%
GHG Emission Intensity	Tons CO_2e/Tons of sales	0.0310	0.0321	0.0308	-4.05%

Note1: Statistical data were calculated for Category 1 (Scope 1) and Category 2 (Scope 2) in accordance with the ISO 14064-1 inventory standard.
Note2: In 2024, the Scope 1 and Scope 2 data of the subsidiaries in the consolidated statements will be disclosed, and will be disclosed year by year.

Quantitative Indicators	Unit	2025
Scope 1 GHG Emissions (Tons CO_2e)	Tons CO_2e	1,015.16
Scope 2 GHG Emissions (Tons CO_2e)	Tons CO_2e	7,201.25
Scope 1 + Scope 2 GHG Emissions (Tons CO_2e)	Tons CO_2e	8,216.41
Annual Production (Tons)	Tons	294,229
GHG Emission Intensity (Tons CO_2e)	Tons CO_2e/Tons of sales	0.0279

Effluent Management

The effluent discharge volume, discharge limits and monitored readings from CYS operations in Tucheng, Tainan, and Kaohsiung industrial parks are shown in the table below. There were no significant spills in 2025.

water discharge

Unit: m^3

Item	2023	2024	2025
Total Effluents	8,710	9,571	14,761

Water Pollution Test Item

Item	2023		2024		2025	
	Discharge Standard (ppm)	Average Annual Reading (ppm)	Discharge Standard (ppm)	Average Annual Reading (ppm)	Discharge Standard (ppm)	Average Annual Reading (ppm)
Chemical Oxygen Demand (COD)(mg/L)	100	75.2	100	94.0	100	94.0
Suspended Solids (SS)(mg/L)	30	16.2	30	19.3	30	12.7

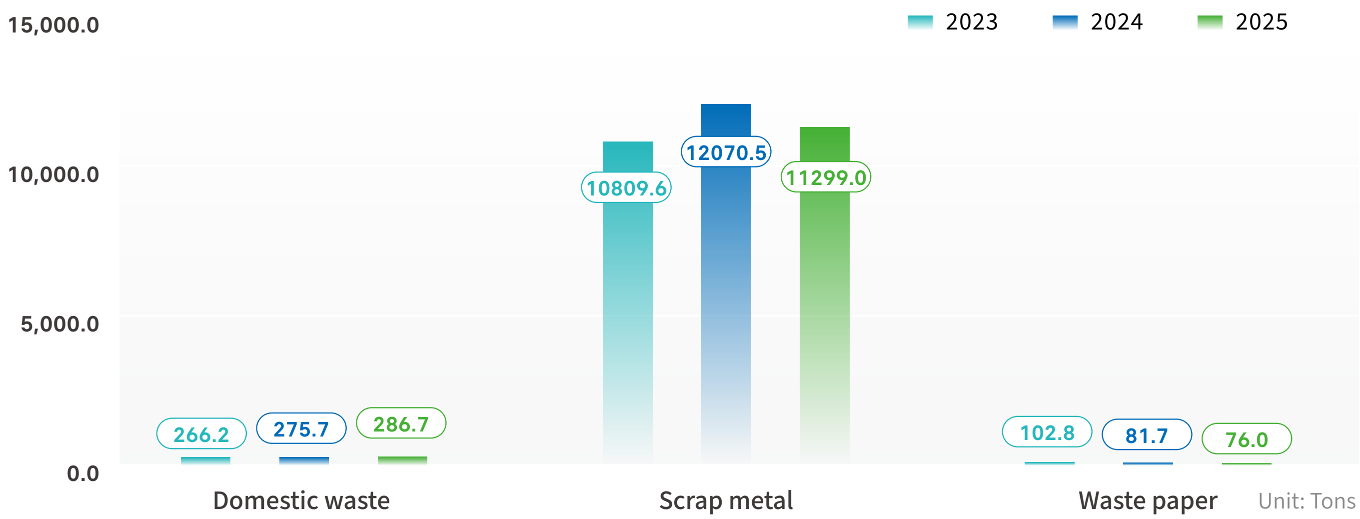
Waste Management

CYS disposed of 11,179 tons, 12,428 tons, and 11,662 tons of steel in 2023, 2024, and 2025 respectively. CYS is in the metal basic industry so scrap metal from steel structure processing, steel sheet cutting/slitting and steel bar cutting accounted for 97% of waste, followed by domestic waste from offices, employee dormitories or working areas for 2%. The remaining 1% consisted of product packaging paper, raw material cartons or waste stationery. Annual waste disposal is shown in the following graph.

Status of Waste Generation and Disposal

Year	Waste composition	Hazardous/Non-hazardous	Off-site	
			Method of disposal	Waste generated (tons)
2023	Scrap metal	Non-hazardous	Recycled	10,809.6
	Waste paper	Non-hazardous	Recycled	102.8
	Domestic waste	Non-hazardous	Incinerated	266.2
2024	Scrap metal	Non-hazardous	Recycled	12,070.5
	Waste paper	Non-hazardous	Recycled	81.7
	Domestic waste	Non-hazardous	Incinerated	275.7
2025	Scrap metal	Non-hazardous	Recycled	11,299
	Waste paper	Non-hazardous	Recycled	76
	Domestic waste	Non-hazardous	Incinerated	286.7

Waste Disposal Volume from 2023 to 2025



Scrap metal and paper that can be recycled are recovered by recycling companies or individual operators so that the Earth's limited resources can be returned to the cradle. Non-recyclable domestic trash is collected by licensed contractors and incinerated. Around 98% of all waste is recycled. Only general commercial waste is produced by CYS and all are given over to licensed domestic removal, processing and recycling organizations for recycling. There is no exporting and re-importing of waste in keeping with the spirit of the Basel Convention.

4 Appendix

Appendix 1: GRI Sustainability Reporting Standards (GRI Standards) Cross-Reference Table (includes G4 Mining and Metal Sector Supplement)

Usage Statement	CYS has reported in accordance with the GRI (Global Reporting Initiative) guidelines for the period from 2025/1/1-2025/12/31. The reported information aligns with the content index referenced in the GRI reporting framework.
GRI 1 uses	GRI 1: Foundation 2021

GRI Standard Type/Topic	Number	GRI Standards Disclosure	Corresponding Chapter	Page Number	Omissions/ Remarks
1. Organization and reporting practices					
GRI 2 General Disclosures 2021	2-1	Detailed information of the organization	Editorial Policy		
	2-2	Entities included in the organization's sustainability report	Editorial Policy		
	2-3	Reporting period, frequency and liaison	Editorial Policy		
	2-4	Restatements of information	Editorial Policy		
	2-5	External assurance	Editorial Policy		
2. Activities and workers					
GRI 2 General Disclosures 2021	2-6	Activities, value chain and other business relationships	1.1 About Chun Yuan Steel		
	2-7	Employees	2.1 Human Resources		
	2-8	Non-employee workers	2.1 Human Resources		
3. Governance					
GRI 2 General Disclosures 2021	2-9	Governance structure and composition	1.2 Corporate Governance		
	2-10	Nominating and selecting the highest governance body	1.2 Corporate Governance		
	2-11	Chair of the highest governance body	1.2 Corporate Governance		
	2-12	The role of impact management played by the highest governing body	1.2 Corporate Governance		
	2-13	Person responsible for impact management	1.2 Corporate Governance		
	2-14	Highest governance body's role in sustainability reporting	1.2 Corporate Governance		
	2-15	Conflicts of interest	1.2 Corporate Governance		
	2-16	Communication of key events	-		
	2-17	Collective knowledge of highest governance body	1.2 Corporate Governance		
	2-18	Evaluating the highest governance body's performance	1.2 Corporate Governance		
	2-19	Remuneration policies	1.2 Corporate Governance		
	2-20	Process for determining remuneration	1.2 Corporate Governance		
	2-21	Annual total compensation ratio	2.2 Employee Care		
4. Strategies, policies and practices					
GRI 2 General Disclosures 2021	2-22	Statement on sustainability development strategy	From the Management		
	2-23	Policy and commitment	1.2 Corporate Governance		
	2-24	Inclusion in policy and commitment	1.2 Corporate Governance		
	2-25	Procedures for remedying negative impacts	-		
	2-26	Mechanisms for seeking advice and raising concerns	1.5 Compliance		
	2-27	Compliance	1.5 Compliance		
	2-28	Membership of associations	1.1 About Chun Yuan Steel		
5. Stakeholder Engagement					
GRI 2 General Disclosures 2021	2-29	Stakeholder Engagement Approach	Stakeholder Identification and Communication		
	2-30	Collective bargaining agreements	-		None

Material Topic Disclosures

GRI No.	Topic	Sector Standard No.	Number	GRI Standards Disclosure	Corresponding Chapter	Page Number
GRI 3: Material Topics 2021	Management Approach	-	3-1	Process of determining material topics	Material Topics in the Sustainability Report	
GRI 3: Material Topics 2021	Management Approach	-	3-2	List of material topics	Material Topics in the Sustainability Report	
Economic Performance (Economic Performance GRI 201)						
GRI 3: Material Topics 2021	Operating Performance Management Approach	-	3-3	Material Topic Management	1.3 Business Performance	
GRI 201	Economic Performance Disclosures 2016	-	201-1	Direct economic value generated and distributed	1.3 Business Performance	
			201-2	Financial implications and other risks and opportunities due to climate change	1.4 Risk Management	
			201-3	Determining obligations for compensation and other retirement plans	2.2 Employee Care	
			201-4	Financial assistance received from government	1.3 Business Performance	
Materials (Emissions GRI 301)						
GRI 3: Material Topics 2021	Raw Material Management Approach	-	3-3	Material Topic Management	3.1 Energy Resource Management	
GRI 301	Materials Disclosures 2016	-	301-1	Materials used by weight or volume	3.1 Energy Resource Management	
			301-2	Use of recycled and reusable materials	3.1 Energy Resource Management	
			301-3	Reclaimed products and their packaging materials	3.1 Energy Resource Management	
Energy (Energy GRI 302)						
GRI 3: Material Topics 2021	Energy and GHG Emission Management Approach	-	3-3	Material Topic Management	3.1 Energy Resource Management	
GRI 302	Energy Disclosures 2016	-	302-1	Energy consumption within the organization	3.1 Energy Resource Management	
			302-2	Energy consumption outside of the organization	-	
			302-3	Energy intensity	3.1 Energy Resource Management	
			302-4	Reduction of energy consumption	3.1 Energy Resource Management	
			302-5	Reductions in energy requirements of products and services	-	
Labor/Management Relations (Labor/Management Relations GRI 401, Labor/Management Relations GRI 402)						
GRI 3: Material Topics 2021	Labor/Management Relations Management Approach	-	3-3	Material Topic Management	2.3 Human Resources Development	
GRI 401	Employment Disclosures 2016	-	401-1	New employee hires and employee turnover	2.2 Employee Care	
			401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	2.2 Employee Care	
			401-3	Parental leave	2.2 Employee Care	
GRI 402	Labor/Management Relations Disclosures 2016	-	402-1	Minimum notice periods regarding operational changes	2.3 Human Resources Development	

GRI No.	Topic	Sector Standard No.	Number	GRI Standards Disclosure	Corresponding Chapter	Page Number
Occupational Health and Safety (Occupational Health and Safety GRI 403)						
GRI 3: Material Topics 2021	Occupational Health and Safety Management Approach	-	3-3	Material Topic Management	2.4 Occupational Safety and Health	
GRI 403	Occupational Health and Safety Disclosures	-	403-1	Occupational Health and Safety Management System	2.4 Occupational Safety and Health	
			2018	Hazard identification, risk assessment, and incident investigation	2.4 Occupational Safety and Health	
			403-3	Occupational Health Services	2.4 Occupational Safety and Health	
			403-4	Involvement, consultation, and communication of occupational health and safety professionals	2.4 Occupational Safety and Health	
			403-5	Training of occupational health and safety professionals	2.4 Occupational Safety and Health	
			403-6	Promotion of worker health	1.5 Compliance	
			403-7	Prevention and mitigation of occupational health and safety impacts directly related to business operations	2.4 Occupational Safety and Health	
			403-8	Workers covered by the occupational health and safety management system	2.4 Occupational Safety and Health	
			403-9	Occupational injuries	2.4 Occupational Safety and Health	
			403-10	Occupational illness	2.4 Occupational Safety and Health	
Training and Education (Training and Education GRI 404)						
GRI 3: Material Topics 2021	Training and Education Management Approach	-	3-3	Material Topic Management	2.3 Human Resources Development	
GRI 404	GRI 404 Training and Education Disclosures 2016	-	404-1	Average hours of training per year per employee	2.3 Human Resources Development	
			404-2	Programs for upgrading employee skills and transition assistance programs	2.3 Human Resources Development	
			404-3	Percentage of employees receiving regular performance and career development reviews	2.3 Human Resources Development	
Diversity and Equal Opportunity (Diversity and Equal Opportunity GRI 405)						
GRI 3: Material Topics 2021	Diversity and Equal Opportunity Management Approach	-	3-3	Material Topic Management	2.1 Human Resources	
GRI 405	GRI 405 Diversity and Equal Opportunity Disclosures 2016	-	405-1	Diversity of governance bodies and employees	2.1 Human Resources	
			405-2	Ratio of basic salary and remuneration of women to men	2.2 Employee Care	

Other Topic Disclosures

GRI Standard Type/Topic	Number	GRI Standards Disclosure	Corresponding Chapter	Page Number	Omissions/ Remarks
Topic-specific Standards: GRI 200 series (Economic Topics)					
Economic Performance					
GRI 201 Economic Performance Disclosures 2016	201-1	Direct economic value generated and distributed	1.3 Business Performance		
	201-2	Financial implications and other risks and opportunities due to climate change	1.4 Risk Management		
	201-3	Determining obligations for compensation and other retirement plans	2.2 Employee Care		
	201-4	Financial assistance received from government	1.3 Business Performance		
Market Presence					
GRI 202 Market Presence Disclosures 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	2.2 Employee Care		
	202-2	Proportion of senior management hired from the local community	2.1 Human Resources		
Indirect Economic Impacts					
GRI 203 Indirect Economic Impacts Disclosures 2016	203-1	Infrastructure investments and services supported	2.5 Social Engagement		
	203-2	Significant indirect economic impacts	-		
Procurement Practices					
GRI 204 Procurement Practices Disclosures 2016	204-1	Proportion of spending on local suppliers	1.3 Business Performance		
Anti-corruption					
GRI 205 Anti-corruption Disclosures 2016	205-1	Operations assessed for risks related to corruption	1.2 Corporate Governance		
	205-2	Communication and training about anti-corruption policies and procedures	1.2 Corporate Governance		
	205-3	Confirmed incidents of corruption and actions taken	-		None
Anti-competitive Behavior					
GRI 206 Anti-competitive Behavior Disclosures 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-		None

GRI Standard Type/Topic	Number	GRI Standards Disclosure	Corresponding Chapter	Page Number	Omissions/ Remarks
Topic-specific Standards: GRI 300 series (Environmental Topics)					
Water and Wastewater					
GRI 303 Water and Wastewater Management Disclosure 2018	303-1	The mutual impact of sharing water resources	3.1 Energy Resource Management		
	303-2	Wastewater related impact management	3.1 Energy Resource Management		
	303-3	Water drawn	3.1 Energy Resource Management		
	303-4	Water discharged	3.1 Energy Resource Management		
	303-5	Water consumed	3.1 Energy Resource Management		
Biodiversity					
GRI 304 Biodiversity Disclosures 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	3.1 Energy Resource Management		
	304-2	Significant impacts of activities, products, and services on biodiversity	3.1 Energy Resource Management		
	304-3	Habitats protected or restored	3.1 Energy Resource Management		
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	3.1 Energy Resource Management		
Emissions					
GRI 305 Emissions Disclosures 2016	305-1	Direct (Scope 1) GHG emissions	3.2 Pollution Prevention and Control Management		
	305-2	Energy indirect (Scope 2) GHG emissions	3.2 Pollution Prevention and Control Management		
	305-3	Other indirect (Scope 3) GHG emissions			
	305-4	GHG Emission Intensity	3.2 Pollution Prevention and Control Management		
	305-5	Reduction of GHG emissions	3.2 Pollution Prevention and Control Management		
	305-6	Emission of ozone-depleting substances (ODS)	3.2 Pollution Prevention and Control Management		
	305-7	Emission of nitrogen oxides (NOx), sulfur oxides (SOx), and other significant gas emissions	3.2 Pollution Prevention and Control Management		
Wastes					
GRI 306 Waste Topic Management Disclosures 2020	306-1	Waste Generation and Significant Impact of Waste-related Issues	3.2 Pollution Prevention and Control Management		
	306-2	Management of Significant Impacts related to Waste	3.2 Pollution Prevention and Control Management		
	306-3	Waste Generation	3.2 Pollution Prevention and Control Management		
	306-4	Disposal and Transfer of Waste	3.2 Pollution Prevention and Control Management		
	306-5	Direct Disposal of Waste	3.2 Pollution Prevention and Control Management		
GRI 306 Effluents and Waste Disclosures 2016	306-3	Significant spills	3.2 Pollution Prevention and Control Management		
Supplier Environmental Assessment					
GRI 308 Supplier Environmental Assessment Disclosures 2016	308-1	New suppliers that were screened using environmental criteria	1.3 Business Performance		
	308-2	Negative environmental impacts in the supply chain and actions taken	1.3 Business Performance		

GRI Standard Type/Topic	Number	GRI Standards Disclosure	Corresponding Chapter	Page Number	Omissions/ Remarks
Topic-specific Standards: GRI 400 series (Social Topics)					
Employment					
GRI 401 Employment Disclosures 2016	401-1	New employee hires and employee turnover	2.3 Human Resources Development		
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	2.2 Employee Care		
	401-3	Parental leave	2.2 Employee Care		
Labor/Management Relations					
GRI 402 Labor/ Management Relations Disclosures 2016	402-1	Minimum notice periods regarding operational changes	2.3 Human Resources Development		
Occupational Health and Safety					
GRI 403 Occupational Health and Safety Disclosures 2018	403-1	Occupational Health and Safety Management System	2.4 Occupational Safety and Health		
	403-2	Hazard identification, risk assessment, and incident investigation	1.4 Risk Management		
	403-3	Occupational Health Services	2.4 Occupational Safety and Health		
	403-4	Involvement, consultation, and communication of occupational health and safety professionals	2.4 Occupational Safety and Health		
	403-5	Training of occupational health and safety professionals	2.4 Occupational Safety and Health		
	403-6	Promotion of worker health	2.4 Occupational Safety and Health		
	403-7	Prevention and mitigation of occupational health and safety impacts directly related to business operations	1.5 Compliance		
GRI 403 Occupational Health and Safety Disclosures 2018	403-8	Workers covered by the occupational health and safety management system	2.4 Occupational Safety and Health		
	403-9	Occupational injuries	2.4 Occupational Safety and Health		
	403-10	Occupational illness	2.4 Occupational Safety and Health		
Training and Education					
GRI 404 Training and Education Disclosures 2016	404-1	Average hours of training per year per employee	2.3 Human Resources Development		
	404-2	Programs for upgrading employee skills and transition assistance programs	2.3 Human Resources Development		
	404-3	Percentage of employees receiving regular performance and career development reviews	2.3 Human Resources Development		
Employees Diversity and Equal Opportunity					
GRI 405 Diversity and Equal Opportunity Disclosures 2016	405-1	Diversity of governance bodies and employees	2.1 Human Resources		
	405-2	Ratio of basic salary and remuneration of women to men	2.2 Employee Care		
Non-discrimination					
GRI 406 Non-discrimination Disclosures 2016	406-1	Incidents of discrimination and corrective actions taken	1.5 Compliance		
Freedom of Association and Collective Bargaining					
GRI 407 Freedom of Association and Collective Bargaining Disclosures 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-		

GRI Standard Type/Topic	Number	GRI Standards Disclosure	Corresponding Chapter	Page Number	Omissions/ Remarks
Child Labor					
GRI 408 Child Labor Disclosures 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	1.5 Compliance		
Forced or Compulsory Labor					
GRI 409 Forced or Compulsory Labor Disclosures 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	1.5 Compliance		
Security Practices					
GRI 410 Security Practices Disclosures 2016	410-1	Security personnel trained in human rights policies or procedures	-		
Rights of Indigenous Peoples					
GRI 411 Rights of Indigenous Peoples Disclosures 2016	411-1	Incidents of violations involving rights of indigenous peoples	1.5 Compliance		
Local Communities					
GRI 413 Local Communities Disclosures 2016	413-1	Operations with local community engagement, impact assessments, and development programs	2.5 Social Engagement		
	413-2	Operations with significant actual and potential negative impacts on local communities	2.5 Social Engagement		
Supplier Social Assessment					
GRI 414 Supplier Social Assessment Disclosures 2016	414-1	New suppliers that were screened using social criteria	-		
	414-2	Negative social impacts in the supply chain and actions taken	-		
Public Policy					
GRI 415 Public Policy Disclosures 2016	415-1	Political contributions			No political contrib-utions
Customer Health and Safety					
GRI 416 Customer Health and Safety Disclosures 2016	416-1	Assessment of the health and safety impacts of product and service categories	1.1 About Chun Yuan Steel		
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	1.5 Compliance		
Marketing and Labeling					
GRI 417 Marketing and Labeling Disclosures 2016	417-1	Requirements for product and service information and labeling	1.1 About Chun Yuan Steel		
	417-2	Incidents of non-compliance concerning product and service information and labeling	1.1 About Chun Yuan Steel		
	417-3	Incidents of non-compliance concerning marketing communications	1.1 About Chun Yuan Steel		
Customer Privacy					
GRI 418 Customer Privacy Disclosures 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	1.5 Compliance		

GRI Standard Type/Topic	Number	GRI Standards Disclosure	Corresponding Chapter	Page Number	Omissions/ Remarks
G4 Mining and Metals Sector Supplement					
	MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated	Not located in or adjacent to ecological conservation area		
	MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place	Not located in or adjacent to ecological conservation area		
	MM3	Total amount of overburden, rock, tailings, and sludges and their associated risks	This indicator applies to the mining industry		
	MM4	Number of strikes and lock-outs exceeding one week's duration, by country	No strikes or lock-outs		
	MM5	Total number of operations taking place in or adjacent to indigenous people's territories, and number and percentage of operations or sites where there are formal agreements with indigenous people's communities	No operations located in or adjacent to indigenous people's communities		
	MM6	Number and description of significant disputes relating to land use, customary rights of local communities and indigenous peoples	No significant disputes		
	MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities, and indigenous peoples, and outcomes	No operations located in or adjacent to indigenous people's communities, and no issues with land use or customary rights		
	MM8	Number (and percentage) of company operating sites where artisanal and small-scale mining (ASM) takes place, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks	There we no ASM at operating sites		
	MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process	No resettlements took place		
	MM10	Number and percentage of operations closure plans	No closure plans		
	MM11	Programs and progress relating to materials stewardship	N/A		

Appendix 2: SASB Reference Table

Industry

Disclosure Topic	Indicator No.	Disclosure Indicator	Nature	Corresponding Chapters	Page Number
GHG Emissions	EM-IS-110a.1	Scope 1 GHG emissions and their percentage under emission limitation regulations	Quantified	GHG Emissions	
	EM-IS-110a.2	Long-term and short-term strategies and plans for Scope 1 emissions, reduction targets, and analysis of behaviors contradictory to the targets	Description and analysis	GHG Emissions	
Air Quality	EM-IS-120a.1	Emissions of pollutants such as carbon monoxide (CO), nitrogen oxides (NOx) (excluding N2O), sulfur oxides (SOx), particulate matter (PM10), manganese oxide (MnO), lead, volatile organic compounds (VOCs), polycyclic aromatic hydrocarbons (PAHs), and other pollutants	Quantified	Air Pollution Prevention and Control	
Energy Management	EM-IS-130a.1	(1) Total energy consumption (2) Percentage of electricity consumption from the grid (3) Percentage of renewable energy	Quantified	Energy Management	
	EM-IS-130a.2	(1) Total fuel consumption (2) Percentage of coal consumption (3) Percentage of natural gas consumption (4) Percentage of renewable energy consumption	Quantified	Energy Management	
Water Resource Management	EM-IS-140a.1	(1) Total freshwater withdrawn (2) Percentage of water recycled and reused (3) Percentage of water withdrawals from areas with high or extremely high water stress	Quantified	Effluent Management	
Employees Health and Safety	EM-IS-320a.1	(1) Total recordable incident rate (TRIR) for all full-time and contract employees (2) Fatality rate (3) Non-medical first reportable (NMFR) incident rate	Quantified	Occupational Safety Performance	
Supply Chain Management	EM-IS-430a.1	Social and environmental risks related to iron ore mining and the sourcing of coking coal	Description and analysis	N/A	

Appendix 3: Sustainability Disclosure Indicators - Steel Industry

Number	Indicator	Indicator Type	Disclosure in 2025	Unit	Remarks
1	**Total energy consumption, percentage of purchased electricity, utilization rate(renewable energy/total energy), and total self-generated and self-use energy**[Note 1]	Quantified	● Total electricity energy consumption (GJ): 72,734.97 (Including renewable energy) ● Purchased electricity use: 97.0% ● Renewable energy use: 3.0%	Gigajoules (GJ), Percentage (%)	
2	**Total fuel consumption, percentage of coal, percentage of natural gas, and percentage of renewable fuels**	Quantified	● Total fuel energy consumption (GJ): 42,602.6 ● Natural gas use: 16.2%	Gigajoules (GJ), Percentage (%)	
3	**Total water intake and total water consumption**	Quantified	● Total water intake: 85,923 m^3 ● Total water consumption: 71,161 m^3	1,000m^3	
4	**Total waste generated, percentage of hazardous waste and percentage recycled**	Quantified	● Total tons of main products: 11,662.7 ● Hazardous waste percentage: 0.0% ● Percentage of recycled scrap iron: 96.8% ● Percentage of recycled paper: 0.6%	Tons, Percentage (%)	
5	**Number of employees in and rate of occupational accidents**	Quantified	● Number of recordable occupational injuries: 8 ● Recordable occupational injury rate: 2.51%	Quantity, Rate (%)	
6	**Production by product category**	Quantified	● Total tons of main products: 458,618	Tons	

Appendix 4: Climate-Related Information of TWSE/TPEx Listed Company

Item	Implementation
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	1. Pursuant to the plans of the Financial Supervisory Committee's "Sustainable Development Roadmap for TWSE and TPEx Listed Companies," forwarded by Taiwan Stock Exchange, the operations related to the climate risk are implemented as below: (1) The GHG inventory, and verification schedule of the parent company and the Group (including subsidiaries) are completed, and reported to the board of directors. Subsequently, the implementation progress will be reported on a quarterly basis to the board of directors for the purpose of control. (2) The parent company has completed voluntary GHG inventories since 2024 and has also completed third-party external verification. (3) Subsidiaries completed voluntary GHG inventories beginning in 2024, and in 2025, their voluntary GHG inventory reports were submitted for third-party verification for the first time. 2. The Company conducts comprehensive risk assessment in accordance with the objectives of its business, the execution of its business strategy, and the routine operations of its business. The Company first assesses various risk factors and then formulates response strategies for the possible hazards. Subsequently, the Company regularly reviews and reassesses various risk factors to achieve monitoring and tracking control. 3. Please refer to the description in 2 above. 4. Emergency response at CYS is governed by the "Natural Disaster Emergency Response Regulations." A natural disaster emergency response organization is established when a natural disaster is predicted (e.g. typhoons) to direct preparations. 5~8. The Company has not yet had relevant operations, and will plan and implement it in the future depending on actual needs and legal requirements. 9. The following table details the status of the 2025 GHG inventory, verification, and the Company's reduction plan.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	
3. Describe the financial impact of extreme weather events and transformative actions.	
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	
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.	
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.	
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	
8. If climate-related targets have been set, the activities covered, the scope of GHG 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.	
9. GHG inventory and assurance status, as well as reduction targets, strategies and concrete action plans (indicated in 1-1 and 1-2 separately).	

1- 1 GHG inventory and assurance status in the past two years

1-1-1 GHG inventory information

Describe the emissions (metric tons of CO_2e), intensity (metric tons of CO_2e/million dollars) and scope of data for the most recent two years.

Emissions in the past two years

Unit: ton CO_2e

		2024	2025
Chun Yuan Steel	Scope 1: Direct GHG emissions	5,493.02	4,844.04
	Scope 2: Indirect GHG emissions	8,626.98	9,287.20
	Subtotal of Scope 1 + Scope 2	14,120.00	14,131.24
Subsidiaries in the consolidated financial statements	Scope 1: Direct GHG emissions	164.16	1,015.16
	Scope 2: Indirect GHG emissions	13,994.59	7,201.25
	Subtotal of Scope 1 + Scope 2	14,158.75	8,216.41
Total Scope 1 + Scope 2 GHG emissions in the consolidated financial statements	Emission volume	28,278.75	22,347.65
	Intensity (ton CO_2e/ NT$ million)	1.1776	0.9239

Scope of data: Scope of data: Based on the compilation of the Business Control Act, including the direct emissions (Scope 1) and indirect emissions (Scope 2) between the Company and all subsidiaries in the consolidated financial statements.

Note1: Direct emissions (Scope 1, i.e. directly from emission sources owned or controlled by the Company), indirect emissions from energy (Scope 2, i.e. indirect GHG emissions from imported electricity, heat or steam), and other indirect emissions (Scope 3, i.e., emissions from the Company's activities that are not indirect emissions from energy, but are from sources owned or controlled by other companies).

Note2: The data coverage of direct emissions and indirect emissions from energy shall be handled in accordance with the schedule specified in Paragraph 2, Article 4-1 of the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies (hereinafter referred to as "these Rules"). Other indirect emissions can be voluntarily disclosed.

Note3: GHG standard: GHG Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note4: The intensity of GHG emissions can be calculated per unit of product/service or turnover, but at least the data calculated in terms of turnover (NTD million) should be stated.

Note5: The difference in the subsidiaries' carbon emission equivalent data is attributable to their third-party verification in 2025, during which the original methodology and scope were adjusted to align with those of the parent company, and officially published data from the host countries were adopted.

1-1-2 GHG assurance information

Describe the assurance status for the most recent two years, including the scope of assurance, institutions of assurance, criteria of assurance, and opinions of assurance.

Unit: ton CO_2e

			2024	2025
Assurance Description			The external assurance unit - British Standards Institute (BSI) conducted the 2024 verification in 2025. The schedule was planned in accordance with the requirements of the competent authorities, and the relevant data after the BSI certification was obtained in May 2025.	The external assurance unit - British Standards Institute (BSI) conducted the 2025 verification in 2026. The schedule was planned in accordance with the requirements of the competent authorities, and the relevant data after the BSI certification was obtained in May 2024.
Assurance Range	Chun Yuan Steel	Scope 1	5,493.02	5,859.20
		Scope 2	8,626.98	16,488.45
		Total	14,120.00	22,347.65
	Percentage of the total inventory disclosed in 1-1-1 above		100.00%	100.00%

Note1: The procedures shall be handled according to the schedule specified in Paragraph 3, Article 4-1 of these Rules.

Note2: The assurance institutions shall comply with the requirements set forth by the Taiwan Stock Exchange Corporation and the Taipei Exchange of the Republic of China for assurance institutions.

Note3: Please refer to the Best Practice Examples on the website of the Corporate Governance Center of Taiwan Stock Exchange for disclosure.

1-2 GHG reduction goals, strategies and concrete action plans

GHG Reduction Strategies

Baseline year for GHG reduction and reduction target

1. Chun Yuan Group's parent company and subsidiaries will engage BSI to verify the 2025 GHG inventory data. Based on data completeness and recommendations from external experts, 2025 will be established as the base year (Chun Yuan Group consolidated voluntary inventory totals: Category 1: 5,859.20 metric tons CO_2e; Category 2: 16,488.45 metric tons CO_2e).
2. Reduction target: The Group's current carbon reduction plan will be adjusted in line with the IFRS adoption, with relevant departments currently collecting data. Subsequent targets will be formulated in accordance with the Company's ESG strategy and disclosed externally.
3. Reduction strategies and action plans: Through the carbon management platform, the Group's emission information is systematically integrated, to grasp the information needed for carbon management. The Company also carries out comprehensive supervision of multiple GHG reduction plans, including purchasing energy-saving machines, building solar power generation systems, reducing GHG raw material sources, and assessing the use of low-carbon fuels/energy, to ensure that reduction meets the schedule, to actively reduce the impact of carbon emissions, and to improve operational competitiveness.

Note1: The procedures shall be handled according to the schedule specified in Paragraph 4, Article 4-1 of these Rules.

Note2: The base year should be the year that the inventory is completed at the boundary of the consolidated financial statements. For example, according to Paragraph 2, Article 10, of these Rules, a company with a capital of more than NTD 10 billion should complete the consolidated financial report of 2024 in 2025, so the base year is 2024. If the Company has completed the inventory of the consolidated financial statements ahead of schedule, the earlier of the base year can be used as the base year, and the data of the base year can be calculated by a single year or the average of several years.

Note3: Please refer to the Best Practice Examples on the website of the Corporate Governance Center of Taiwan Stock Exchange for disclosure.

Appendix 5: 2025 GHG Inventory Assurance Statement

By Royal Charter

Verification Opinion

Verified as Satisfactory	
Reasonable Assurance: Based on the process and procedures conducted, the GHG statement contained in the Chun Yuan Steel Industry Co., Ltd. 2025 GHG Report produced by Chun Yuan Steel Industry Co., Ltd., covering the direct GHG emissions and removals (Scope 1) and the indirect GHG emissions from imported energy (Scope 2):	• Is materially correct and is a fair representation of GHG data and information. • Has been prepared in accordance with ISO 14064-1:2018 and it's principles.
Limited Assurance: Based on the process and procedures conducted, there is no evidence that the GHG statement contained in the Chun Yuan Steel Industry Co., Ltd. 2025 GHG Report produced by Chun Yuan Steel Industry Co., Ltd., covering the other indirect GHG emissions (Scope 3):	• Is not materially correct and is not a fair representation of GHG data and information. • Has not been prepared in accordance with ISO 14064-1:2018 and it's principles. • For certain categories, greenhouse gas emissions are estimated using secondary data, which may introduce inherent uncertainty in the resulting emissions figures.
Lead Verifier	Weiyu Cheng
Independent Reviewer	Bruce Chien
Signed on behalf of BSI	Managing Director Northeast Asia, APAC Assurance
Issue Date	2026-06-04
BSI Group Singapore Pte. Ltd. Taiwan Branch, 2nd Floor, No.37, Ji-Hu Road Nei-Hu Dist., Taipei 114700, Taiwan	
NOTE: BSI Group Singapore Pte. Ltd. Taiwan Branch (hereafter referred to as BSI Taiwan) is independent to and has no financial interest in Chun Yuan Steel Industry Co., Ltd. This 3rd party Verification Opinion has been prepared for Chun Yuan Steel Industry Co., Ltd. only for the purposes of verifying its statement relating to its GHG emissions more particularly described in the scope above. It was not prepared for any other purpose. In making this Statement, BSI Taiwan has assumed that all information provided to it by Chun Yuan Steel Industry Co., Ltd. is true, accurate and complete. BSI Taiwan accepts no liability to any third party who places reliance on this statement.	

Certificate Number and date of issuance of opinion: CFV 836415 Dated 2026-06-04

ANAB
ANSI National Accreditation Board
ACCREDITED
ISO 14065
VALIDATION AND VERIFICATION BODY

Page: 1 of 4

Your partner in progress

核查声明

无保留核查意见	
根据所实施的过程和程序，深圳春源钢铁工业有限公司编制的深圳春源钢铁工业有限公司《2025 年温室气体盘查报告书》中所包含的温室气体声明：	• 实质性正确且是温室气体数据及信息的公正表达； • 已按 ISO 14064-1:2018 要求及其原则编制
特别说明	温室气体（GHG）清单仅限于直接温室气体排放、外购电力和热力产生的间接温室气体排放和组织使用的产品产生的间接温室气体排放。 温室气体核算基于客户定义的模板和排放因子进行。 范围 2 的温室气体报告采用基于位置的方法，符合客户深圳春源钢铁工业有限公司的要求。
主任核查员	刘振球
独立评审员	邓中华
BSI 签发代表	Matt Page, Senior Vice President, Assurance Services EMEA
发行日期	2026 年 03 月 29 日
BSI Assurance UK Ltd., Kitemark Court, Davy Avenue, Milton Keynes, MK5 8PP, UK	
注意：BSI Assurance UK Ltd. 独立于深圳春源钢铁工业有限公司，在深圳春源钢铁工业有限公司中没有经济利益。本第三方核查意见是为深圳春源钢铁工业有限公司准备的，仅用于核查其关于其温室气体排放的声明，该声明在上述范围中有详细描述。它不是为任何其他目的而准备的。在作出本声明时，BSI Assurance UK Ltd. 已假定深圳春源钢铁工业有限公司向其提供的所有信息都是真实、准确和完整的。BSI Assurance UK Ltd. 不对任何依赖本声明的第三方承担任何责任。	

CFV 831271

UKAS
VALIDATION & VERIFICATION
0003

信息查询及联系方式：
英标管理体系认证（北京）有限公司 北京市建国门外大街甲 24 号东海中心 2008 室 邮编：100004 电话：+86 10 85073000
BSI 集团公司成员。

Page: 1 of 3

春源鋼鐵
CHUN YUAN STEEL

Head office

Address 7F.,No502,Fuxing N.Rd.,Jhongshan District,
Taipei City 10476, Taiwan,R.O.C

Tel 886-2-25018111

Fax 886-2-25055390

Website http://www.cysco.com.tw/