

 **China Steel Structure Co., Ltd.**

2025 ESG Report



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About the Report

This report (hereinafter referred to as the Report) is the 2025 Environmental, Social and Governance Report of China Steel Structure Co., Ltd. (hereinafter referred to as CSSC), which expresses CSSC's communication with stakeholders and discloses information on the Company's sustainable development performance in the economic, environmental, social, and corporate governance dimensions.

Reporting Period and Scope of Disclosure

The Report is issued once a year, covering the period of 2025 (January 1 to December 31), the contents of which are mainly for the Company, excluding the operating performance of the subsidiaries. Please refer to the financial report of the Company for the financial information related to the consolidated financial statements, and some of the contents of the Report also go back to the contents of the operations and performance before 2025 and after 2025. For comparability reasons, some of the performance information will be disclosed for the last three years.

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- Date of next publication: August 2027

Preparation Principles and Structure

This report has been prepared in accordance with the GRI Standards 2021 issued by the Global Reporting Initiative (GRI) and the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" of the Taiwan Stock Exchange, with reference to the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD). A comparison table is provided in the Appendix.

ESG Report Editorial Team

The team includes Finance Division, Information Division, Administration Division, Industrial Safety Division, Quality Assurance Division, Steel Structure Business Division, Trade and Procurement Division, Audit Office, Kaohsiung Plant, Guantian Factory, Engineering Design Division, Research and Development Division, Engineering Division.

Information Disclosure and Report Review

The financial data of the Report are disclosed on the basis of IFRSs, and expressed in New Taiwan Dollars unless otherwise indicated. Other disclosed data have been provided by each responsible unit after approval by the supervisor, and then compiled and edited by the Administration Division. The initial draft has been reviewed and revised by each performance team of sustainable development, then reviewed by each level of the administrative procedure, and approved by the management departments. The Company then engages the independent and credible Crowe (TW) CPAs to perform limited assurance in accordance with Assurance Standards Bulletin No. 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information," issued by the Accounting Research and Development Foundation (R.O.C.). Upon completion of the assurance work, the report is submitted to the Board of Directors for approval in accordance with the administrative procedure; for the scope and conclusion of the assurance, please refer to Appendix 6 of this report. In addition, CNS 45001/ISO 45001, ISO 14001, ISO 14064-1 and ISO 9001 management systems are subject to internal and external audits on a regular basis.

Contact Information

If you have any suggestion or question regarding the contents of the Report, please feel free to contact us.



Words from the Management

Over the past year, the international economic landscape has changed rapidly. Affected by raw material price volatility and central bank monetary policy, demand in the residential building market turned cautious; however, as the development of AI applications drove growth in high-performance computing and related industries, and investment in the expansion of high-tech plants continued, demand in the steel structure market remained stable. CSSC continued to refine its operating performance, enhance production efficiency and engineering quality, and leverage the resource advantages of the China Steel Group to provide customers with services ranging from steel structure design to engineering technology support, thereby creating value for customers, maintaining sound operating results, and strengthening the foundation for corporate sustainable development.

In response to the global trend toward net-zero carbon emissions, low-carbon transition has become an important direction for industrial development. CSSC actively implements carbon reduction actions under the strategy of “energy conservation in the short term, low carbon in the medium to long term, and then zero carbon,” continuously introducing energy-saving and carbon-reduction technologies, optimizing production processes, and improving energy efficiency. In terms of waste reduction, the Company continues to upgrade pollution control equipment to reduce air pollutant emissions, and has set targets for the reuse of recycled water and the recycling of industrial waste, committing itself to energy conservation, carbon reduction and environmental protection.

The Company is well aware that sound corporate governance is an important cornerstone of sustainable business operations. To continuously enhance corporate governance, CSSC plans to introduce the ISO 37001 Anti-Bribery Management System. Upholding the core values of integrity, honesty and transparency, the Company strengthens its ethical management and risk management mechanisms, enhances operational resilience, and ensures that all operating activities comply with relevant laws and regulations, thereby safeguarding the rights and interests of shareholders and stakeholders.

CSSC regards its employees as important corporate assets. Good talent is the driving force behind the Company’s continued growth, and cultivating and caring for employees is the foremost priority of corporate development. In addition to strengthening occupational safety and health management to create a safe and healthy working environment, the Company maintains sound labor-management relations through diverse communication channels and has signed a collective agreement with the corporate labor union, together with a range of other benefit measures, so that every colleague can apply their expertise and grow together in a safe, respectful and reassuring environment, thereby retaining talent. At the same time, CSSC continues to invest in social welfare and local care, participating in community activities and fulfilling its corporate social responsibility, in the hope of becoming a trustworthy partner of the community and prospering together with the local area.

Looking ahead, we will face severe operational challenges without fear, encouraging colleagues to turn crises into opportunities and to meet challenges with a positive attitude. We will continue to grasp industry development trends and opportunities for sustainable transformation, and work hand in hand with customers, suppliers and stakeholders to create win-win value in the economic, environmental and social dimensions, moving forward steadily on our existing foundation and striving to realize corporate sustainable development.



Chairman 陳瑞騰



General manager 黃龍勳

Economic

Item \ Fiscal Year	2023	2024	2025
Turnover (million dollar)	18,839	19,695	20,948
Average market price per share (NTD)	56.24	55.54	44.53
Return on stockholders' equity (%)	10.06	9.97	11.49
Earnings per share (NTD)	2.68	2.70	3.19
Dividend per share (NTD)	1.90	2.00	2.4
Asset-Liability Ratio (%)	62.57	63.29	62.05
Steel Structure Sales Volume (metric tons)	85,831	130,668	174,926
Steel Product Sales Volume (metric tons)	101,021	92,513	79,680

Environment

Environmental Protection Expenditures

Unit: 10,000 NTD

Item \ Fiscal Year	2023	2024	2025
Waste	2,341	2,300	2,615
Wastewater	10	16	14
Air Pollution	70	109	113
Other	242	497	254
Environmental Protection Equipment	117	4,817	1,847

Status of Environmental Law Violations

	2023	2024		2025
Reporting Agency		Kaohsiung City Environmental Protection Bureau	Tainan City Environmental Protection Bureau	Kaohsiung City Environmental Protection Bureau
Number of Reports (cases)	None	2	1	1
Amount of punishment (NTD Ten thousand)		40	10	0.3

Raw Material Usage

Item \ Fiscal Year	2023	2024	2025
Steel plates (metric tons)	52,636	109,580	108,324
Structural Steel (metric tons)	31,628	27,971	40,315
Angle iron (metric tons)	923	1,068	1,617
Channel Iron (metric tons)	1,021	331	448
Welding consumables (metric tons)	2,341	2,921	3,262
Round Bar (metric tons)	1.13	18.6	19.8
Steel pipes (metric tons)	1,788	752	1,652
Flat bar (metric tons)	1,926	6,461	12,342
Shear studs (metric tons)	805	1,025	1,455
Electricity (million kWh)	13.1	15.4	17.1
Oxygen (metric tons)	991	1,316	1,300
LPG (metric tons)	122.7	168.8	162.1
CO ₂ (metric tons)	1,679	2,079	2,511

Water Consumption and Wastewater Volume

Water and wastewater vol-ume \ Year	2023	2024	2025
Water Consumption (metric tons)	34,420	43,454	37,826
Wastewater Volume (metric tons)	16,593	19,873	17,227



Social

Employees

Project \ Year	2023	2024	2025
Number of Full-Time Employees (persons)	459	453	442
Male Employees (persons)	392	384	374
Percentage of Total Workforce (%)	85	85	85
Female Employees (number)	67	69	68
Percentage of Total Employees (%)	15	15	15
Number of Employees with Disabilities	4	4	5
Percentage of Total Workforce (%)	0.87	0.88	1.1
New Hires (number)	17	12	17
Number of Departures (per-sons)/ Turnover Rate (%)	21	18	28
Turnover Rate (%)	4.6	3.9	6.3
Training Hours for Men (hours)	11.1	16.4	17.3
Training Hours for Women (hours)	7.99	15.9	16.7

Employee Disability Injury Frequency

YEAR	2023	2024	2025
Frequency Rate (FR) of Disabling Injuries	1.07	2.18	0
Severity Rate (SR) of Disability-Causing Injuries	66.37	6,536.08	0

Violations of Occupational Safety and Health Laws

YEAR	2023		
Reporting Agency	Kaohsiung City Labor Bureau	Taipei City Government	Tainan City Labor Bureau
Number of Reports (cases)	1	1	1
Amount of Penalty (10,000 NTD)	10	3	10

YEAR	2024		
Reporting Agency	Taipei City Labor Bureau	Southern Taiwan Science Park Administration	Occupational Safety and Health Administration
Number of Reports (cases)	1	2	1
Amount of Penalty (10,000 NTD)	10	25	10

YEAR	2025	
Reporting Agency	Southern Taiwan Science Park Administration Bureau	Occupational Safety and Health Administration
Number of Reports (cases)	7	1
Amount of Penalty (10,000 NTD)	10	68





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1. Corporate Sustainable Development

- 1.1 Sustainable Development Policy
- 1.2 Sustainable Development Strategy
- 1.3 Sustainable Development Management Committee
- 1.4 Stakeholder Identification and Communication



Corporate Sustainable Development

1.1 Sustainable Development Policy

CSSC formulates its corporate sustainability policy taking into account the economic, customer, environmental, employee, human rights, third party, social, product, energy and safety aspects.

- Enhance corporate value, promote shareholders' rights and interests, and ensure the company's sustainable operation.
- Satisfy customers' needs, provide high quality services, and uphold a decent brand image.
- Build green factories, take care of ecological water sources, and protect the surrounding natural environment.
- Promote a happy workplace, maintain labor-management harmony, and care for employees' physical and mental health.
- Comply with labor laws and regulations, protect employees' rights and interests, and strive to build a happy company.
- Respect third parties, improve working environment, and work together for the common good.
- Focus on good relationship with neighbors, assist in the development of the neighborhood, and support the prosperity and harmony of the community.
- Strictly control the production process, produce high quality products, and ensure the trust of our customers.
- Reduce energy consumption, improve energy efficiency, and achieve energy saving and carbon reduction.
- Eliminate potential hazards, ensure safety, and protect life and health.

1.2 Sustainable Development Strategy

CSSC believes that the ESG Report is a good tool to "build culture internally and image externally", and to communicate with the public and stakeholders continuously through corporate sustainability in order to pursue the sustainable development of the Company. The two main axes of CSSC's sustainable development are "looking at the present and looking at the future". Taking the 17 Sustainable Development Goals (SDGs) declared by the United Nations as the Company's long-term goals of sustainable development, CSSC endeavors to move towards the following visions.

1. Integrate into the local community culture, help to improve local transportation, and create job opportunities.
2. Play the role of promoting environmental protection green building, integrate ecology into the production, and build the green space and ecological restoration area in Kaohsiung Plant into the living space for local native plants and animals.
3. Reduce the energy consumption of production and conserve the earth's energy resources consumed in the production process.

4. Provide quality products for public project construction, integrate and develop construction projects, cooperate with the reinvestment business of United Steel Engineering & Construction, and strive for construction turnkey business, including the comprehensive engineering services of basic design, detailed design, steel structure fabrication and installation, to satisfy domestic and foreign customers and serve the community.
5. Care for the life safety of employees, third parties and residents around the factories, and prevent dangers and injuries arising from operational activities.
6. Enhance the capacity of CSSC's existing factories, expand export sales to meet the needs of foreign markets, and become an internationally recognized professional steel structure manufacturing company.

1.2.1 Sustainable Development Performance

CSSC pursues sustainable development of the Company, with financial performance, social performance and environmental performance all listed as the core operating values of the Company. In addition to setting up the Shareholders' Meeting, the Board of Directors, the Remuneration Committee, the Audit Committee, and the Sustainable Development Committee in accordance with the Company Act, CSSC has also set up a number of functional committees, such as the Occupational Safety and Health Committee, the Quality Management Committee meetings, and Safety, Health, Energy Saving and Environmental Management Committee meetings. We are committed to enhancing the Company's operating performance. Daily operations are focusing on not only increasing the Company's operating income, but also taking improving customer satisfaction, product market share and product image, reducing energy consumption, and reducing pollution emissions, as the central issues, which are integrated into more comprehensive indicators of the social environment, environmental economy, and social economy as a means of presenting the Company's operating performance.

■ Environmental economic considerations:

1. Avoid the use of hazardous raw materials, reduce pollution residues in the manufacturing process, and reduce the cost of pollution treatment.
2. Use recycled raw materials and finished products, and reduce the consumption of natural resources.
3. Enhance product quality and durability, and extend product service life.
4. Increase the ratio of raw materials to finished products, and reduce the generation of scraps.
5. Save production energy consumption and reduce production costs.

■ **Socio-environmental considerations**

- 1.Enhance the effectiveness of pollution prevention and treatment to avoid affecting the surrounding community.
- 2 Create a green plant area and plant local native plants to integrate into the original local ecological environment.
- 3.Do a good job of flood prevention and disaster prevention to avoid causing disasters in the surrounding community.

■ **Social welfare considerations**

- 1.Integrate into the local community where the operation is located, participate in the development of the community, and coexist with the local community.
- 2 Assist in the development of the economy of the place where the operation is located and provide employment opportunities.
- 3.Donate livelihood materials to help the disadvantaged groups, and build good neighborly relations.

1.3 Sustainable Development Committee

CSSC originally established the “Sustainable Development Management Committee” to promote sustainable development initiatives. To improve corporate governance and strengthen the professional functions of the Board of Directors, the 16th Board of Directors meeting (August 6, 2025) approved the reorganization of this committee into a functional committee of the Board of Directors and renamed it the “Sustainable Development Committee.” The current Sustainable Development Committee consists of three directors, each possessing professional knowledge and expertise in corporate sustainability.

In accordance with the “Organizational Regulations of the Sustainable Development Committee,” the Committee convenes at least once a year. It is organized into sub-groups, including the Corporate Governance and Risk Management Subgroup, the Environmental Sustainability Subgroup, the Social Welfare Subgroup, and the Sustainability Disclosure Subgroup. The Sustainability Executive Unit assists in compiling and implementing various plans and reports on the progress of sustainability initiatives to the Committee.

In order to continue to improve the sustainable operation and management of the Company, fulfill the commitment to sustainable development, and respond to the expectations of stakeholders, CSSC has planned the Environmental, Social and Governance Sustainability (hereinafter referred to as ESG) Goals for the period from 2025 to 2050, and to deepen its sustainability foundation through concrete actions in the areas of environmental protection, social responsibility, and corporate governance. Each year, the opinions of stakeholders are collected for the Sustainable Development Committee to adjust the Company’s ESG goals on a rolling basis. The implementation plan and results for the year 2025 are presented in the report.

■ **The Sustainable Development Committee operates as follows:**

One meeting was held in 2025 to report on the Company’s 2025 risk management implementation and the interim results of short-term ESG objectives, and the findings were submitted to the Board of Directors on December 29, 2025.





Short-, Medium-, and Long-Term Sustainability (ESG) Goals and Action Plans

Sustainability Goals—Corporate Governance					
Agenda Item	Regulatory Compliance and Ethical Business Practices	Operational and Financial Performance	Product Quality and Customer Service		Information/Cybersecurity
2025 Goals	Zero major legal violations. 2025 Integrity in Business Training Target: ≥110 person-hours/year.	Promote cost-reduction and profit-increase initiatives	Annual maintenance and updates of the ISO 9001/3834 quality management system. One quality control staff member to complete training and obtain professional certification. Conduct one assessment of special non-destructive testing methods.	Achieve a score of 87 or higher for sales staff service attitude in customer satisfaction surveys	Zero major information security incidents. Implementation of ISO 27001.
Goal Achievement Status	Partially unmet. One major compliance violation. In 2025, 33 new employees received a cumulative total of 33 person-hours of training per year, with a 100% completion rate. In 2025, the Ethical Business Practices Seminar provided a cumulative total of 177 person-hours of training per year.	Annual target achievement rate: 94.63%.	All targets were met; Completed the periodic audit of the ISO 9001/3834 quality system. Completed the VT proficiency testing. Two steel structure construction supervision engineers completed training in 2025 and obtained certification.	All targets met; In 2025, the customer satisfaction score for sales staff service attitude was 91.5 points.	All targets met; Completed the transition to ISO 27001. Conducted monthly phishing tests to enhance information security training. Organized four information security awareness seminars to enhance security awareness.
Short- and Medium-Term Goals (2026–2030)	Zero major legal violations. Achieve a 100% completion rate for integrity training for new hires and gradually increase training hours for current employees (year-over-year growth rate ≥ 5%).	Implement cost-reduction and profit-increase initiatives to achieve annual profit targets.	Maintain and update the ISO 9001/3834 quality management system annually. One quality control staff member will complete training and obtain a professional certification. One special non-destructive testing method was evaluated.	Continued strengthening of communication with customers. In customer satisfaction surveys, service attitude scores for sales personnel averaged 89 points or higher.	Zero major information security incidents. Transition to ISO 27001. Social engineering drills; email open rate below 20%.
Long-Term Goals (2031–2050)	Zero major legal violations. Embed the Code of Business Integrity deeply into the company's corporate ethics and culture.		Comprehensively maintain and enhance the capabilities of quality control personnel. All in-house NDE personnel hold Level II certifications.	Continuously strengthen communication with customers. Customer satisfaction survey scores for sales personnel's service attitude: 90 points or higher.	Zero major information security incidents. Social engineering drills; email open rate below 15%.



Sustainability Goals – Social Responsibility

Issues	Employee Benefits and Compensation	Human Resources Management	Supplier Management	Occupational Safety and Health	Community Engagement
2025 Target	Increase the number of completed employee compensation and benefits proposals to 2 or more.	Conduct a rolling annual review of the management succession plan. 2025 training target for high-potential talent: ≥ 260 person-hours per year. Organize general training courses related to engineering to enhance employees' knowledge and skills. Add Dale Carnegie external training courses to the program.	For engineering procurement and contracting, give priority to local suppliers unless the client specifies a particular brand, exclusive product, or special specifications.	Company disability injury frequency rate < 0.74 . Health promotion activities ≥ 3 times per year.	Sponsor local community activities and initiatives supporting vulnerable elderly individuals, reaching a total of 1,500 participant-times per year or more. Provide funding to support activities at local elementary and junior high schools, totaling at least 1,000 person-times per year.
Target Achievement Status	All targets were met; Implemented adjustments to shift-based night shift allowances and maternity/paternity leave policies (e.g., maternity leave, paternity leave for prenatal checkups, and paternity leave).	All targets met; Four training sessions for high-potential talent were held, totaling 570 person-hours per year. Two sessions of general training courses related to engineering specialties were conducted. Two employees participated in the 2025 Dale Carnegie external training program.	All targets were met	Partially met the target. The company's disability injury frequency rate was 0.86. A total of 9 health promotion events were held at the Kaohsiung and Guantian plants.	All targets met; In 2025, the company provided funding for a total of 39 local community activities—including support for neighborhood events and joint initiatives to care for vulnerable elderly individuals—as well as funding for local elementary and junior high school activities, benefiting approximately 3,419 people.
Short- and Medium-Term Goals (2026–2030)	Achieve 2 or more employee compensation and benefits improvement initiatives. Complete the signing of the second collective bargaining agreement.	Achieve a training completion rate of $\geq 95\%$ for high-potential talent management training and an internal rotation implementation rate of $\geq 95\%$. Organize at least 6 sessions of core competency or general education courses; achieve an annual growth rate of $\geq 5\%$ for core competency courses.	Excluding materials specified by the client and equipment that must be imported, maintain a local procurement rate (with the shipping location being Taiwan proper) of 90% or higher, and continue to increase this rate by 5% annually until it reaches 99% or higher. The evaluation of key suppliers shall include environmental protection, working conditions, human rights, and codes of social conduct.	Zero serious workplace accidents. Injury frequency rate < 0.46 . Health promotion activities: 3 times per year.	Organize community engagement and social welfare activities at least 34 times per year. Participate in various local festivals, folk and charitable events, and public welfare activities.
Long-Term Goals (2031–2050)	Conduct a rolling review of the group agreement every three years, covering initiatives to improve working conditions.	Achieve a training completion rate of $\geq 100\%$ for high-potential talent management programs and an internal rotation implementation rate of $\geq 100\%$. Organize at least six sessions of core competency or general education courses; achieve an annual growth rate of $\geq 5\%$ for core competency courses.	Encourage the top three suppliers to become energy-efficient and low-carbon enterprises.		



Sustainability Goals—Environmental Protection

Issues	Energy Management	Climate Change Response	Water Resources	Resource Recycling Management
2025 Target	The annual electricity savings rate averages 1% or more	Continuous greenhouse gas inventory and verification. Rolling adjustments to short-, medium-, and long-term carbon reduction targets for carbon neutrality.	Reclaimed water reuse rate (volume of reclaimed wastewater and rainwater reused / total water consumption) $\geq 5\%$.	Percentage of industrial waste (Category R) sent for external recycling (amount sent for recycling / total amount of industrial waste sent for disposal) $\geq 5\%$.
Target Achievement Status	Target Achieved	Target met; third-party verification of the 2024 greenhouse gas inventory completed.	Target met; recycled water reuse in 2025 totaled 4,830 metric tons. (1,272 metric tons from the ecological pond, 4,830 metric tons of recycled water from the administrative building)	Target Achieved
Short- and Medium-Term Goals (2026–2030)	Improve energy efficiency and process optimization, replace outdated equipment, and optimize process parameters. Reduce electricity consumption by 1%.	Reduce greenhouse gas emissions by 16.5% compared to 2024 (a 3% reduction annually). Plan for green electricity procurement needs. Continue greenhouse gas inventory and verification.	Water recycling rate (volume of recycled wastewater and rainwater / total water consumption) $\geq 10\%$. (Increase by 1% every 2 years)	Percentage of industrial waste (Category R) sent for external recycling (amount sent for recycling / total amount of industrial waste sent for disposal) $\geq 20\%$. (Increase by 2% annually)
Long-Term Goals (2031–2050)	Focus on carbon reduction technologies in manufacturing processes.	Achieve carbon reduction targets in phases to ultimately realize the vision of net-zero emissions by 2050.	Reclaimed water reuse rate (volume of reclaimed wastewater and rainwater reused / total water consumption) $\geq 15\%$. (Increase by 1% every 2 years)	Percentage of industrial waste (Category R) sent for external recycling (amount sent for recycling / total amount of industrial waste sent for disposal) $\geq 40\%$. (Increase by 3% annually)



1.4 Stakeholder Identification and Communication

In order to pursue sustainable management, CSSC takes into account of each unit's business and the exchange experience of the industry, and responds to the concerns of stakeholders through communication with them, in order to continuously review and improve the effectiveness of the Company's implementation of sustainable development. We selected eight categories of major stakeholders including the shareholders, customers, suppliers/contractors, employees, community or local groups, non-profit organizations, players in steel structure industry/engineering consultants and government agencies. Then, we collected the stakeholders' level of concern to each important issue of concern through online or written questionnaires, and developed the short-, medium-, and long-term goals of the critical issues identified.

 Shareholders	Issues of concern	Communication mechanisms	Communication frequencies	Corresponding chapters
	- Corporate Governance - Financial Performance - Information Security - Disclosure - Risk Management	- Shareholders' Meeting - Financial Reports - Stock Market Information Observation Station - CSSC Introduction Brochure - CSSC Official Website (www.cssc.com.tw) - Sustainability Report - CSSC Sustainability Information Portal (https://csr.cssc.com.tw/)	- Once a year - Quarterly - Irregularly - Irregularly - Irregularly - Once a year - Irregularly	2.2 Business Development Strategy and Future Vision 3.1 Corporate Governance Structure 3.2 Risk Management 3.3 Overview of Operations
 Government Agencies	Issues of concern	Communication mechanisms	Communication frequencies	Corresponding chapters
	- Workplace Safety Management and Disaster Prevention - Environmental Protection - Legal and Regulatory Framework - Risk Management	- CSSC Official Website (www.cssc.com.tw) - Sustainability Report - CSSC Sustainable Development Information Network (https://csr.cssc.com.tw/) - Shareholders' Meeting - Financial Reports - Taiwan Stock Exchange Public Information Observation Station	- Once a year - Quarterly - Irregularly - Irregularly - Quarterly - Irregularly	3 Corporate Governance 4.4 Occupational Safety and Health 6 Environmental Protection
 Customers	Issues of concern	Communication mechanisms	Communication frequencies	Corresponding chapters
	- Workplace Safety Management and Disaster Prevention - Product Quality and Delivery Times - Production Volume and Manufacturing Costs - Component Transportation Management - Environmental Protection - Introduction of Special Component - Manufacturing Technologies - Information Security	- Customer Satisfaction Survey - CSSC Introduction Brochure - CSSC Official Website (www.cssc.com.tw) - Sustainability Report - CSSC Sustainability Information Portal (https://csr.cssc.com.tw/)	- Before Project Completion - Irregularly - Irregularly - Once a year - Irregularly	2.3 Product Quality 2.5 R&D and Innovation Investment 3.2 Risk Management 4.4 Occupational Safety and Health 6.5 Environmental Management
 Employees	Issues of concern	Communication mechanisms	Communication frequencies	Corresponding chapters
	- Workplace Safety Management and Accident Prevention - Labor Rights - Employee Training	- Employee Benefits Committee - Labor-Management Meetings - CSSC Official Website (www.cssc.com.tw) - Sustainability Report - CSSC Sustainability Information Portal (https://csr.cssc.com.tw/) - Enterprise Portal (EIP)	- Irregularly - Quarterly - Irregularly - Once a year - Irregularly - Irregularly	4 Employee Care and Attention



 Suppliers/ Contractors (Third Parties)	Issues of concern	Communication mechanisms	Communication frequencies	Corresponding chapters
	• Workplace Safety Management and Accident Prevention • Contractor/Supplier Pricing and Quality • Product Quality and Delivery Times • Supplier Management	• Pre-Work Health and Safety Coordination Meeting • Regular Coordination Meetings • Construction Contracts • Work Safety Training • CSSC Official Website(www.cssc.com.tw) • Sustainability Report • CSSC Sustainability Information Portal (https://csr.cssc.com.tw/)	• Irregularly • Once a month • Irregularly • Irregularly • Irregularly • Once a year • Irregularly	• 2.3 Product Quality • 4.4 Occupational Safety and Health • 5.1 Supplier Management • 5.2 Contractor Management
 Community or Local Groups	Issues of concern	Communication mechanisms	Communication frequencies	Corresponding chapters
	• Workplace Safety Management and Disaster Prevention • Environmental Protection • Component Transportation Management • Community Outreach	• Interviews with District Chiefs, Neighborhood Chiefs, and Nonprofit Organizations • CSSC Official Website (www.cssc.com.tw) • Sustainability Report • CSSC Sustainability Information Portal (https://csr.cssc.com.tw/)	• Irregularly • Irregularly • Once a year • Irregularly	• 6.5 Environmental Management • 7.1 Community Creation • 7.2 Public Participation
 Nonprofit Organizations	Issues of concern	Communication mechanisms	Communication frequencies	Corresponding chapters
	• Workplace Safety Management and Disaster Prevention • Environmental Protection • Legal and Regulatory Framework • Corporate Governance • Labor Rights • Energy Efficiency	• Participation in Seminars and Workshops • CSSC Official Website (www.cssc.com.tw) • Taiwan Stock Exchange Public Information Observation Station • Sustainability Report • CSSC Sustainability Information Portal (https://csr.cssc.com.tw/)	• Irregularly • Irregularly • Irregularly • Once a year • Irregularly	• 3.1 Corporate Governance Structure • 3.2 Risk Management • 4.3 Employee Rights and Benefits • 4.4 Occupational Safety and Health • 6.4 Energy and Resource Management • 6.5 Environmental Management
 Steel Structure Industry / Engineering Consultants	Issues of concern	Communication mechanisms	Communication frequencies	Corresponding chapters
	• Workplace Safety Management and Disaster Prevention • Environmental Protection • Legal and Regulatory Framework • Corporate Governance • Product Quality and Delivery Times • Production Volume and Manufacturing Costs	• CSSC Official Website (www.cssc.com.tw) • Taiwan Stock Exchange Public Information Observation Station • Sustainability Report • Email • CSSC Sustainability Information Website (https://csr.cssc.com.tw/)	• Irregularly • Irregularly • Once a year • Irregularly • Irregularly	• 2.3 Product Quality • 3.1 Corporate Governance Structure • 4.4 Occupational Safety and Health • 6.5 Environmental Management

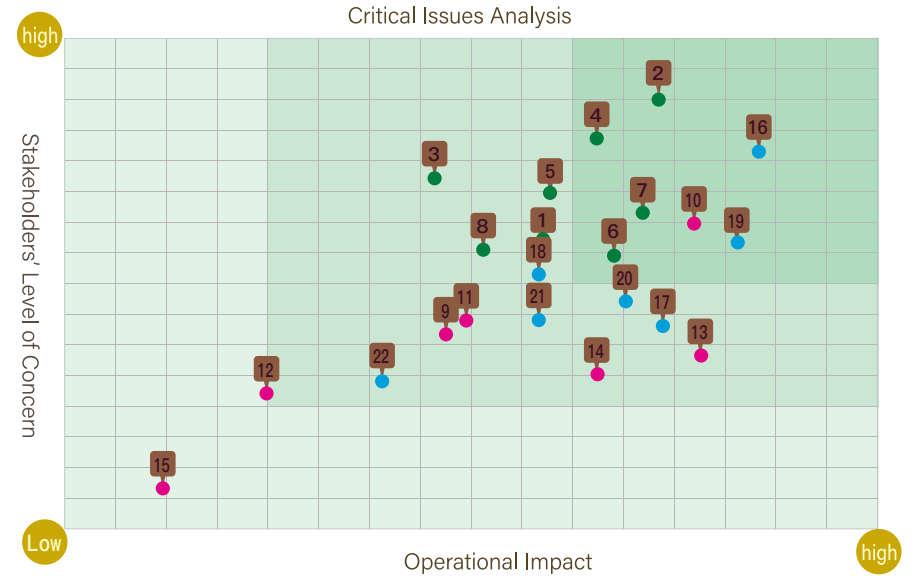
1.4.1 Critical Issues

CSSC identifies critical issues of concern to stakeholders based on the following procedures:

1. CSSC collects stakeholder concerns through questionnaires, available online (<https://csr.cssc.com.tw/question-list/>) or in paper form, covering economic, social, and environmental issues.
2. Analyze the likelihood and impact level of stakeholder concerns, followed by senior management evaluating their influence on the company and considering ESG policies to determine material issues.
3. Establish management policies for the identified material issues, taking into account their scope of impact.

The results of the identification are shown in the figure below:

- Economic aspects : 1-Corporate Governance, 2-Operational Financial Performance, 3-Risk Management, 4-Regulatory Compliance and Integrity Management, 5-Product Quality and Customer Service, 6-Innovative R&D, 7- Information/Network Security, 8-Raw Material Procurement / Supply Chain Management.
- Environmental aspects: 9-Climate Change Actions, 10-Greenhouse Gas Emissions, 11-Energy Use, 12-Water Resources, 13-Air Quality, 14-Circular Economy /Waste, 15-Biodiversity.
- Social aspects: 16- Occupational Safety and Health, 17-Labor Rights, 18- Diversity and Inclusion in the Workplace, 19- Employee Compensation and Benefits, 20-Human Resource Management, 21-Freedom of Association and Collective Bargaining, 22-Corporate Social Responsibility and Social Welfare



Identification of Critical Issue Boundaries:

Critical issues	Critical topics (GRI topics/ customized topics)	Impact boundaries			Corresponding chapters
		Upstream	CSSC	Downstream	
Operational and Financial Performance	GRI-201: Economic Performance 2016		●		3.3 Overview of Operations
Regulatory Compliance and Ethical Business Practices	GRI-205: Anti-Corruption 2016	○	●	○	3.1.5 Internal Audit 3.1.6 Code of Moral/Ethical Conduct
Innovation and R&D Practices	Custom Topic	○	●	○	2.5 R&D Innovation and Investment
Information/Cybersecurity	Custom Topic	○	●	○	3.2.2 Risk Management Mechanisms
Greenhouse Gas Emissions	GRI 305: Emissions 2016	○	●	○	6.3 Response to Climate Change
Occupational Safety and Health	GRI403: Occupational Health and Safety 2018		●		4.4 Occupational Safety and Health
Employee Compensation and Benefits	GRI 405: Employee Diversity and Equal Opportunity 2016		●		4.1 Human Resources

Note 1: The upstream boundary is the suppliers of raw materials and equipment purchased by CSSC, the core of the value chain is the production of steel structures by CSSC itself, and includes the employees and contractors, and the downstream boundary includes customers and residents of the community.

Note 2: ● actual impact; ○ potential impact; what is left "blank" means no impact (to the upstream and downstream use).



2.Company Profile

- 2.1 Company Profile of China Steel Structure
- 2.2 Business Development Strategy and Future Vision
- 2.3 Product Quality
- 2.4 Customer Service



Company Profile

2.1 Company Profile of China Steel Structure

Founded on February 24, 1978, CSSC (officially listed on January 21, 1992, stock code: 2013China Steel Structure) is the first company in Taiwan to specialize in the manufacture and installation of steel structures, meeting customers' requirements for the highest quality, reasonable price and shortest construction period, with fully independent technology and production capacity. CSSC has a manufacturing factory in both Kaohsiung and Tainan, Taiwan, with a total annual capacity of approximately 160,000 metric tons.

Adhering to the spirit of "meeting the diversified needs of owners, promoting competitiveness, safeguarding the reasonable rights and interests of shareholders and employees, upgrading product quality, enhancing customer service, continuous improvement and sustainable management", CSSC makes good use of the group's advantageous resources by effectively combining talents, technology and capital, and provides customers with complete services from steel structure design, engineering technical support, supply of various steel profiles, steel structure fabrication, construction and installation, to civil engineering construction with effective management, to realize a full range of tailor-made services for customers.

CSSC's operational headquarters and Kaohsiung Plant are jointly located in Yanchao District, Kaohsiung City (plant area of 450,103 m², factory area of 88,404 m²), and Guantian Factory is located in Guantian District (Tainan City) (site area: 89,714 m², building area: 26,658 m²). Kaohsiung Plant mainly produces products for high-rise buildings and factory buildings, as well as mechanical steel frames and other steel structure products, while Guantian Factory mainly produces bridge components, and part of the production lines also produces components for factory buildings and high-rise buildings to efficiently utilize the productivity of the production lines. An office is also set up in Taipei City, responsible for the quality and progress of the projects in the northern part of Taiwan.

Established	February 24, 1978
Industry category	Metal Products Manufacturing, Construction
Product category	Steel frames for factories, steel frames for buildings, steel frames for bridges and mechanical bodies
Business locations	Kaohsiung Plant (Headquarters), Guantian Factory, Taipei Office
Capital	NTD 2 billion
Number of employees	Number of employees in the Group: 665 (as of December 31, 2025); 442 individual employees in CSSC.
Revenue in 2025	20,948 (million dollar)
Percentage of revenue in 2025	Structural steelwork: 67.07%, steel product trading: 4.29%, construction: 26.01%, others: 2.63%
Production volume in 2025	Steel structure: 174,523 metric tons

2.2 Business Development Strategy and Future Vision

2.2.1 Industry Development Trends

Steel Structure Market

Steel structure is mainly used in high-rise buildings, automated equipment logistics factory buildings, high-tech factory buildings, steel bridges and machineries (steel frame of giant machinery), and underwater foundation equipment. As it is made of steel with the characteristics of processing and manufacturing in the factory and on-site installation at the construction site, it can effectively shorten the construction time, and can be recycled after dismantling (environmentally friendly green building). Also, its seismicity and safety are better than the traditional building, so steel structure will be widely used.

Although demand in the residential building market remained relatively cautious in 2025 due to relevant central bank policies, the steel structure market maintained a certain level of momentum. This was driven by the growth in demand for high-performance computing and related industries spurred by the development of AI applications, continued investment in the expansion of high-tech manufacturing facilities, and the development of Class A office buildings driven by large-scale investment projects. As a result, the steel structure market has become a key driver of sustainable development. In summary, the steel structure market is expected to show steady growth in 2025.

Overall, the demand for steel structure is facing a shortage of production capacity to meet market demand, the price competition among the industry is still obviously fierce, and profit margins still suffer a compression due to the fluctuations in steel prices and the market factor of lack of labor. In the future, the lack of labor and the sources of machines and tools will become the key factors that mainly control the profit and loss of the players in the industry.

1. Current Status and Development of the Industry

The steel structure industry is both labor- and capital-intensive. Major domestic development projects are primarily undertaken by larger-scale manufacturers. In response to strong market demand and the long-standing domestic labor shortage, the main challenges for steel structure manufacturers are how to rationalize labor costs and enhance factory production capacity.

In recent years, influenced by central bank policies, the pace of domestic private building investment has slowed. As a result, steel structure manufacturers have focused on managing the progress of existing orders and have continued to communicate and coordinate with clients to ensure smooth production schedules and avoid increased storage and handling costs caused by delays. In addition to the aforementioned private residential building projects, the high-tech industry, office building investment projects, and cold-chain logistics facilities remain the primary sources of business for the steel structure sector. By 2025, driven by expanding demand for AI applications and growing global semiconductor industry orders—coupled with the need for advanced packaging and testing facilities to support the localization of wafer fab construction—market demand will continue to rise. At the same time, growth in the consumer market is showing an optimistic trend, injecting further momentum into the steel structure business.



In the post-pandemic era, as international economic exchanges gradually resume, the company will actively promote cooperation with Japan to secure export orders for steel structure manufacturing. At the same time, it will introduce advanced Japanese tower cranes and, in response to the ESG (Environmental, Social, and Governance) trend, collaborate on the development of new building materials and construction methods to create added value for products and enhance the competitiveness and efficiency of related domestic industries.

The primary raw materials for the steel structure industry include steel, welding materials, high-strength bolts, and shear studs. In recent years, with the construction of super-high-rise buildings and increasing demand for structural optimization, the application of SM570 ultra-high-strength structural steel has gained increasing attention. In this field, as a member of the China Steel Group, CSSC's requirements for SM570 ultra-high-strength structural steel are fully supplied by China Steel Corporation, fully demonstrating the synergistic advantages within the Group. The Company holds a leading position in the domestic market, and it is expected that demand for new "high-tech factories" and "Class A office buildings" will have a positive impact on this year's order volume.

2. Correlation between Upstream, Midstream and Downstream of the Industry

The upstream of the steel structure industry refers to the steel mills that manufacture steel plates and steel section, while the midstream is the steel structure manufacturing industry, which utilizes the raw materials provided by the upstream to manufacture various steel products for the downstream industries such as the construction (building) industry. CSSC belongs to the midstream steel structure manufacturing industry, and its main products are used in building construction, factories, bridges, submarine foundations, and various types of equipment support steel frames.

3. Product Development Trend and Competition

Due to the low barriers to entry in the steel structure manufacturing industry, the competition in Taiwan was already quite fierce. Because of the factors of active expansion of technological plants and the return of Taiwanese businessmen, coupled with the private sector's high willingness to invest, the result is a seller's market for steel structures that are in short supply with an increase in the demand for steel structures.

Steel structure products have such features of short construction period, good seismic resistance and environmentally friendly recyclable structure while meeting ESG requirements. Coupled with the government's vigorous promotion of the trend of green building, and the public's demand for better quality of life, it is believed that the proportions of steel structure (SS), steel construction (SC) and steel reinforced concrete structure (SRC) for housing buildings will be gradually climbing up. In addition, the expansion of private sector demand/investment in construction will also increase the demand for steel structures. Accordingly, the development trend of steel structure products will be to continue to promote the use of steel structure in housing construction,

to develop higher quality steel in conjunction with upstream steel mills, and to develop high value-added products.

Steel Product Trading Markets

In the first and second quarters of 2025, the downturn in the global metal products industry that began in 2024 persisted. Although there was a slight improvement at the beginning of the year, the U.S. steel and aluminum tariff policies in the second quarter dealt a severe blow to the already weak global steel market—with the exception of short-term benefits in North America. The global market largely adopted a wait-and-see attitude, and trading volumes plummeted. In the second half of 2025, as the prospect of a ceasefire in the Russia-Ukraine war gradually became clearer, and due to the impact of China's crude steel production cuts and policies restricting steel exports, the steel products trading market entered 2026 with slow growth characterized by "stability amid weakness," although strong demand had yet to emerge to support market transactions.

After a prolonged slump from 2022 to 2024, global manufacturing activity was originally expected to return to a growth trajectory in 2025. However, escalating trade frictions, increased geopolitical risks, adjustments in interest rate differentials, and rising policy uncertainty negatively impacted the anticipated pace of recovery. Consequently, global crude steel production in 2025 declined by 5.9% compared to the previous year. Although the United States has largely finalized its tariff regime on steel imports from various countries, and mainland China has announced a new round of capacity control and industrial upgrading measures while accelerating infrastructure investment—steps that were originally viewed as potential supports for market confidence—However, these policies have not brought about substantial improvements. On the contrary, amid continued pressure from China's steel export spillover, countries have rapidly expanded trade defense and remedy measures to prevent the influx of low-priced products, causing the global steel trading environment to tighten further, suppressing end-user demand and slowing the recovery of steel demand. Taiwan has not signed a free trade agreement with Canada and, during the quota adjustment in late November, saw its quota reduced by 30%. In addition to hot-rolled steel coils, pre-painted steel coils, and hollow structural steel—which were already impacted—medium- and heavy-gauge steel plates, tinplate, and steel pipes are also expected to be affected by this round of cuts.

In 2026, particular attention should be paid to potential attacks by the United States and Israel against Iran, which could send global raw material markets into a period of severe volatility, driving up international prices for scrap steel and small billets. Geopolitical tensions are driving up costs. The latest market reports indicate that U.S. containerized scrap steel has risen to \$312–320; due to the conflict in the Middle East, risk premiums for bulk shipping have increased, and a cold snap in the U.S. has made scrap collection difficult. As a result, the new price for Japanese H2 scrap steel remains at a high level of \$317–325. Additionally, small steel billets in mainland China are trading at approximately 3,000 RMB per metric ton, with prices fluctuating but generally trending upward. In particular, as Iran—a major global supplier of steel billets—faces export disruptions due to the conflict, the market anticipates supply shortages.

Overview of Key Regional Industries and Steel Demand

1. 【Europe and the U.S.】: High-price regions, but carbon costs have become a key variable
 - The U.S. is supported by the infrastructure bill
 - Europe is affected by high energy costs and economic weakness
 - The CBAM carbon tariff mechanism is gradually being implemented
2. 【Mainland China】: Demand Has Not Rebounded Significantly, but Structural Improvements Are Emerging
 - The real estate market remains range-bound at low levels, with weak demand for structural steel
 - Infrastructure Supports Steel Demand (Railways, Energy, Power Grids)
 - Manufacturing and exports are supporting demand for flat steel
 - The government continues to promote “capacity reduction and high-quality transformation”
3. 【Southeast Asia】: Demand is growing, but price competition is intense
 - Growth in infrastructure and manufacturing in Vietnam and Indonesia
 - Low-priced steel exports from China are putting downward pressure on local steel prices
 - Increase in Trade Remedies

Various Product Development Trends and Competition Scenarios

Looking ahead to the 2026 steel market, the outlook is expected to be characterized by “moderate recovery, intensified competition, and pressure on profits.” Global demand will improve slightly compared to 2025, but growth momentum will be uneven. China’s real estate market remains in recovery, with infrastructure and new energy sectors supporting some steel demand; however, demand growth in Southeast Asia faces competition from low-priced Chinese steel. In Europe and the U.S., demand for high-end and low-carbon steel is rising due to protectionist policies and carbon tariffs. On the supply side, China’s exports remain at high levels, making it difficult for steel prices to rise significantly; the overall trend is expected to be characterized by range-bound fluctuations. Stainless steel will be more significantly affected by fluctuations in nickel prices, while carbon steel is expected to remain relatively stable.

Should tensions between the U.S. and Iran escalate, it could drive up crude oil and energy prices, leading to higher freight costs and production expenses, which would provide short-term cost support for steel prices. At the same time, reconstruction and infrastructure projects in the Middle East may boost demand for long products and engineering steel. However, if hostilities expand, leading to a global economic slowdown and a decline in investor confidence, end-user demand would conversely weaken. Overall, geopolitical tensions will increase the risk of price volatility but are unlikely to alter the steel market’s pattern of range-bound trading in 2026.

Advantages, Disadvantages and Countermeasures of Development Vision



Advantages

- 1.Continued global demand for new energy and power grid infrastructure.
- 2.China's policy-driven stimulus measures may be expanded.
3. Growth in low-carbon and high-end steel.
4. Conflicts and wars drive demand for energy and reconstruction.



Disadvantages

- 1.Raw material price volatility caused by armed conflicts.
- 2.Investment uncertainty caused by high interest rates and geopolitical tensions.
- 3.Intense local price competition in Southeast Asia is squeezing gross margins.



Risk Management

- 1.Identify changes and risks in the internal and external environments of this business, analyze the probability and severity of risks, and formulate countermeasures.
- 2.Establish policies, procedures and risk control operations for the steel product sales and payment collection cycle, including sales forecasting, sales planning, order processing, delivery operation, collection operation, customer complaint handling, file management, discrepancy analysis and other policies and procedures.
- 3.Take out cargo transportation insurance for exported products.

2.2.2 Major Investment Cases

No major investment cases in 2025.

2.2.3 Major Economic Issues

External Competitive Environment

Due to the oversupply in the steel structure industry in Taiwan and the threat of steel imports from mainland China, coupled with the low barriers to entry into the industry, competition is very intense and prices are easily affected by market supply and demand, and there is no possibility of forming trust and monopoly in the market environment. Generally speaking, when the construction industry recovers or the government invests in more public works or the industry invests in building large-scale factories, the competition among the industry is usually more moderate because of the increase in market demand, which will be conducive to price increases and better profits. Otherwise, the players in the industry will be competing with each other to cut prices and grab bids, which makes it difficult to make a reasonable profit. In order to cope with this competitive external environment, CSSC not only is actively reducing cost and improving quality internally, but also has set the following target markets.

- 1.Projects of short construction period and large volume of work.
- 2.High value-added products.
- 3.Projects in emerging markets in Southeast Asia.

Regulatory Environment

CSSC has steel structure manufacturing factories. Although it is classified as a manufacturing industry, it is not an energy-consuming industry. Therefore, in addition to complying with the general regulations of the manufacturing industry, it is not affected by the revision of energy regulations or other regulations. However, because the nature of the business is more related to the construction industry, the operation is more affected by the construction regulations.

In today's steel structure market, the steel structure projects of most of the governmental public projects are incorporated into civil engineering projects for public bidding, so after the civil engineering construction companies are awarded the bids, they then subcontract the steel structure projects to professional steel structure companies for construction. Thus, most of the steel structure companies are not able to participate in the public bidding of the governmental projects directly, and therefore are not in a position to violate the government procurement law.

General Business Environment

In recent years, natural disasters such as earthquakes, landslides and other natural calamities have been frequent, resulting in the collapse of houses, increase in the number of dilapidated buildings, and destruction of bridges. Since steel structure has better earthquake and disaster resilience, the rate of using steel structures is increasing for new buildings and bridges. In addition, steel structure is a green building material that can be recycled and reused in the future, which is in line with the government's policy of energy saving and carbon reduction. It is predicted that steel structure will be commonly used for tall buildings and large span bridges in the future, and the demand for steel structure is expected to increase. However, due to the fluctuation of steel raw material prices, the difficulty in controlling labor and machinery, and the imbalance between supply and demand in the market, its operation is difficult, and we have to pay full attention and be cautious in the business.

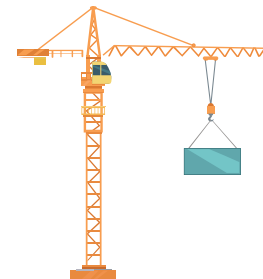
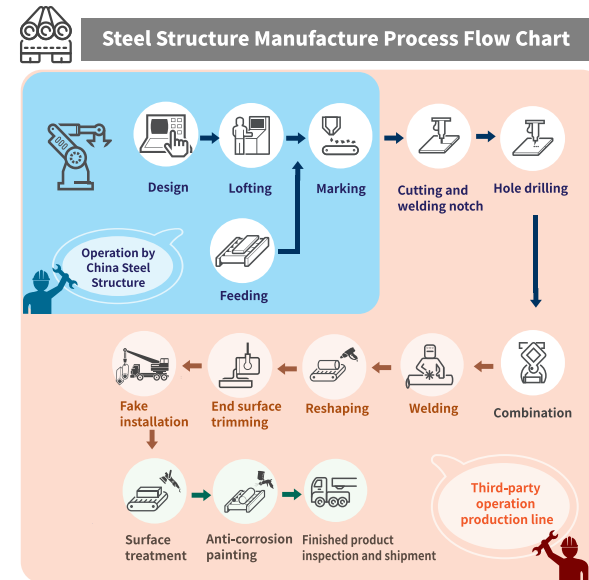
2.2.4 Investment in Green Bonds

United Steel Engineering & Construction Co., Ltd., a subsidiary included in the Company's consolidated financial statements, invested NT\$20 million in green bonds issued by United Microelectronics Corporation (bond abbreviation: P12 UMC1, code: B638BH) in 2026. The bond has been recognized as a qualified green bond by the Taipei Exchange (TPEX).

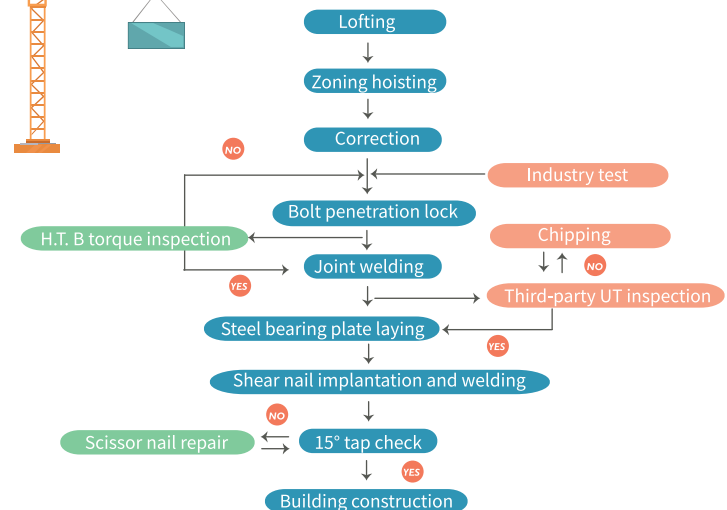
2.3 Product Quality

2.3.1 Manufacturing and Installation Process

CSSC uses 3D design software Tekla Structure (Tekla Xsteel) and AUTO CAD drawing system to link up with the on-site CAD/CAM process system for automatic implementation of machining operations. In 2012, we also developed the Plant Design and Management System (PDMS), which uses computer graphics and simulation technology for the establishment of three-dimensional solid model, effectively saving manpower and time and improving the quality of the design. At the same time, the introduction of advanced automated production equipment and the integration of highly automated production lines and efficient management has created a high degree of flexibility in the manufacturing capacity to meet the customer's demand for high-quality diversified products. The enterprise E platform provides customers with real-time information on the progress of the project and the manufacturing status of the components online, which can satisfy customers' requirements on quality, cost and delivery.



Steel structure hoisting procedure



2.3.2 Quality Management

CSSC is the first steel structure company in Taiwan to be certified by ISO 9001. It has also won the Quality Control Group Award of the Chinese Society for Quality, the Engineering Technology Award of the Chinese Society of Structural Engineering and the Public Construction Gold Award of the Public Construction Commission. In order to maintain and improve the product delivery quality, the General Manager convenes an annual management review meetings regularly every year to review the quantitative implementation performance of various measurement indicators of quality goals, and review employee education and training, factory processes and equipment improvements to strengthen CSSC's production capabilities and thoroughly implement internal quality audit functions. This ensures the effectiveness of the quality management system.

Every product manufactured by CSSC undergoes strict quality control, with non-destructive testing conducted at every critical stage. In addition to internal self-inspections, products are also subject to re-inspection by professional testing agencies. The purpose is to ensure that product quality meets expected standards and that products delivered to customers are safe and reliable. To meet the quality requirements of domestic public works projects, expand into international markets, and enhance the company's competitiveness, CSSC has continuously maintained its "Non-Destructive Testing Laboratory" certification accredited by the Taiwan Accreditation Foundation (TAF) since September 3, 2010. It is the first steel structure manufacturer in Taiwan to obtain TAF certification and has been mutually recognized by international organizations such as the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement (ILAC MRA) and the International Accreditation Forum (IAF) Multilateral Recognition Arrangement (MRA), and other international bodies.

CSSC's rigorous and stringent quality control system has not only established an excellent reputation but also provides clients with the best possible assurance. The company has implemented an international standard quality assurance system, passing the ISO 9001:2015 transition audit in 2017, and in 2019, it passed the highest-level quality management system certification for ISO 3834-2 and EN 1090-2 EXC4. The company regularly renews its certifications and conducts annual follow-up audits to ensure that its manufacturing and inspection procedures meet quality requirements. By consistently demonstrating excellent welding quality system management, the company aims to expand opportunities in the steel structure manufacturing and export markets.

The status of CSSC's 2025 quality objectives is as follows:

Target	Sub-target	Target value of 2025	Actual value 2025	Difference %
Reducing quality defect rate	a.Primary processing N.D.T defect rate of Kaohsiung Plant	≤ 0.35%	0.35%	0%
	b.Primary processing N.D.T defect rate of Guantian Factory	≤ 0.35%	0.34%	2.86%
Reducing manufacturing errors and improving N.D.T. judgement accuracy	a.Reducing the rate of manufacturing errors that must be corrected during installation.	≤ 0.08%	0.12%	-50.00%
	b Improving the accuracy of non-destructive testing (NDT) judgement results to reduce the defective rate of sampling inspection by the owner or its appointed third-party inspection representative.	≤ 0.18%	0.18%	0%
Accuracy of product delivery date	-	≥ 98%	98.68%	0.69%
Reducing drawing errors	-	≤ 0.040%	0.025%	37.5%

In 2025, CSSC aims to continuously improve and has adjusted its annual on-site modification rate target to 0.08%. Since the target was not met, the company used its annual review meeting to analyze the reasons for the shortfall based on relevant 2025 operational data. Based on these findings, it formulated measures to enhance staff capabilities. Through frequent review and analysis, the company will implement appropriate measures on a rolling basis to meet this target, enabling CSSC to maintain its leading position in the steel structure manufacturing industry through continuous improvement.

2.4 Customer Service

CSSC's Business Division is responsible for customer service from the beginning of the business contact, to the subsequent stage of contract signing, and even during the construction process when the design is changed by the customer. During the product production and processing stage, if the customer has any requirement for product design, product quality, manufacturing and processing progress, industrial safety and environmental protection, the Quality Assurance Division will act as the contact window to receive customer demands and complaints, and forward them to the Design Division, Kaohsiung Plant, Guantian Factory, Quality Assurance Division and Industrial Safety Division for improvement and response according to categories, to meet customer demands in real time. The Administration Department is responsible for meeting food, clothing, accommodation and transportation requirements of the customer's representatives in the factory, and providing the customer with daily needs for business execution in the Yanchao District.

Most of CSSC adopts the competitive bidding or bargaining system for most of its products, and most of its customers appoint professional supervision companies or architects for legal supervision to supervise the construction on their behalf. Therefore, CSSC will not mislead consumers to buy products and services that do not meet their needs by using unfair, incomplete, or incorrect marketing and information. Moreover, steel structure is a non-consumable product, customers often use professional supervision companies to supervise on their behalf, and the supervision companies themselves are fully aware of CSSC's products, so CSSC does not educate customers about its products.



2.4.1 Customer Satisfaction Survey

Customer satisfaction is CSSC's business philosophy, and we expect our products to be recognized by our customers. Customer suggestions and complaints are the driving force behind CSSC's excellence. Before the completion of each project, the Steel Structure Business Division will conduct a customer satisfaction survey, the results of which will be used as the basis for subsequent improvement efforts and development goals. In 2025, the customer satisfaction survey was based on a single item as the target value, and the target value was selected to be "service attitude of sales representatives". The average value of this item was 91.5 points, and it has reached the default target (85 points).

	Service attitude of sales representatives	Quality and progress of manufacturing drawings	Quality of purchased steel, paint.	Quality of manufactured welding	Quality and precision of manufacturing	Project management and liaison system
2023	91.7	89.0	89.0	88.4	88.2	87.2
2024	91.95	88.3	91.65	89.25	88.9	88.3
2025	91.5	89.8	90.55	89.5	88.85	88.25
	Site lifting quality and progress management	Degree of cooperation in overall construction process	Average of overall company performance	Promotion and implementation of site safety and security	Total average	
2023	90.1	89.7	90.4	89.3	89.30	
2024	89.8	88.2	89.05	87.7	89.31	
2025	90.35	90.25	89.75	89.95	89.88	

2.4.2 Customer Privacy

CSSC has always attached great importance to the confidential information and privacy rights of our customers. In order to implement a mechanism to protect the privacy of our customers, we are committed to the safe management of confidential information and sign a non-disclosure agreement prior to bidding as requested by our customers to protect the confidentiality of the information provided such as drawings and specifications. Managers at all levels are responsible for requesting and supervising their colleagues to comply with the confidentiality rules to ensure that confidential data is fully protected. All colleagues have the responsibility to comply with the confidentiality regulations, and CSSC has not had any

complaint so far.

2.4.3 Project Performance

In recent years, as local governments have promoted urban planning initiatives, CSSC has undertaken urban renewal and multi-unit residential building projects in the Taipei and New Taipei areas. In addition, in response to the development of AI technology, which has driven growth in demand for high-performance computing and related industries, high-tech plants have continued to be expanded in areas south of Hsinchu, and CSSC has actively participated in and undertaken such projects. For projects scheduled to commence in 2025, when categorized by geographic location, approximately 50% will be in the northern region, 17% in the central region, and 33% in the southern region.

The projects that CSSC started construction in 2025 are as follows:

- Yangsheng Fuxing South Road Residential Building New Construction Project
- New Construction of Zhuguan Zhongshan North Residential Complex
- Jin Renbao Headquarters
- Lianju Liren Baoshe Roof Extension Project
- TSMC Chiayi AP7P1 FAB-A New Construction Project
- Xin High-Speed Rail No. 5 Residential Building New Construction Project
- Yongsheng Tonghua Section Residential Building New Construction Project
- Yongsheng Huai Sheng Section Commercial Building New Construction Project
- Houyi Engineering Shulin Plant Building New Construction Project
- Lianju Rui'an Tower New Construction Project
- TSMC Chiayi AP7P2 FAB-B New Construction Project
- Yongsheng Huai Sheng Section Residential Building New Construction Project
- Beicheng Construction Roosevelt New Construction Project
- Xingqiao Hefeng Residential and Commercial Building New Construction Project
- TSMC Central Taiwan Science Park AP5B Office New Construction Project
- TSMC Tainan AP8P1 Structural Reinforcement Project
- TSMC Houjing F22P3 Office New Construction Project

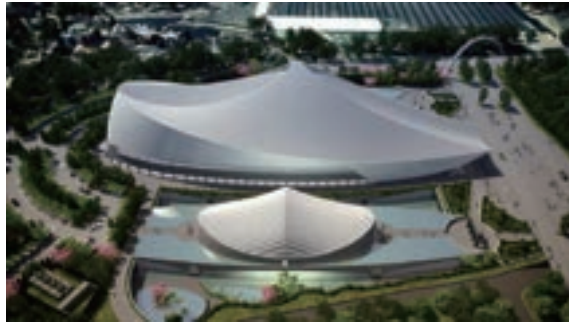


2.4.4 Major Project-Far Eastern International Convention Center

The Far Eastern Group has invested nearly NT\$10 billion to build the “Far Eastern International Convention Center,” which covers a land area of 36,837 m²(approximately 11,143 ping) and has a total gross floor area of 59,450 m² (approximately 17,983 ping). Planned and designed by the world-renowned “poet of architectural structures,” Santiago Calatrava, the complex comprises three buildings: the “Conference Center,” the “Yu-Hsiang Memorial Hall,” and the “Art Center,” serving as venues for academic, public welfare, charitable, and technological exchange activities.

Expected Benefits:

As Santiago Calatrava’s debut project in Taiwan, the “Far Eastern International Convention Center”’s expected benefits extend beyond architectural aesthetics to encompass multiple dimensions, including urban transformation, industrial upgrading, and the promotion of culture and education: creating a “new cultural landmark in Northern Taiwan,” driving the urban revitalization of the “Neili District,” enhancing “international industrial competitiveness” and MICE capabilities, and advancing brand development and corporate social responsibility.



←Far Eastern International Convention Center

2.5 Investment in R&D and Innovation

Since its inception, CSSC, with its unrelenting spirit of innovation and R&D, has set up an independent R&D unit and cooperated with the R&D Department of China Steel Corp., academic institutes and related engineering associations to conduct technological research and development as well as technical exchanges among structural technicians, architects and consultants, in order to provide customers with a full range of products and high-quality services, and to maintain sufficient competitiveness in the industry. The company continues to enhance production capacity optimization, developing high-performance, intelligent, eco-sustainable, and safety-durable steel structure products to meet the demands of future infrastructure and architectural development objectives.

1. Welding Skill R&D and Innovation:

The primary research focus includes the development of specialized electric welding procedures and new welding materials, as well as the testing of electric welding technologies. We integrate cutting-edge welding technologies and equipment into our production processes while improving existing welding operations to further enhance welding quality, reduce costs, and increase our competitive edge within the industry. Furthermore, in line with the expansion of ESG policies, the company leveraged the inherent “Balance” feature of existing arc welding equipment and simultaneously introduced an “Offset” function to successfully develop a process technology that meets the requirements of the Welding Procedure Specification (WPS). Welding tests were conducted on plates of the same thickness (40 mm); compared to the standard welding process, the difference in overall energy consumption (as analyzed by kilowatt-hour usage) was only a slight increase of approximately 0.5%. However, the number of welding passes was reduced by two, and overall deposition efficiency was improved by 18%, effectively shortening welding time and enhancing process efficiency.

We train electric welding personnel and organize various electric welding-related educational and training programs to enhance our staff’s welding knowledge; we also actively participate in industry-academia collaboration and exchanges with academic institutions and engineering associations.

2. Equipment Manufacturing R&D and Innovation:

The main research areas include: process and production line development and improvement; the integration of new electric welding equipment into existing processes; on-site equipment modification and optimization; the implementation of environmentally friendly and energy-efficient equipment (e.g., variable-frequency welding equipment, laser processing machines, etc.); and equipment automation (e.g., automatic flipping machines and positioning systems equipped with robotic arms, development of a prototype for automatic welding of internal partitions in box columns for the National Center for Earthquake Engineering, etc.). These efforts aim to address the challenges Taiwan currently faces, including a declining birth rate, an aging workforce, and industrial upgrading. Research, development, and improvement in equipment manufacturing will undoubtedly be a key trend in the company’s future development.

3. Recent Important Research Projects:

No.	Project	Progress	Benefits
1	National Center for Earthquake Engineering—” Advancement and Promotion of Automated Welding Technology for Internal Partitions in BOX Structures” and the First Year of the Two-Year Project (Phase II)	Currently, the prototype machine removes slag pass-by-pass and scans the weld bead profile; this process accounts for approximately half of the total time required for a single-pass weld. To address this, we will refine the optimization of the multi-layer, multi-pass AI expert system and plan welding procedures on a single-layer, single-pass basis to reduce the frequency of slag removal and weld bead profile scanning, thereby shortening the lead time before welding operations.	Through Phase I of this project (3 years in total), 270 small-scale steel component test specimens were welded, a welding parameter database was established, and an AI expert system was developed to predict welding outcomes. Following the construction of a prototype automated welding platform for BOX columns, the system was implemented for practical testing, resulting in the successful welding of 30 test specimens and 5 full-scale steel column interior partitions. The overall ultrasonic testing (UT) yield rate for welds was 90%, and the verification success rate for 8 sets of beam-column joints was 100%. Furthermore, all beam-column joint verifications met the AISC requirement of 4% angular deformation, demonstrating that the weld quality meets seismic requirements. Moving into Phase II of this project (2 years in total), we will optimize the AI expert system and refine the prototype to improve welding efficiency, reduce operation time, enhance product quality and stability, and lower labor-related production costs, thereby increasing market competitiveness and economic benefits.
2	Development of Visual Weld Bead Recognition Technology	Discussions are currently underway with the equipment supplier (Huamao Industrial Co., Ltd.) regarding equipment specifications, hardware and software compatibility, and an assessment of the implementation timeline.	By equipping robotic arms with a “visual recognition system,” we will optimize welding paths and improve operational efficiency on the production line.
3	Implementation of BCR/BCP Automated Welding Procedures	We are currently in negotiations with the Japanese company KOBELCO to purchase specialized automated welding equipment. Installation and acceptance testing are expected to be completed by mid-June of 2026, after which we will proceed with the development and implementation of welding procedures.	By introducing new Japanese equipment and applying new technologies, we aim to promote innovative design concepts within Taiwan’ s industry, government, and academic sectors. Through modular steel structure design and the adoption of automated welding to replace traditional manual welding, we will reduce labor input and costs while improving production efficiency and shortening operation times.





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3. Corporate Governance

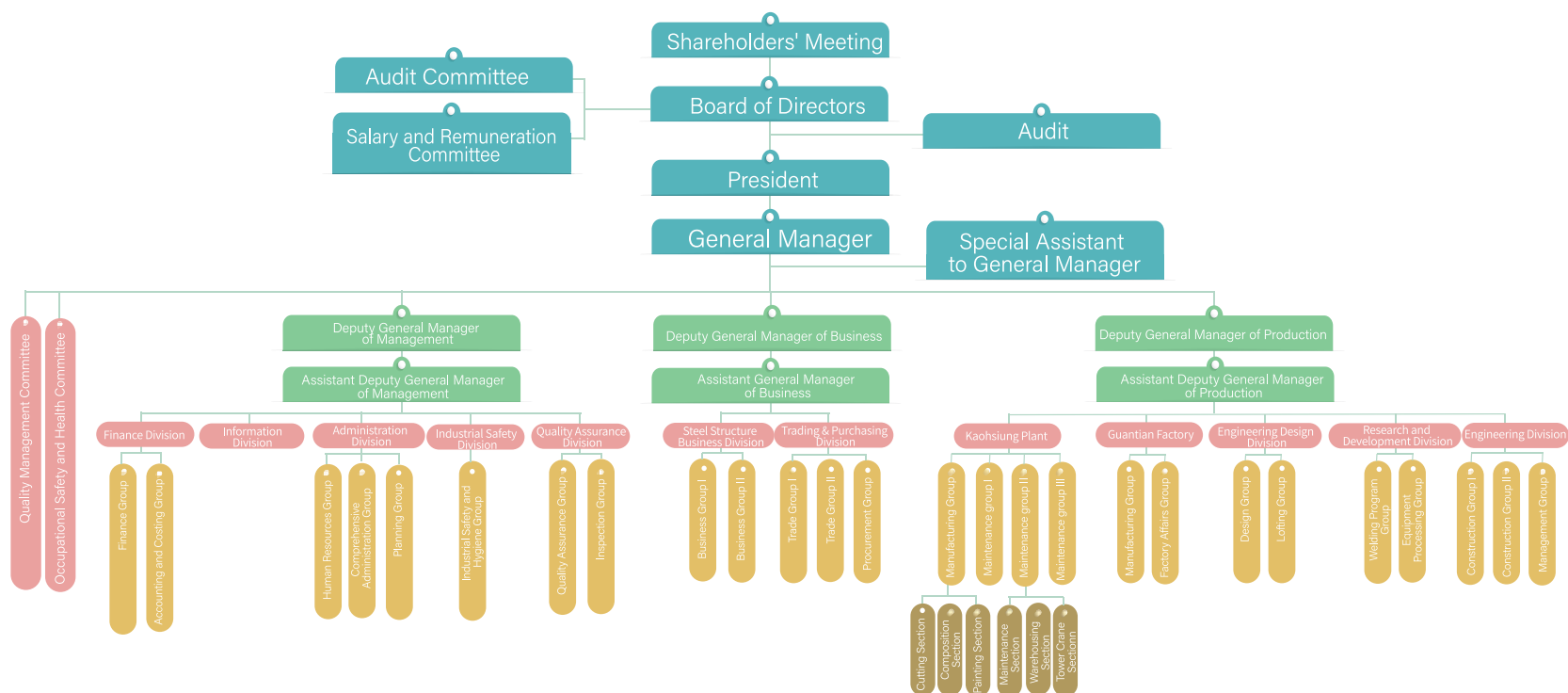
- 3.1 Corporate Governance Structure
- 3.2 Risk Management
- 3.3 Overview of Operations

Corporate Governance

3.1 Corporate Governance Structure

CSSC is a publicly listed company. In accordance with the Company Act, Securities and Exchange Act and other related laws and regulations of the Republic of China, CSSC has formulated an appropriate corporate governance structure to strengthen operational efficiency, enhance the transparency of operational information, and protect the rights and interests of stakeholders. The Board of Directors of CSSC has established two functional committees—the “Audit Committee” and the “Remuneration Committee”—to strengthen the Board’s operations. The company appoints one General Manager, who oversees all company operations in accordance with the policies determined by the Board of Directors; three Deputy General Managers are appointed with the approval of a majority of the Board of Directors to assist the General Manager in managing the production, sales, and administration departments, respectively. The Production Department oversees product manufacturing, on-site installation, equipment maintenance, quality improvement, engineering warranties, production control, planning and construction, industrial engineering, material storage, procurement and transportation of steel structural materials, R&D, design and drafting, layout and material preparation, and maintenance work; the Business Department oversees steel structure business, industrial engineering, trading operations, procurement, and contract awarding; The Management Department oversees accounting, finance, cost control, human resources, general affairs, information systems, public affairs, quality assurance, corporate relations, and environmental protection and occupational safety and health.

The organizational structure of CSSC is as follows:





3.1.1 Board of Directors

The Board of Directors of CSSC is composed of 7 to 11 directors, of which the number of independent directors shall not be less than 3, and the number of independent directors shall not be less than one-fifth of the number of directors to be elected. The directors shall serve a term of three years with the right to re-election, and they shall be elected by the Shareholders' Meeting on the basis of the "Regulations for the Election of Directors of China Steel Structure Co., Ltd." The directors are responsible for joint decision-making in accordance with the powers and responsibilities conferred on them by the "Articles of Association of China Steel Structures Co., Ltd." and are not individually authorized to be responsible for decision-making in relation to economic, environmental and social impacts.

In addition to the formulation and execution of the Company's business strategies, the directors and independent directors also pay attention to the Company's investment in and operation of corporate sustainability issues, and bring any major proposals to the Board of Directors for deliberation.

The members of the Board of Directors of CSSC are listed below:

16th Board of Directors (Term: May 31, 2023 - May 30, 2026)					
Title	Name	Current position	Representing	Main educational background	Date of appointment
President	Rui-teng Chen	China Steel Structure Co., Ltd. President	China Steel Corporation	National Chiao Tung University Master's Degree in Industrial Management	May 31, 2023
Director	Yuan-chang Huang	China Steel Structure Co., Ltd. General Manager	China Steel Corporation	National Central University Master of Civil Engineering	December 1, 2023
Director	Jih-jau Jeng	China Steel Corporation Executive Deputy General Manager	China Steel Corporation	Klaustra, Germany University of Applied Sciences Ph.D. in Mineral Processing Engineering	September 10, 2024
Director	Dao-peng Lin	Taiwan Ishikawajima Co., Ltd. Consultant	IHI Corporation	National Taiwan University Department of Electrical Engineering	May 31, 2023
Director	Chi-hao Guo	Great Grandeul Steel Corporation Special Assistant to the Chairman	Great Grandeul Steel Corporation	University of Michigan, USA Ph.D. in Electrical Engineering	May 31, 2023
Director	Che-sheng Chen	Berlin Co., Ltd. President	Shang'en Investment Co., Ltd.	University of Tokyo, Japan Ph.D. in Materials Science	May 31, 2023
Director	Ming-da Fang	China Steel Carbon & Chemical Co., Ltd. General Manager	China Steel Carbon & Chemical Co., Ltd.	Kaohsiung University of Science and Technology Ph.D., Department of Chemical and Materials Engineering	December 31, 2024
Director	Nai-wen Liang	Dragon Steel Corporation President	Dragon Steel Corporation	National Cheng Kung University Master's Degree in Materials Engineering	January 31, 2026
Independent Director	Hua-deng Li	National Cheng Kung University Retired Professor, Department of Mechanical Engineering	—	RWTH Aachen University, Germany Doctor of Engineering	May 31, 2023
Independent Director	Shiou-ling Li	I-Shou University Retired Assistant Professor, Department of Accounting	—	University of Minnesota, USA Ph.D. in Management	May 31, 2023
Independent Director	Wei Luo	Member of the Procurement Appeal Review Committee, Public Construction Commission, Executive Yuan	—	Northwestern University, USA Ph.D. in Construction Management	May 31, 2023

Note: Director roster updated as of February 28, 2026



Board Performance Evaluation

The Company has established the “Board of Directors Performance Evaluation Guidelines,” under which an internal performance evaluation of the Board of Directors is conducted at least once a year, and an evaluation by an external professional independent organization or a team of external experts and scholars is conducted at least once every three years; For details on the 2025 Board of Directors performance evaluation, please refer to page 22 of the Company’s 2025 Annual Report for the Shareholders’ Meeting (<https://www.cssc.com.tw/shareowner/files/114Y.pdf>), as well as the “XI. Performance Evaluation of the Board of Directors.”

3.1.2 Audit Committee

Since the 14th term of the Board of Directors of CSSC, an Audit Committee has been established to replace the Supervisors. The Audit Committee is composed of three independent directors, one of whom has accounting and financial expertise. The Audit Committee operates with the following primary objectives:

- ① The fair presentation of the Company’s financial statements.
- ② The appointment (or removal), independence, and performance of the certified public accountants.
- ③ The effective implementation of the Company’s internal controls.
- ④ The Company’s compliance with relevant laws and regulations.
- ⑤ The management of the Company’s existing or potential risks.

The Company’s head of internal audit attends regular Audit Committee and Board of Directors meetings to report on the status of internal audit work; the Audit Office regularly sends audit reports and follow-up report results to independent directors for review; the communication between the Audit Committee and the head of internal audit in the year 2025 was good.

The Company’s independent auditors may also, based on their professional judgment, hold meetings with the Audit Committee or the independent directors separately for communication; the communication between the Audit Committee and the certified public accountants was good in the year 2025.

3.1.3 Training of Directors and Independent Directors

To strengthen the capabilities of the Company’s directors and independent directors and improve the functioning of the Board of Directors, and in line with the initiatives outlined in the Corporate Governance Blueprint, newly appointed directors and independent directors of CSSC are required to complete 12 hours of relevant training annually, while incumbent directors and independent directors are required to complete 6 hours of training annually.

The training for each director and independent director of the Company in 2025 is as follows:

Title	Name	Date of Appointment	Training Date		Organizer	Course Name	Training Hours
			From	To			
Representative of the Corporate Director	Rui-teng Chen	May 31, 2023	August 14, 2025	August 14, 2025	Taiwan Investor Relations Association (Incorporated Association)	Corporate Sustainability and Risk Management	3.0
			November 11, 2025	November 11, 2025	Taiwan Investor Relations Association	Exploring Legal Liability in Business Decisions Through the Business Judgment Rule	3.0
Representative of the Corporate Director	Yuan-chang Huang	December 1, 2023	August 14, 2025	August 14, 2025	Taiwan Investor Relations Association (Incorporated Association)	Corporate Sustainability and Risk Management	3.0
			November 11, 2025	November 11, 2025	Taiwan Investor Relations Association	Exploring Legal Liability in Business Decisions Through the Business Judgment Rule	3.0
Representative of the Corporate Director	Jih-jau Jeng	September 10, 2024	May 23, 2025	May 23, 2025	Securities and Futures Market Development Foundation of the Republic of China	2025 Insider Trading Prevention Awareness Seminar	3.0
			August 14, 2025	August 14, 2025	Taiwan Investor Relations Association	Corporate Sustainability and Risk Management	3.0



Title	Name	Date of Appointment	Training Date		Organizer	Course Name	Training Hours
			From	To			
Representative of Institutional Directors	Ming-da Fang	December 31, 2024	July 31, 2025	July 31, 2025	Taiwan Stock Exchange	2025 Summit on Expanding Taiwan's Capital Markets	3.0
			September 5, 2025	September 5, 2025	Taipei Financial Research and Development Foundation	FinTech Through the Lens of Stablecoins: Blockchain in Practice and the Future	3.0
Representative of the Corporate Director	Chao-rong Lyu	November 20, 2023	August 14, 2025	August 14, 2025	Taiwan Investor Relations Association (Incorporated Association)	Corporate Sustainability and Risk Management	3.0
			November 11, 2025	November 11, 2025	Taiwan Investor Relations Association	Exploring Legal Liability in Business Decisions Through the Business Judgment Rule	3.0
Representative of the Corporate Director	Chi-hao Guo	May 31, 2023	July 17, 2025	July 17, 2025	The Republic of China Chamber of Commerce and Industry	Trends in Supply Chain Restructuring Amid the Global Tariff War and Corporate Response Strategies	3.0
			July 30, 2025	July 30, 2025	The Republic of China Chamber of Commerce and Industry	Business Negotiation Skills — The PARTS Negotiation Approach	3.0
Representative of the Corporate Director	Dao-peng Lin	May 31, 2023	July 9, 2025	July 9, 2025	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6.0
Representative of Institutional Directors	Che-sheng Chen	May 31, 2023	August 14, 2025	August 14, 2025	Taiwan Investor Relations Association (Incorporated Association)	Corporate Sustainability and Risk Management	3.0
			September 26, 2025	September 26, 2025	Securities and Futures Market Development Foundation of the Republic of China	2025 Insider Trading Prevention Awareness Seminar	3.0
Independent Director	Shiou-ling Li	May 31, 2023	July 9, 2025	July 9, 2025	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6.0
Independent Director	Hua-deng Li	May 31, 2023	August 14, 2025	August 14, 2025	Taiwan Investor Relations Association (Incorporated Association)	Corporate Sustainability and Risk Management	3.0
			October 3, 2025	October 3, 2025	Securities and Futures Market Development Foundation of the Republic of China	2025 Insider Trading Prevention Awareness Seminar	3.0
Independent Director	Wei Luo	May 31, 2023	July 9, 2025	July 9, 2025	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6.0
			August 14, 2025	August 14, 2025	Taiwan Investor Relations Association	Corporate Sustainability and Risk Management	3.0

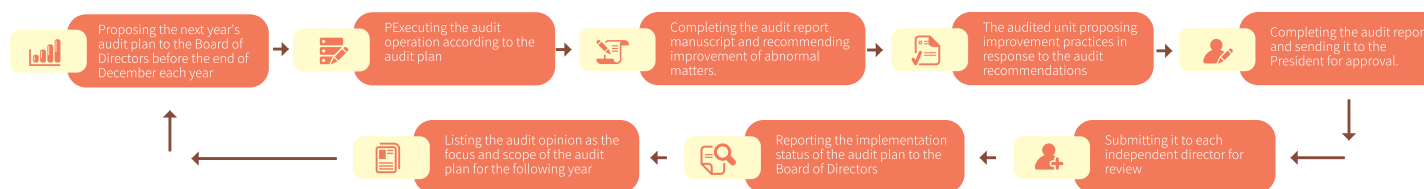
3.1.4 Remuneration Committee

CSSC has established a Remuneration Committee in accordance with the law to finalize and periodically review the compensation standards for directors and managers. Members of the Committee or their family members or spouses must not be employees, directors or supervisors of the Company or its affiliates two years prior to their appointment and during the term of their employment, for the sake of maintaining a neutral position. Members of the Committee must have qualifications or working experience in business, legal, financial, accounting, or teaching as lecturers in public or private universities or colleges for other the relevant disciplines required by the Company's business. Based on the performance of the management (President, General Manager, and Deputy General Manager), the members shall submit proposals to the Board of Directors to determine the remuneration of the management. In 2025, the ratio of compensation for the Company's directors, General Manager, and Deputy General Managers to after-tax net income was 5.97%; for consolidated subsidiaries, the ratio was 5.98%. For information regarding the compensation of directors and executives, please refer to pages 17–19 of the Company's 2025 Annual Report (<http://www.cssc.com.tw/shareowner/files/114Y.pdf>).

3.1.5 Internal Audit

CSSC has set up an internal audit unit, directly responsible to the Board of Directors, whose job is to audit each operation item and make suggestions for improvement in order to reasonably ensure that the objectives of “operational effectiveness and efficiency”, “reporting reliability, timeliness and transparency”, “compliance with relevant norms and regulations” are achieved. The internal audit report and audit trail report are submitted to the independent directors for review, and the head auditor attends the meetings of the Board of Directors to report on the audit work. A “separate communication meeting between independent directors and head auditor” is held at least once a year.

CSSC’s internal audit process is as follows:



The internal audit is conducted in accordance with the requirements set forth by the Financial Supervisory Commission (FSC). In addition to the operating cycle (sales and payment collection, purchases and payments, investment, financing, production, payroll, real estate, factory building and equipment, and research and development), the key areas of focus include fixed asset management, budget management, derivative financial instrument, related-party transactions, supervision and management of subsidiaries, functioning of the Audit Committee, Board of Directors, and Remuneration Committee, and the prevention of insider trading; and it is reported to the independent directors for review in accordance with the regulations.

To prevent the moral risks that may arise from the operation of the Company, in addition to strengthening the strict requirements on the moral integrity of personnel, we are preventing the occurrence of malpractice through rigorous internal control, rules and regulations and rotation mechanism in combination with regular and irregular internal audits in terms of the design of the system.

3.1.6 Code of Moral/Ethical Conduct

CSSC will severely punish those who accept improper benefits from their positions. In addition to the internal rules and regulations, CSSC has also implemented internal audits, self-checks by each unit, and education and training to prevent improper private gain. The relevant practice includes: The Company strictly adheres to corporate governance and legal compliance, with no violations of relevant corporate governance regulations. Relevant measures include:

1. Code of Business Integrity

CSSC has established the “Code of Business Integrity” and the “Business Integrity Operating Procedures and Behavioral Guidelines”. We have formulated business policies based on integrity in accordance with the operation concepts of integrity, transparency and responsibility, and established a good corporate governance and risk control mechanism in order to create a sustainable business environment.

2. Recusal of Interest and Ethics Requirements

CSSC has established the “Code of Ethical Conduct for Directors”, “Code of Ethical Conduct for First-level Supervisors and Above”, and the “Points for Conflict-of-Interest Recusal”, which clearly regulate the practices and preventive measures when the interest of directors, supervisors and employees is conflict with the interests of the Company. They shall recuse themselves if they are involved in a profit-making activity in which they have an interest, and employees who have business contact with family members or friends that could result in a conflict of interest shall recuse themselves and report to their supervisors.

3. Guidelines on Requesting for Help or Favor and Socializing

CSSC has established the “Guidelines for Handling Gifts, Business Dinners and Socializing and Requesting for Help or Favor” and “Guidelines for Official Banquets for Employees”. Whenever an employee receives a gift from a person who has an interest in his/her position, the employee shall refuse or return it unless otherwise specified. If the gift cannot be returned, the employee shall sign and report to the supervisor at or above the first level for approval, and then send the gift to the General Administration Group for disposal.

4. Prevention of Dishonesty and Fraud

CSSC has established the “Procedures for Handling Whistleblower Reports and Complaints” and the “Reward and Punishment Measures” to prevent employees from engaging in dishonest and abusive behaviors. Moreover, the risks of corruption and fraud are controlled through personnel education and training, rigorous internal controls, regulations and rotation mechanisms, as well as regular and periodic internal audits.

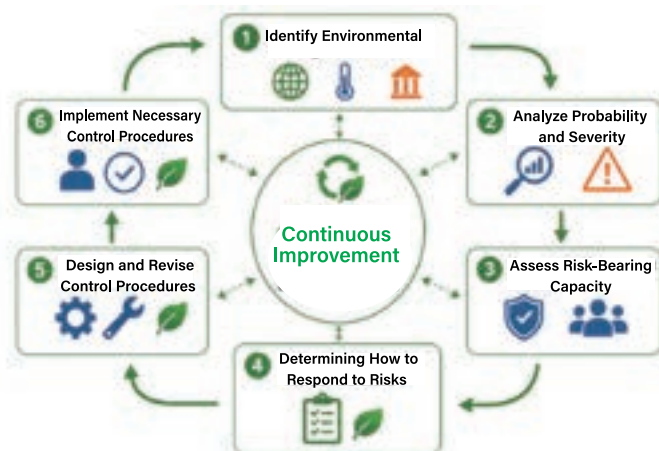
3.1.7 Corporate Governance Assessment Indicators

In order to assist investors and the public to understand the corporate governance situation of enterprises, to enhance the corporate image and be in line with international standards, and to effectively improve the level of corporate governance in Taiwan, the Financial Supervisory Commission (FSC) has organized the Corporate Governance Assessment (CGA), and the assessment results of CSSC 2025 are ranked in the top 6% to 20% of listed companies. CSSC will continue to improve and shape the corporate governance culture to promote the stable development of the enterprise.

3.2 Risk Management

3.2.1 Risk Management Policy

CSSC’s risk management involves implementing proactive control measures for its operations and objectives to ensure the achievement of those objectives. Managers at all levels shall establish risk management mechanisms for the operations and objectives under their responsibility to identify changes and risks in the internal and external environments, analyze the probability and severity of various risks, and determine how to respond to them. When selecting a response, they shall comprehensively consider the results of risk assessments, risk appetite, and risk-bearing capacity to assist the company in timely designing, revising, and implementing necessary control procedures. The framework is shown in the figure below:



3.2.2 Risk Management Mechanisms

The Taiwanese steel structure market is one of the most fiercely competitive industries, with numerous domestic competitors. To mitigate operational risks at every stage of business operations, CSSC has implemented the following measures:

Financial Risk

As a subsidiary of the China Steel Group, with stable annual profits and a good credit rating, CSSC has access to ample credit lines from financial institutions at relatively low interest rates. As of the end of 2025, the asset-liability ratio stood at 62.05%, with total borrowings of approximately NT\$1.9 billion. If interest rates were to rise by 1% in the future, annual interest expenses would increase by approximately NT\$19 million. Furthermore, since the majority of CSSC’s purchases and sales are denominated in New Taiwan Dollars, the company is less susceptible to exchange rate fluctuations.

As of the end of 2025, CSSC’s working capital reached NT\$1.947 billion, with short-term financing primarily consisting of commercial paper issuance and short-term bank loans. The Central Bank, in balancing price stability with economic stimulus, will take a cautious approach to interest rate adjustments, and the magnitude of any changes is unlikely to be significant. Therefore, the risk of profit and loss being affected by interest rate fluctuations remains within a manageable range. In the future, in addition to strengthening the collection of accounts receivable and expediting the verification of project payments to enhance the flexibility of capital utilization, as well as improving budget execution performance, eliminating various forms of waste, and reducing debt levels, the company will continue to utilize low-interest, unsecured commercial paper and short-term bank loans to reduce interest expenses.

Financial Risk Management

1. We adopt dynamic management measures in response to interest rate and exchange rate fluctuations.
2. Short-term funds are prioritized for cash flow management; medium- and long-term funds are primarily used to meet capital expenditures.
3. For short-term foreign currency holdings, we follow the principle of natural hedging; for foreign currency funding gaps, we use forward foreign exchange hedging.
4. We utilize e-commerce technology and digital signature security mechanisms to streamline payment procedures with suppliers.

Raw Material Risks

CSSC is the first reinvestment subsidiary of China Steel Corp. The raw materials of CSSC are mainly steel plates and steel sections, and the sources of raw materials are mainly from the parent company China Steel Corp. and the group company Dragon Steel Corp., so there is no shortage of sources. Upstream and downstream manufacturers in the supply chain often have business information exchange need in the project progress. In order to facilitate the upstream and downstream manufacturers’ information inquiry, the supplier inquiry system, the collaborator inquiry system and the owner inquiry system have been set up so that information exchange can be carried out directly on the network.

Raw Material Risk Management

1. Suppliers are carefully evaluated.
2. Maintain an appropriate level of safety stock.
3. Actively develop new material sources to diversify supply risks.
4. Maintain good relationships of mutual trust and cooperation with suppliers.
5. Order key engineering materials directly from manufacturers (China Steel, Dragon Steel).
6. Establish an information inquiry system for suppliers, subcontractors, and project owners.

Engineering Risk

CSSC has set up an Engineering Department and a number of project engineers, who are responsible for controlling the manufacturing progress, delivery date and construction progress of steel structure products at each construction site. Weekly meetings are held to review the progress in order to support the construction needs of the construction sites promptly. CSSC is currently in the process of building a material control system, with the expectation that the real-time demand of each project can be more accurately grasped through the digital online material control system to ensure the accurate delivery dates of steel structure products.

Engineering Risk Management

1. Establishment of an engineering project management system and an engineering budget control system.
2. Conduct regular evaluations of registered and qualified vendors.
3. Establish a project execution progress control system.
4. Construction projects are covered by comprehensive construction installation insurance, public liability insurance, employer's liability insurance, and contractor's liability insurance.

Industrial Safety and Environmental Risks

CSSC regularly evaluates the environmental safety and health management capability of contractors, and schedules audits according to the size of the project contract. The head office regularly assigns colleagues with rich experience in the field of environmental safety and health to perform environmental safety and health audits at various construction sites throughout Taiwan to audit the current status of environmental safety and health implementation and compliance with laws and regulations of the contractors. The purposes are to uncover unsafe environments, behaviors, and actions that may cause environmental pollution at construction sites, prevent occupational disasters and prevent environmental impacts to minimize the Company's operational risks and enhance the corporate image of CSSC and its customers.

Waste generated from daily operations is entrusted to contractors approved by the Ministry of the Environment for removal and treatment; For sandblasting and painting processes, we commission qualified testing agencies to conduct air pollutant testing of fixed emission sources prior to permit renewal; domestic wastewater generated at the Guantian Factory is discharged via a pipeline into the Guantian Industrial Park and

treated by the park's facilities. The Kaohsiung Plant is equipped with a wastewater treatment facility to treat daily domestic wastewater, utilizing ecological engineering methods for secondary purification treatment, adhering to a "zero discharge on sunny days" policy. Air pollutant emission volumes and the disposal and treatment flow of waste are reported to the Ministry of the Environment's system in accordance with regulations.

Occupational Safety and Environmental Risk Management

1. We utilize a safety and health management system to conduct hazard identification and risk assessments, and to foster a culture of workplace safety.
2. For high- and major-risk hazards, we implement control measures and conduct emergency response drills to mitigate risks.
3. We actively reduce emissions of air pollutants and domestic wastewater, and strengthen measures such as water conservation and domestic wastewater recycling.
4. We proactively promote various energy-saving and carbon-reduction measures to fulfill our corporate responsibility for environmental stewardship.

Information Security Risks

With the rapid development of the Internet, the data related to company operations must rely on the assistance of communication networks and information systems for a safe transmission to employees, customers and third parties, so that the company can continue to operate smoothly. Therefore, information security risk management is an important key to ensure the normal operation of the enterprise, and it should not be delayed to build an effective risk management of information security.

Information Security Risk Control

1. In order to prevent the leakage of company information, we strictly control the IP of PCs and laptops in the Company's network domain; we force users to change their passwords on a regular basis and strictly regulate the network access rights of each user. In addition, we use the access device management monitoring system to prevent unauthorized access to information, strengthen the effectiveness of internal control, have an effective control of the proper system functioning, and enable the information unit to have a basis for audit.
2. We build the effective anti-virus system and anti-spam system, select high-quality maintenance vendors, regularly update the operating system and provide system maintenance to ensure system stability and normal operation, and reduce the chance of hacking.
3. We prevent irresistible disasters, build a perfect backup system, with regular full backup and differential backup for the system and data, so that normal operation can be quickly resumed in case of data destruction due to a system failure.
4. We build a stable core computer room, and the room is equipped with a perfect UPS system to ensure that the computer system is stable for normal operation.
5. We strictly control the access to the core computer room to avoid human damage to the computer room; the constant temperature and humidity, stable voltage and balanced and stable loads are maintained for the computer room.

- Implementing ISO 27001 management systems to ensure information confidentiality, integrity, and availability, thereby securing information assets and mitigating potential data breach risks.
- Conducting internal network penetration tests, with enhanced cybersecurity training for personnel failing the assessments.

Transportation Risks

The products of CSSC are sold all over Taiwan, the weight of steel structure products is generally heavy, some steel structures have the characteristics of being ultra-long and ultra-wide, so it is extremely important to maintain safety and time control in the transportation process. CSSC does not have its own fleet of transportation vehicles, so the current transportation work is entrusted to the professional transportation vendors, with the delivery route and delivery time determined as per the needs of each construction site.

Transportation Risk Management

- Decide the best transportation planning based on the principle with safety given the highest priority.
- Insure the goods transportation insurance for the exported products.
- Strengthen the safety advocacy of the transportation company to ensure that the products are delivered to their destinations on time and in good condition.
- Moderately increase the number of transportation companies to effectively solve the bottleneck of transportation peaks.

Factory Building and Equipment Risks

CSSC's factories are all made of self-made steel structures as the support of the factory building, which are safe and reliable. In the meantime, we have prepared an annual disaster prevention plan, assuming that disasters such as earthquakes and fires may occur during the operation period, and we have cooperated with the surrounding fire departments and hospitals to build a regional disaster prevention network to minimize the losses in case of a disaster.

Factory and Equipment Risk Management

- Factory facilities are covered by commercial fire insurance (including earthquake coverage, typhoon and flood coverage, explosion coverage, aircraft crash coverage, and motor vehicle collision coverage).
- Fire drills are conducted regularly on the factory premises, with relevant agencies invited to assist in the drills.

3.3 Overview of Operations

3.3.1 Operating Performance in Recent Years

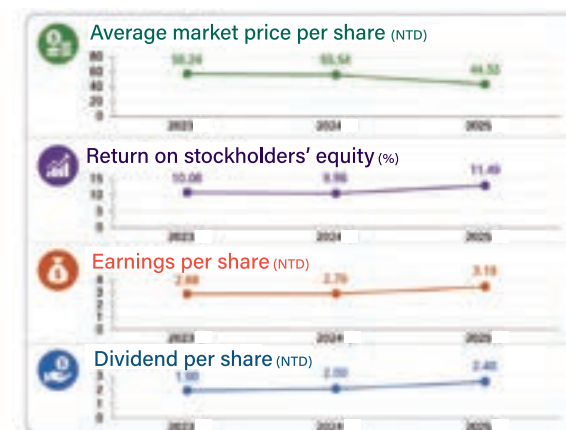
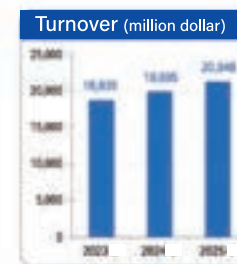
In 2025, CSSC focused on meeting the project schedules set by clients and completing various construction milestones, resulting in higher operating profits compared to 2024.



Download link for
CSSC's 2025 Annual Report:

<https://www.cssc.com.tw/shareowner/files/I14Y.pdf>

CSSC's revenue in recent years is as follows:



CSSC has set up a Shareholder Service Area on its official website to update information related to shareholders at any time. In order to provide shareholders with more accurate, real-time and regular information when they are making investment decisions, CSSC publishes its monthly invoices and operating revenues according to the information disclosure and reporting methods stipulated by the Taiwan Stock Exchange. Relevant operating information is published on the Taiwan Stock Exchange's Market Observation Post System and the CSSC website.

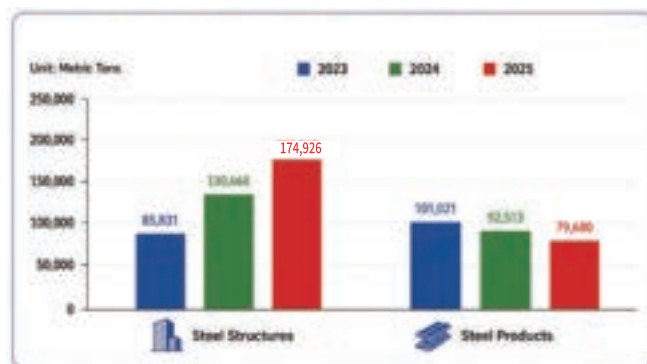
In addition to obtaining relevant operating information from the website, shareholders can also attend the annual general meeting of shareholders to communicate with the management team face-to-face, or learn about the operating policies from the annual report. Shareholders can also utilize the dedicated telephone and email lines of the spokesperson or proxy spokesperson to ask questions or make suggestions, all of which will be handled and responded to by a dedicated person.



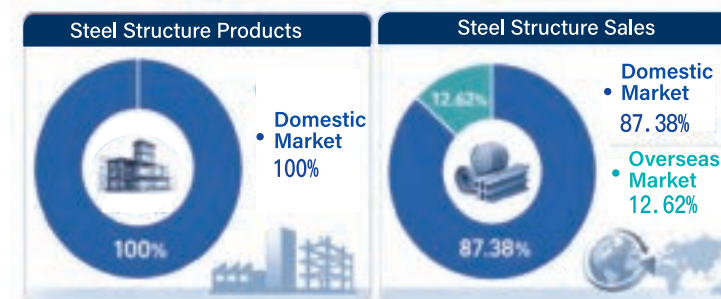
3.3.2 Product Sales Volume

Steel structure fabrication and installation projects and steel product trading are the mainstays of CSSC's sales. In 2025, sales volume for steel structure fabrication and installation projects reached 174,926 metric tons, an increase of 38.87% compared to 2024.

The sales volumes of CSSC's major products in recent years are as follows:



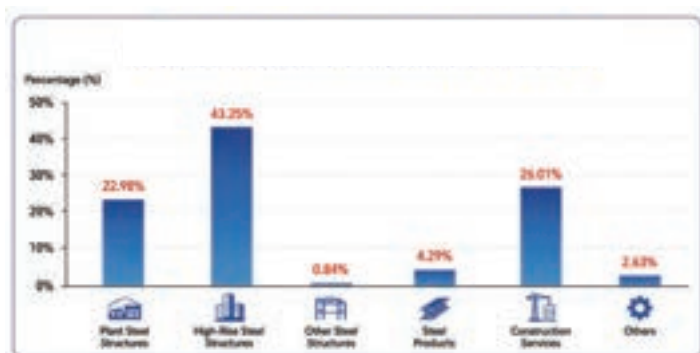
CSSC's 2025 Product Sales Market Distribution



The domestic sales ratio for CSSC's steel structure products is 100%, primarily for domestic steel and electronics plants as well as high-rise buildings; steel product sales to the domestic market account for approximately 87.38%, while those to overseas markets account for approximately 12.62%.

3.3.3 Product Sales Ratio

CSSC's main operating products for the 2025 fiscal year are broadly categorized into steel frames for industrial plants, steel frames for high-rise buildings, other steel frames, and steel product trading. The proportion of each product category in total sales revenue is as follows:



3.3.4 Compensation and Taxation

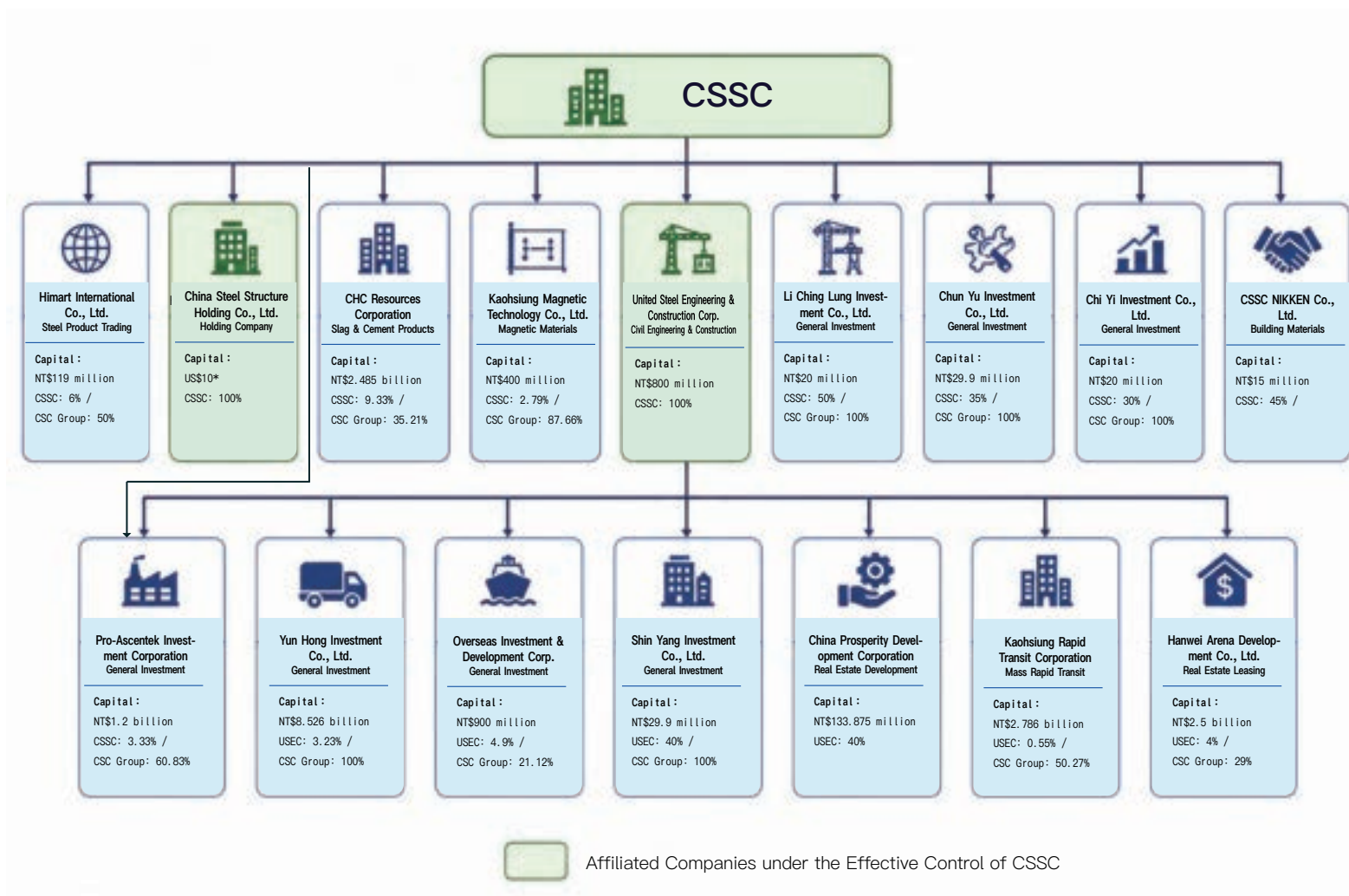
If the Company reports a profit for the fiscal year, the Board of Directors shall resolve to set aside no less than one-thousandth for employee compensation and no more than one percent for directors' and supervisors' compensation, and shall report this to the shareholders' meeting. Employees eligible for employee compensation include those of subsidiaries who meet certain conditions, and no less than thirty percent of the employee compensation shall be allocated to front-line employees. However, if the Company still has accumulated losses, an amount sufficient to offset such losses shall be set aside in advance before allocating employee compensation and compensation for directors and supervisors in accordance with the ratios specified in the preceding paragraph.

In 2025, sales were 20,948,280 thousand NTD, operating costs were 19,963,338 thousand NTD, employee salaries and benefits were 1,529,907 thousand NTD, dividends paid were 400,000 thousand NTD, taxes were 336,217 thousand NTD, community investments of 1,785 thousand NTD, and retained earnings of 2,457,171 thousand NTD.

3.3.5 Reinvestment Business

In order to meet the needs of business development, CSSC has diversified its business directions and invested in the following domestic and foreign companies.:

3.3.5.1 Basic Information on Reinvestment Business





Enterprise name	Location	Date of establishment	Address	Paid-in Capital	Earnings before tax per share (NTD)	Percentage of shareholding (%)	Main business or production items
United Steel Engineering & Construction	Taiwan	January 10, 1985	8th Floor, No. 88, Zhongzheng 3rd Road, Xinsing District, Kaohsiung City	NT\$800,000	2.27	100%	Contracting and management of civil engineering and construction projects, etc.
CHC Resources Corporation	Taiwan	May 25, 1991	22nd Floor, No. 88, Chenggong 2nd Road, Qianzhen District, Kaohsiung City	NT\$2,485,404	6.15	9.33%	Production and sales of blast furnace slag and blast furnace cement; air-cooled blast furnace slag and converter slag; resource recycling and utilization
Pro-Ascentek Investment	Taiwan	January 21, 2021	26th Floor, No. 88, Chenggong 2nd Road, Qianzhen District, Kaohsiung City	NT\$1,200,000	0.25	5%	General Investment
CSSC (Samoa) Holdings Ltd.	Samoa	November 3, 2003	Trust Net Chambers, P.O. Box 1225, Apia, Samoa	NT\$0.331	-	100%	Investment Holding
HIMAG Magnetic	Taiwan	January 10, 1991	No. 24-1, Jian Guo Road, Fengtian Village, Neipu Township, Pingtung County	NT\$400,280	0.59	2.79%	Production and sale of magnetic materials, specialty chemicals, and iron oxide
Chiun Yu Investment	Taiwan	May 21, 1997	26th Floor, No. 88, Chenggong 2nd Road, Qianzhen District, Kaohsiung City	NT\$29,900	0.28	35%	General Investment
WABO Global Trading	Taiwan	November 25, 1997	9th Floor, No. 88, Chenggong 2nd Road, Qianzhen District, Kaohsiung City	NT\$119,000	1.56	6%	Steel product brokerage and trading
Chi-Yi Investment	Taiwan	October 4, 1999	26th Floor, No. 88, Chenggong 2nd Road, Qianzhen District, Kaohsiung City	NT\$20,000	0.27	30%	General Investment
Li-Ching-Long Investment	Taiwan	September 27, 1999	26th Floor, No. 88, Chenggong 2nd Road, Qianzhen District, Kaohsiung City	NT\$20,000	0.26	30%	General Investment
NIKKEN & CSSC Metal Products	Taiwan	January 24, 2011	10th Floor, No. 58, Section 3, Minquan East Road, Zhongshan District, Taipei City	NT\$15,000	5.04	45%	Building materials wholesale, pollution control equipment wholesale, etc.
Shin Mau Investment Corp.	Taiwan	May 21, 1997	26th Floor, No. 88, Chenggong 2nd Road, Qianzhen District, Kaohsiung City	NT\$29,900	1.42	40%	General Investment
Kaohsiung Rapid Transit Corp.	Taiwan	December 28, 2000	No. 1, Zhong'an Road, Qianzhen District, Kaohsiung City	NT\$2,786,064	0.30	0.55%	Mass Rapid Transit (MRT) Transportation Industry
Kaohsiung Arena Development Corp.	Taiwan	January 30, 2004	No. 777, Boai 2nd Road, Zuoying District, Kaohsiung City	NT\$2,500,000	1.04	4%	Real Estate Leasing, Sports and Leisure Development
Chung Hsin Development	Taiwan	October 28, 2008	8th Floor, No. 88, Zhongzheng 3rd Road, Qianjin District, Kaohsiung City	NT\$133,875	-0.56	40%	Real Estate Development
Overseas Investment Development Company	Taiwan	December 15, 1995	12th Floor, No. 760, Section 4, Bade Road, Songshan District, Taipei City	NT\$900,000	0.62	4.9%	General Investment
Transglory Investment	Taiwan	May 13, 2002	26th Floor, No. 88, Chenggong 2nd Road, Qianzhen District, Kaohsiung City	NT\$8,525,800	0.12	3.23%	General Investment



4. Employee Care and Attention

- 4.1 Human Resources
- 4.2 Functional Development
- 4.3 Employee Rights and Benefits
- 4.4 Occupational Safety and Health

”

Employee Care and Attention

4.1 Human Resources

As of the end of 2025, CSSC had a total of 442 full-time employees, including 374 men (85%) and 68 women (15%). There were a total of 5 employees from disadvantaged groups (accounting for approximately 1.1% of the total workforce, in compliance with the employment quota requirements under Article 38 of the “Act on the Protection of the Rights and Interests of Persons with Disabilities”). One employee is an Indonesian national (hired in accordance with the Employment Services Act for Foreign Nationals to meet the needs of overseas market expansion; the minimum salary is higher than the statutory requirement), while the remainder are local Taiwanese employees. The breakdown of employees by employment category is as follows:

The breakdown of CSSC’s employees by employment category for 2025 is as follows:

	Male	Female	Total Number of Employees
Number (Percentage)	374 (85%)	68 (15%)	442 (100%)

Every year, CSSC surveys the staffing needs of its various units for the next two years. After obtaining approval through the proper channels, the company establishes its annual staffing requirements and recruitment plan, and conducts open recruitment for new hires to build a talent pool for future needs. Furthermore, CSSC has never employed child labor since its establishment. In 2025, the total number of new hires was 17, all of whom were local Taiwanese workers.

The breakdown of new hires at CSSC in 2025 by age is as follows:

Age	20–29 years old	30–39 years old	40–49 years old	50 and older
Number/ Percentage	4 (24%)	7 (41%)	4 (24%)	2 (11%)

The breakdown of new hires at CSSC in 2025 by gender is as follows:

Gender	Male	Female
Number/ Percentage	15 (88%)	2 (12%)

The employees of Kaohsiung Plant and Guantian Factory of CSSC are subject to the Labor Standards Act, and employees are protected by the Labor Standards Act, and the relevant regulations on salary, evaluation, promotion and bonus have been stipulated in the Company’s rules and regulations to ensure that employees are treated fairly.

Management	Finance	Information	Administration	Industrial safety and environmental protection
6	9	3	15	6
Audit	Business	Trade	Production	Quality Assurance
3	15	16	195	23
Design	Engineering	Career development and outplacement support	Research and Development	
51	92	2	6	

CSSC, for the purpose of contributing to the community, has finalized the regulations of preferential points for the written test scores of the children of Yanchao District, Kaohsiung City. This is to encourage Yanchao locals to apply for the jobs in CSSC, and to progressively implement the vision of the enterprise localization of the CSSC.

The educational background distribution of employees at CSSC 2025 is as follows:

Educational Level	Master’s De- gree or Higher	Bachelor’s Degree	Associate’s Degree	High School (or below)
Number of People	74	289	40	39



The distribution of employees by job title at CSSC in 2025 is as follows:

Title	Age	Category		Total	Number		Total	Percentage %
		Management	Production		Male	Female		
Management (President, General Manager, Deputy General Manager, Assistant Deputy General Manager)	20-29	0	0	0	0	0	0	0
	30-39	0	0	0	0	0	0	0
	40-49	0	0	0	0	0	0	0
	50 or more	4	2	6	6	0	6	100
	Total	4	2	6	6	0	6	100
Supervisors (including Levels 1, 2, and 3) + Chief Auditor	20-29	0	0	0	0	0	0	0
	30-39	2	0	2	2	0	2	4
	40-49	5	10	15	14	1	15	31
	50 or more	14	17	31	31	0	31	65
	Total	21	27	48	47	1	48	100
Professional Level (Senior, Level 1, Level 2, Level 3, Assistant Engineer) + Technician + Auditor	20-29	0	8	8	7	1	8	3
	30-39	16	48	64	51	13	64	27
	40-49	31	82	113	98	15	113	47
	50 or more	13	42	55	37	18	55	23
	Total	60	180	240	193	47	240	100
Entry-level (Clerk, Administrator) + Technician + Intern	20-29	0	7	7	3	4	7	5
	30-39	2	38	40	34	6	40	27
	40-49	5	62	67	64	3	67	45
	50 or more	5	29	34	25	9	34	23
	合計	12	136	148	126	22	148	100

4.1.1 Employee Retention

CSSC implements performance management, using appraisal results as the basis for bonuses and salary adjustments, as well as promoting a rotation system and establishing a fair and open promotion system to provide employees with a channel for career development and self-fulfillment, which promotes employee retention. This has resulted in low employee mobility and high stability. In addition, the average length of service of employees is 13 years, and the average age of employees is 45 years old, which also shows a high retention rate and is helpful for the cultivation of talents and the sustainable development of the Company.

To protect employees' labor rights, CSSC complies with the advance notice provisions regarding the termination of employment contracts as stipulated in the Labor Standards Act: employees with 3 months to less than 1 year of service are given 10 days' advance notice; those with 1 year to less than 3 years of service are given 20 days' advance notice; and those with 3 years or more of service are given 30 days' advance notice.

The company has also established an unpaid parental leave of absence system for childcare. All current employees, regardless of job category, are eligible to apply. In 2025, a total of 9 male employees applied for paternity leave, 3 female employees applied for maternity leave, 1 male employee applied for a childcare leave of absence, and 1 female employee applied for a childcare leave of absence. CSSC offers competitive compensation and benefits, a positive and safe work environment, employee-centered management, and job stability—all of which are key factors contributing to the company's high employee retention rate.

The total number of employees who left CSSC in 2025 was 28.

The breakdown by age is as follows:

Age	20-29 years old	30-39 years old	40-49 years old	50 and older
Number / Percentage	0 (0%)	2 (7.1%)	11 (39.3%)	15 (53.6%)

The breakdown of employees who left CSSC in 2025 by region is as follows:

Region	Northern	Central	Southern
Number of People (Percentage)	6 (21.4%)	3 (10.7%)	19 (67.9%)

The breakdown of employees who left CSSC in 2025 by gender is as follows:

Gender	Male	Female
Number / Percentage	25 (89.3%)	3 (10.7%)

The reasons for employee departures at CSSC in 2025 are classified as follows:

Reason	Retirement due to reaching retirement age	Voluntary Resignation	Layoffs	Other
Number of persons of all ages (percentage)	13 (46.4%)	4 (14.3%)	1 (3.6%)	10 (35.7%)

Employee Turnover Rate at CSSC in Recent Years:

Reason	2023	2024	2025
Number of Departures	21	18	28
Total Number of Employees	459	453	442
Turnover Rate (%)	4.6%	3.9%	6.3%

4.1.2 Employee Salary and Benefits

CSSC recruits new employees at wages higher than the minimum wage set by the Ministry of Labor and attracts outstanding talent with a competitive overall compensation system (the ratio of CSSC's minimum salary to the minimum wage under the Labor Standards Act is 1.003:1). Employee salaries are determined by education and experience, position, market conditions and individual work performance, and do not differ on the basis of gender, race, religion, political affiliation, place of birth, place of ancestral origin, physical or mental disability, physical appearance or marital status. The starting salary ratio for male and female new recruits with the same qualifications is 1:1, with no difference on the basis of gender.

Based on each year's operating results and individual performance, CSSC distributes year-end bonuses, production and sales profit bonuses, no-leave/no-absence

of full-time employees in non-managerial positions, and on the changes in both figures compared with the previous year, can be found via the following path: Market Observation Post System → Summary Reports → Corporate Governance → Employee Benefits and Compensation Statistics → Salaries of Full-Time Employees in Non-Managerial Positions / Information on Salaries of Full-Time Employees in Non-Managerial Positions.

4.1.3 Performance Evaluation and Promotion System

In terms of employee employment and promotion, the Company has no restrictions on gender or age, no consideration on place of birth, nationality, marital status, physical appearance, political affiliation and religious beliefs. As long as the ability and qualifications meet the requirements of the position, all employees have equal opportunities; the age of employment is handled in accordance with the provisions of the Labor Standards Act, and no child labor has been employed since the establishment of the Company.

CSSC's performance appraisal system is based on the Company's business policy, annual benchmarks and business strategies, and is divided into six major items: leadership, planning and organization competency, analysis and judgment competency, knowledge and moral character, interpersonal relations, and safety and health, which are used as the basis for daily performance management and annual performance appraisal. CSSC has formulated the "Employee Appraisal Method" for the implementation of performance management. All employees are required to undergo performance appraisal once in January and once in July every year, and the annual performance appraisal results are also used as the basis for annual salary adjustment and bonus payment.

Employees who have accumulated a certain amount of work experience in CSSC and whose educational background and experience and performance appraisal meet the Company's requirements will be appointed as department heads of CSSC. The promotion system of CSSC is a dual-track promotion system for management and professional positions. Based on the "Employee Appraisal Method" and the promotion method for each grade of employees, the employee's qualities, expertise, functions, work performance and leadership development potential are assessed for promotion. The promotion is nominated by the employee's unit, and the promotion will be approved by the authority in charge of the promotion system, which includes the President of the Board of Directors (for the appointment of Assistant Deputy General Manager, General Manager's Special Assistant, and first-level supervisors, other than the chief of the Finance Division, the Audit Director), the General Manager (for the appointment of staff other than first-level supervisors), who review their qualifications, work performance, work experience, moral integrity and industrial safety and environmental protection performance, and then decide whether they should be promoted or not.

4.1.4 Employee Retirement and Relief Payment

In accordance with CSSC's personnel management system, an employee shall retire immediately under either of the following circumstances: (1) having reached the age of sixty-five; or (2) being unable to perform his or her work due to a physical or mental disability. The Company has established the "Regulations for Employee Retirement, Pension and Severance" and the "Guidelines for the Care of Retirees and the Bereaved Families of Employees Who Died in Service," and has set up a dedicated pension reserve account, making regular pension contributions in accordance with the law so as to provide stability for employees during their employment and after retirement. Shortly before an employee reaches retirement age, CSSC holds a retirement tea party to recognize the employee's hard work and contributions during their years of service, and provides post-retirement career planning services. After retirement, gifts or cash gifts are presented on the three major festivals, and retirees are invited to take part in company celebrations and cultural or recreational activities as appropriate to the nature of the event.

The Labor Pension Act took effect on July 1, 2005. Within five years from that date, the Company's employees were able to choose, according to their own preference, between the new and the old pension systems; employees hired on or after July 1, 2005, however, are uniformly subject to the new system. As of the end of December 2025, 431 employees were covered by the new system and 11 remained under the old system, each administered in accordance with the relevant provisions of the "Labor Pension Act" or the "Labor Standards Act," respectively.

The Company has established a Labor Pension Reserve Supervisory Committee in accordance with the law and makes monthly contributions to the labor pension reserve. For employees covered by the pension system under the "Labor Pension Act," the Company contributes 6% of the employee's salary each month to the employee's individual account at the Bureau of Labor Insurance. For employees covered by the pension system under the "Labor Standards Act," pension payments are calculated based on the employee's years of service and the average wage of the six months preceding the approved retirement date; the pension fund contributed by the Company for this portion has reached the statutory full-funding standard and, following review and approval by the Labor Pension Reserve Supervisory Committee and reporting to the Bureau of Labor for recordation, contributions have been suspended in accordance with the regulations. The Labor Pension Reserve Supervisory Committee convenes once each quarter to report on the current status of the Company's pension contributions, payments and balances.

4.2 Functional Development

CSSC encourages employees to participate in on-the-job training within and outside the Company to cultivate the talents needed for the Company's management and development, and has formulated the "Regulations on Employee Training Subsidy and Reimbursement" (with a subsidy to cover 3/4 of the training cost for language training and a subsidy of NT\$ 750 per credit for degree study) to support the implementation of the program. If the employee takes part in the language training in off-duty hours, the subsidy is given according to the number of hours of training. Employees are provided with favorable language training subsidies, and the language ability is included as one of the employee promotion assessment items to motivate employees to have self-improvement, and to use their spare time to choose the appropriate language training institutions for further study.

CSSC's education and training system is divided into the categories of managers, supervisors, engineers and staff, with management training, on-the-job training, labor safety and health training, professional training, and self-enlightenment training courses offered for all levels of positions.

New employees at CSSC must undergo a series of company-mandated training programs. The curriculum includes an introduction to the organization, a tour of the plant facilities, production and manufacturing processes, ethical conduct, service guidelines (including rules and regulations), administrative procedures, official document preparation, personnel and attendance management, human rights and data confidentiality, occupational safety and health, and environmental protection. This ensures that new employees can quickly integrate into the company's operations and embrace the spirit of CSSC.

CSSC's Average Training Hours per Employee by Gender for 2025 (hours):

Gender	Male	Female
Average training hours	17.3	16.7

CSSC's Average Employee Training Hours by Job Grade for 2025 (hours):

Gender	Managerial Staff	Supervisors	Engineer-Level Staff	Staff-Level Personnel
Average Training Hours	8.5	24.1	17.4	10.6

CSSC 's Training Hours by Type for 2025 (hours):

Training Type	New Employee Training	Information	Management	Workplace Safety	Health	Quality Assurance
Training Hours	300	134	1,332.5	3,284	33	247
Training Type	Procurement	Business	Technology	Law	General Education	Total
Training Hours	16	24	1,036	825	375	7,606.5



CSSC has been in operation for more than 40 years, and senior colleagues are retiring one after another. In order to carry on the valuable experience of senior staff, in line with the Group' s operations, we have start-ed to plan a Knowledge Management (KM) system, set up a Knowledge Management Committee and for-mulated the key points for the implementation of KM. Each unit is required to set a target for the number of reports to be submitted annually, and those who fail to meet the target are required to propose improve-ment measures. A competition system has also been set up, under which individuals and teams that receive awards in the annual evaluation are granted bonuses, encouraging colleagues to submit reports enthusiasti-cally.

4.3 Employee Rights and Benefits

4.3.1 Maintenance of Human Rights and Information Confidentiality

CSSC strictly complies with the laws and regulations of the jurisdictions where its global operations are located. The company supports and adheres to the principles and spirit of international human rights conventions, including the "United Nations Universal Declaration of Human Rights," the "United Nations Global Compact," and the International Labour Organization' s "Declaration on Fundamental Principles and Rights at Work." To demonstrate this commitment, the Company has established the "Human Rights Policy and Implementation Practices," which are disclosed on its official website. The Company regularly identifies occupational safety and health risks and significant environmental considerations for employees, continuously improves working conditions and employee well-being for all staff, and treats and respects all individuals equally. This policy applies to all managers and employees, as well as stakeholders such as affiliated companies, suppliers, and contractors. We are committed to eliminating all human rights violations and have established an administrative office as the unit responsible for managing and implementing the human rights policy.

We have established regulations and systems that comply with labor conditions in accordance with relevant government labor laws and regulations.

1. We provide equal employment opportunities to all job seekers in accordance with employment service laws and regulations.
2. We provide a grievance channel for employees whose lawful rights and interests have been infringed upon or who have been subjected to improper treatment and are unable to reach a reasonable resolution.
3. To provide employees with a work environment free from sexual harassment and to prevent incidents of sexual harassment in the workplace, we have established the "Guidelines for the Prevention of Sexual Harassment in the Workplace, Complaint Procedures, and Disciplinary Actions."

In order to regulate the management, maintenance and utilization of personal data as stipulated in the Personal Data Protection Act (hereinafter referred to as the PDPA), and to avoid infringement of personal rights and interests, CSSC has formulated the "Key Points for Personal Data Protection Management" to regulate the management of personal data, and to apply it to all those who are entrusted to collect, process or utilize personal data in accordance with the provisions of Article 4 of the PDPA. For those who are engaged in "state secret projects", "military secret projects", "scientific and technological secret projects", the "Guidelines for Confidentiality of People Engaged in Confidential Projects" have also been formulated to ensure compliance by the people working for such classified projects. CSSC has never any incident of violating the privacy of its employees or customers and any information missing.

The Guidelines for Personal Data Protection Management are as follows:

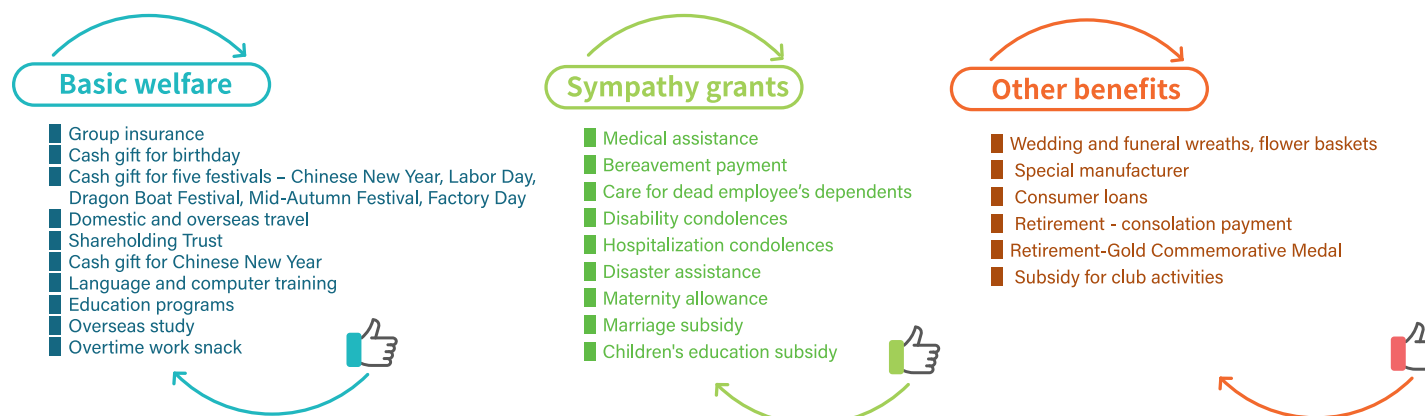
1. Before providing personal data to external agencies, there must be a legal basis, compliance with the competent authority' s requirements, or contractual provisions; such data shall be transmitted only after approval by the General Manager via a formal memorandum. To avoid the risk of data leakage or loss, both paper and electronic files shall be encrypted.
2. For personal data files that are of a special nature or whose file names are prohibited from disclosure under other legal provisions, disclosure may be restricted or the data may be withheld in accordance with the Government Information Disclosure Act or relevant legal provisions.

3. Audits shall be conducted periodically to inspect the storage and transmission of personal data at CSSC. Units under audit shall be required to make improvements regarding operations that may result in the loss, leakage, or misuse of personal data.
4. The Information Office shall inspect the sharing of electronic personal data files on network drives used by various units, maintain records of file modifications, and conduct audits to address risks that may lead to data leaks.
5. The Information Division shall install the necessary information security equipment and systems for email and portable hard drives, and shall implement control and audit procedures to address risks that may lead to data leaks.
6. For decommissioned personal computers, those still in working condition must have their hard drives formatted before being repurposed; for those no longer in working condition, the hard drives must be removed and disposed of after approval for scrapping.
7. Security measures for personal data files shall comply with the Executive Yuan's and other relevant regulations on information processing security and confidentiality.

4.3.2 Employee Welfare

CSSC has established an Employee Welfare Committee in accordance with the law. All full-time employees are members of the committee, which consists of 6 employer representatives and 12 employee representatives who work together to promote the welfare of the staff. CSSC allocates 40% of the proceeds from the sale of surplus scrap materials from factories and construction sites each month to fund the operations of the Employee Welfare Committee.

The welfare subsidy programs of the CSSC Employee Welfare Committee are as follows:



CSSC's regular and contract employees are insured with labor and health insurance, health care and group insurance from the day they report to work. In addition, their spouses, adult children, and parents who meet the insurance contract conditions are also eligible to enroll in health care group insurance at their own expense, so that employees can work with peace of mind and have no worries about their future.

CSSC provides annual health checkups for employees regardless of their employment type (including regular and contract) and age, which is better than the law. Spouses and children of employees can also participate in the checkups at their own expense enjoying the group preferential price of CSSC.

Regarding the employee retirement system, in addition to making regular contributions to statutory retirement accounts in accordance with the Labor Standards Act and the Labor Pension Act, CSSC has established a Stock Ownership Trust Committee. Full-time employees may determine their own monthly contribution amounts to purchase company stock through a fixed-amount, fixed-frequency plan, and the company will contribute an additional 20% of the employee's monthly contribution as a stock ownership incentive. CSSC has also established a public contribution fund system. For members who are subject to the Labor Pension Act, have continuously served with the company for at least five years (excluding retirement service), have been members for at least one year, and have maintained continuous contributions, the company contributes 2% of their base salary to the public contribution fund.

CSSC's Welfare Committee has set up an Employee Welfare Club, which cooperates with good manufacturers to offer special discounts or programs for daily necessities and foodstuffs at low prices, and also proposes seasonal gifts for employees and third parties to purchase in conjunction with specific festivals. The Welfare Club also purchases gift certificates

from major department stores and CPC Corp. to offer bulk purchase discounts to the employees.

CSSC is committed to providing a workplace that is friendly to marriage, childbirth, and family care-giving. Through a range of support measures, the Company helps employees balance work, life, and family caregiving responsibilities, enhancing the balance between work and family.

At the institutional level, CSSC has implemented a flexible working hours system to help employees address needs such as family caregiving and picking up or dropping off children, and offers holiday bene-fits that exceed statutory requirements (as detailed in the table below):

Type of Leave	Days	Description
Leave for parents hosting a child's wedding	1	Not specified under current regulations
Prenatal check-up leave	8	Better than the 7 days required by the Act of Gender Equality in Employment
Special leave for new hires	1 day granted after three months of service	Better than the Labor Standards Act, which grants 3 days of special leave for employees with at least six months but less than one year of service
Funeral leave	1–14	Depending on the relationship to the deceased; better than the maximum of 8 days of funeral leave under the Regulations of Leave-Taking of Workers

At the benefits level, to convey the Company's support and care for employees during important life stages, in 2025 the Company disbursed more than NT\$25,000 in marriage subsidies. To ease the burden of children's education expenses and help stabilize employees' lives, in 2025 the Company disbursed more than NT\$1.37 million in children's education scholarships and grants. In addition, to celebrate the birth of a child to an employee or an employee's spouse, the Company disbursed more than NT\$39,000 in newborn congratulatory gifts in 2025.

In addition, to promote interaction among colleagues while supporting parent-child companionship and family quality of life, the Company organizes Family Day, group hiking, and other social activities.

To help colleagues manage stress arising from the workplace or career development, the Company holds lectures on "Workplace Stress Management" to help colleagues improve their physical and mental well-being and workplace adaptability. In 2025, a cumulative total of 177 person-hours of training was conducted.





4.3.3 Labor and Management Communication

CSSC attaches importance to the benefits and welfare of employees, and actively cultivates talents, treats employees with honesty and respect, and creates a harmonious and pleasant working environment. In order to strengthen labor-management communication and establish a harmonious labor-management relationship, we have established various communication channels between employees and the Company to achieve the purpose of full communication and effective problem solving.

CSSC's labor-management communication channels are as follows:

Item	Communication Channel	Content of Feedback	Frequency of Meetings/Announcements
1	Company Administrative System (i.e., Department → Plant (Division) → Deputy General Manager → General Manager → President)	Any individual or unit wishing to express an opinion must first raise the matter through the administrative system to their immediate supervisor. Supervisors at all levels should assist in coordinating with the relevant departments to address the issue. If the matter is deemed not to have been handled appropriately, it may be escalated through the following channels: the Employee Welfare Committee, the Company Union, labor-management meetings, and the grievance system, among others, to seek a resolution	Irregularly
2	Employee Welfare Committee	Matters concerning employee welfare and rights	Quarterly
3	Occupational Safety and Health Committee	Matters related to ensuring employee safety and health at work	Quarterly
4	Labor Retirement Reserve Supervision Committee	Matters related to the accumulation, utilization, and management of retirement reserves	Quarterly
5	Labor-Management Meetings	Matters related to communication and coordination, such as fostering harmonious labor-management relations and promoting labor-management cooperation	Quarterly
6	Corporate Trade Union Board of Directors and Supervisors	Enhancing the status of workers, advocating for their rights and benefits, and coordinating the handling of various grievances raised by union members	Quarterly
7	Workplace Sexual Harassment Complaints Committee	Handling complaints regarding sexual harassment in the workplace.	Upon receipt of a complaint
8	Employee Proposal Committee	Cases involving employee proposals for improvements regarding work, costs, occupational safety, etc.	Quarterly
9	Announcements	Notifications of job reassignments, rewards, and disciplinary actions	Irregularly
10	Company Website	Company News	Irregularly

CSSC has established standard operating procedures for employee suggestions. Suggestion boxes are wide-ly placed throughout the plant to encourage employees to submit ideas for improvement. This suggestion system also applies to subcontractors, visitors, and clients. Once a suggestion is adopted, a bonus will be awarded based on the level of contribution. In 2025, 29 employee suggestions were approved (including improvements in management, workplace safety, and manufacturing), and employees actively hope that the company will continue to innovate and improve.

In order to provide a work environment free from sexual harassment for employees and job applicants, and to prevent sexual harassment in the workplace, CSSC has established sexual harassment prevention measures, complaint and disciplinary procedures, and has set up a Workplace Sexual Harassment Complaint Committee. As of the end of 2025, no substantiated case of sexual harassment has occurred.

CSSC conducts annual employee satisfaction surveys to understand employees' personal opinions and satisfaction levels regarding the company's internal systems (including facilities), and to use the results as a reference for enhancing organizational cohesion and improving work processes. The results and implementation status of the 2025 employee satisfaction survey are as follows:

Every five years, CSSC expands its factory celebration activities, publicly recognizes senior employees and exemplary laborers, and invites family members of employees to have fun together, which enhances the employees' centripetal force, demonstrates the interaction between the Company and the local community, and promotes the exchange of local cultures.

CSSC organizes labor education every year, and chooses a famous resort hotel in Taiwan to hold the event. The agenda includes explanations of the Company's business dynamics by senior managers, and the labor education also includes a travel to enhance the employees' recognition and cohesion, and promote harmony in the workplace.



Target Group	All employees
Executing Division	Administration Division
Survey Frequency	Once a year
Survey Period	January 1, 2025 – December 31, 2025
Survey Dimensions	Work Environment and Organizational Culture, Compensation and Benefits, Management Systems, Interpersonal Communication and Interaction, Work and Career Development, Organizational Commitment and Identification
Survey Results	This survey was divided into six major dimensions (18 questions in total). A total of 205 valid questionnaires were collected, representing a response rate of 46.3%;The company-wide weighted average score per question was 5.48, with a total score of 98.96 across all 18 questions (out of a possible 126). Converted to a 100-point scale, this equates to 78.4 points, representing a slight increase of 0.7% compared to the previous survey.
Improvement Plan	In response to the results of this survey, the planned improvement initiatives for 2026 are as follows: 1.Regarding the “Hardware, Software, and Facilities Required for Work” category, the company will gradually upgrade outdated equipment and systems and strengthen system support services. 2.Continue to promote the internal suggestion improvement system, increase opportunities for communication and exchange, encourage employees to provide constructive feedback on their respective work processes (or surrounding facilities), and offer appropriate rewards and recognition. 3.To optimize and implement internal compliance practices, the company will strengthen training for management personnel and establish complaint channels; the audit department will also formulate an annual audit plan and carry out various audit operations according to schedule.

4.3.4 Enterprise Labor Union

On June 1, 1988, employees of CSSC established the CSSC Corporate Labor Union. Its objectives are to develop production operations, promote cooperation between the union and the company, safeguard members’ rights and interests, improve members’ quality of life, enhance members’ knowledge and skills, and assist the government in implementing policies. The union has established its own bylaws. With the exception of managers at Level 1 and above, as well as the head and deputy head of the human resources department, the remaining 94% of employees, as well as personnel transferred to other investment units due to business needs, are union members and are eligible to participate in and be protected by the union. The union consists of seven directors. The General Assembly of Member Representatives elects one director to serve as Chairperson to preside over daily affairs. The union also appoints one Secretary and one Executive (to handle daily operations). It is organized into four divisions: General Affairs, Services, Welfare, and Organization and Training, with each division headed by a division head who is concurrently a director. The union’s primary objectives are to maintain open channels of communication between labor and management, advocate

for fair and reasonable working conditions, and foster harmonious and stable labor-management relations. In addition, union members participate in the operations of external unions, such as the Kaohsiung City General Trade Union and the Kaohsiung City Machinery General Trade Union, assisting in the mediation of labor-management disputes, disputes regarding the right to work, and other related matters.

In order to stabilize labor-management relations, promote labor-management harmony, and protect labor rights and interests, CSSC and the Enterprise Labor Union started the negotiation process for the collective bargaining agreement in March 2023, and after half a year and three negotiation meetings, the labor and management concluded the collective bargaining agreement on November 24th, 2023, which is valid from the date of signing to November 23, 2026, a total of 3 years. Those contents that are better than what specified by the law include the “Employee Stock Ownership Trust Incentive” which encourages employees to become the Company’s business partners, the “8-day Prenatal Leave” which creates a friendly working environment. At the same time, through the mode of collective bargaining agreement, the management system has become a labor code that both the employers and the employees have agreed to abide by.

4.4 Occupational Safety and Health

CSSC introduced the Occupational Safety and Health Management System in 2003, and completed the CNS 45001/ISO 45001 system certification renewal by 2025. It is continuing to promote regular certification every year to improve management efficiency.

CSSC has established an Occupational Safety and Health Committee in accordance with the law to review the company’s safety and health performance. Members include: the Chairperson (General Manager), Vice Chairperson (Deputy General Manager for Management and Production), Assistant Deputy General Manager for Production, 14 employee representatives (accounting for more than one-third of the total membership of the Occupational Safety and Health Committee), an Executive Secretary, medical personnel, occupational safety and health personnel (2 members), department heads (6 members), among others. All members are employees. The committee convenes quarterly to review the effectiveness of occupational safety and health initiatives and to approve follow-up implementation plans. In addition to the matters required by law, the production units (Kaohsiung Plant, Guantian Factory, and Engineering Division) present implementation results regarding the current status of environmental and operational controls within their respective areas of responsibility. This not only helps achieve the goal of continuous improvement but also serves as a basis for sharing experiences and implementing parallel initiatives.

4.4.1 Compliance with Safety and Health Regulations

Compliance with regulations is one of CSSC’s policies for safety, health, energy and environment, with the primary goal of meeting all safety and health requirements of governmental agencies. After comparing the laws and regulations published by the Ministry of Labor and other related governmental agencies (e.g., Ministry of the Environment, Fire Department, etc.), we conduct regular identification of the applicability of the laws and regulations and compliance to ensure that CSSC is in compliance with the laws and regulations.



CSSC's violations of occupational safety and health laws and regulations in recent years are as follows:

Year	2023			2024			2025	
Enforcing Agency	Kaohsiung City Labor Bureau	Taipei City Government	Tainan City Labor Bureau	Taipei City Labor Bureau	Southern Taiwan Science Park Administration	Occupational Safety and Health Administration	Southern Tai-wan Science Park Administration Bureau	Occupational Safety and Health Administration
Number of Reports (cases)	1	1	1	1	2	1	1	7
Amount of Penalty (10,000 NTD)	10	3	10	10	25	10	10	68

4.4.2 Safety and Health Audit

CSSC regularly assesses contractors' environmental, health, and safety (EHS) management capabilities. It schedules monthly EHS audit plans, with the headquarters assigning staff members who have extensive experience and expertise in the EHS field to conduct audits at construction sites and production plants throughout Taiwan. These audits evaluate the contractors' current EHS implementation status and compliance with regulations. The audit results are documented in EHS audit reports. Any deficiencies identified during the audit process are documented in the system and recorded as deficiency notices. Cases are closed only after the audited unit reports on the status of corrective actions. This process helps identify unsafe environments, behaviors, and actions that may cause environmental pollution, thereby preventing occupational accidents and mitigating environmental impacts to reduce operational risks and enhance the company's corporate image.

As can be seen, the characteristics of the CSSC industry indicate that the primary types of workplace safety deficiencies are falls from heights (14%), electric shock (14%), health and safety documentation (14%), falling objects (12%), and environmental factors (11%). With the exception of environmental factors—which relate to organization and tidiness (5S) and health and safety documentation—the others can lead to workplace accidents with even the slightest lapse in caution. Therefore, CSSC Engineering continues to promote the following workplace safety improvement measures:

1. Formulating "Guidelines for Implementing Toolbox Meetings" to facilitate operations by subcontractors and production unit managers. In addition to promoting operational procedures and safety precautions, these guidelines ensure that workers remain alert and maintain records of implementation.
2. If the ratio of the web height to the flange width of a structural steel member exceeds 3:1, clamps must be installed to prevent the member from toppling due to an unstable center of gravity.
3. Procure or upgrade flipping equipment, providing chain-type flipping machines to assist in flipping steel components and ensure their stability during the process.
4. Evaluate each unit's occupational safety management capabilities using quantitative data and provide recommendations for improvement.
5. Establish a unit performance incentive system that links workplace safety performance to individual performance evaluations, rewarding excellence and penalizing poor performance.
6. Clearly define material stacking methods; stack materials with a wider base and narrower top, and use a step-down method for each layer to ensure material stability.
7. Establish regulations for transportation and loading operations to protect against and prevent accidents such as overturning or tipping during the transportation and loading of structural components, ensuring product safety during transport.
8. Promote a supervisor inspection system to foster a safety culture in which supervisors proactively care for employee safety.
9. Organize on-site and construction site safety observation sessions to gather suggestions for safety improvements.
10. On-the-job training is conducted by senior on-site colleagues who share their practical experience.

The results of the 2025 safety and health audit for CSSC are as follows:

Type	Fall	Collapse and slide	Fire and Explosion	Electric Shock	Objects flying down	Energy
Percentage (%)	14	9	9	14	12	2
Type	Collisions	Cutting crimping	Environ-ment	Safety and health docu-ments	Others	
Percentage (%)	5	4	11	14	6	

4.4.3 Friendly Working Environment

A well-designed workplace can effectively reduce the likelihood of occupational accidents. We are continuously striving to create a safe workplace through the following measures:

1. Adopt a large area of light wave plate on the roof of the factory to enhance the illumination in the factory and save artificial lighting, and plan the safety walkway of the factory and roads, and the safety confirmation point before entering the workplace. Remind employees and third parties to pay attention to their own safety, set up a stop bell at the entrance of the safety walkway for visitors to press before entering the workplace, and remind third parties to pay attention to the safety of the visitors.
2. Guardrails have been installed along the perimeter of the roof to reduce risks associated with roof work by construction crews.
3. The administration building, offices and production plants are equipped with continuous water dispensers that provide warm, hot and cold drinking water, and the condition of the filter media is checked and analyzed for E. coli colonies on a regular basis.
4. A walking path has been set up around the whole factory of Kaohsiung Plant, along which a large number of trees, shrubs, and flowering plants such as dwarf ixora are planted, so that the employees and the third party can relieve physical and mental stress and improve work efficiency.
5. A large area of green space has been retained in the factory area. Since the green space is not hard-surfaced, it allows rainwater to infiltrate freely into the ground during the rainy season, so that the soil in the factory area can contain a large amount of water; the administrative area, parking lot, and walking paths around the plant are made of interlocking bricks and other permeable materials, replacing the impermeable surfaces such as AC, RC, and so on. During the dry season, the water evaporates into water vapor and lowers the temperature inside the factory area.
6. CSSC has a breastfeeding room in the administration building and factory offices, equipped with beds, sofas, refrigerators, and restrooms, which is open to employees with breastfeeding needs, third parties, or visitors. A dedicated person is responsible for maintaining a clean environment in the breastfeeding room.
7. Emergency bells are installed in the restrooms, which are connected to an external warning light that emits a bright light and sound when the bell is pressed to ensure the safety of users.

8. CSSC's administration building is adjacent to the parking lot for the physically and mentally challenged and mother and baby-friendly parking spaces. The location of the parking lot is close to the administration building, so that physically and mentally challenged people and pregnant women can park their vehicles close to the building.

4.4.4 Industrial Safety Zone

The CSSC has set up an Industrial Safety Zone on its corporate portal, which provides employees with the data they need to perform industrial safety work (including agreement organization management, safety, health, energy and environmental document library, and industrial safety advocacy), and provides a convenient channel for colleagues from other places to obtain the data they need to perform their business.

4.4.5 Safety and Health Education and Training

In compliance with the Occupational Safety and Health Act, CSSC organizes safety and health education and training on a regular basis, and commissions external professional training institutes for some special occupational safety training to enable employees or third parties to acquire the necessary knowledge and skills to perform their jobs. The concepts of occupational safety for the employees or third parties are also strengthened through continuous training.

The number of participants in CSSC's 2025 initial workplace safety training is shown in the table below:

Reason	Regular Employees				Total Participants
	Management Department	Supervisors	Specialist Level	Staff Level	
Total Number of People	-	-	9	6	15

The number of participants in the 2025 initial occupational safety and health training at CSSC, by gender, is shown in the table below:

Item	Male	Female
Total Number of Participants	10	5



The number of participants in CSSC's 2025 workplace safety refresher training is shown in the table below:

Category	Regular Employees				Total Attendees
	Management Departments	Supervisors	Specialist Level	Staff Level	
Total Number of People	5	15	40	65	125

The number of employees at CSSC who participated in the 2025 workplace safety refresher training, by gender, is shown in the table below:

Item	Male	Female
Total Number of Participants	118	7

4.4.6 Statistical Analysis of Occupational Hazards

CSSC passed the CNS 45001/ISO 45001 system certification renewal in 2025, and conducts regular tracking every year to consolidate the existing safety and health management model, strengthen occupational safety and health management, and gradually improve the unsafe environments and unsafe equipment in the factory area. In response to the third-party incapacitating accidents, CSSC has launched the publicity of the investigation results of the accidents in parallel, and continues to improve workplace safety and create a comfortable and friendly working environment through the PDCA management cycle.

CSSC's 2025 figures for employees, FR, SR, work-related injury rate, occupational disease rate, lost-time injury rate, and annual fatalities are as follows:

Indicator Name	Calculation Rules	Result
Frequency Rate of Disabling Injuries (FR)	Frequency of Disability Injuries = (Total Number of Work-Related Injuries × 1,000,000 (work hours)) / Total Work Hours	0
Severe Disability Injury Rate (SR)	Disability Injury Severity Rate = (Total lost work hours due to work-related injuries × 1,000,000 (work hours)) / Total work hours	0
Work-Related Injury Rate (IR)	Work-Related Injury Rate = (Total Number of Work-Related Injuries × 200,000 (work hours)) / Total Work Hours (approximately 1/5 of the FR)	0
Occupational Disease Rate (ODR)	Occupational Disease Rate = (Total Number of Occupational Disease Cases / Total Working Hours (hours)) × 200,000 (working hours)	0
Lost-Time Rate (LDR)	Lost Time Rate = (Total Lost Work Hours Due to Work-Related Injuries × 200,000 (work hours)) / Total Work Hours (approximately 1/5 of SR)	0
Annual Number of Fatalities	Number of work-related deaths during the reporting period	0

CSSC's 2025 FR and SR metrics for subcontractors are as follows:

Indicator Name	Calculation Rules	Result
Frequency of Disabling Injuries (FR)	Frequency of Disabling Injuries (FR) = (Total Number of Work-Related Injuries × 1,000,000 (work hours)) / Total Work Hours	1.1
Serious Injury Rate (SR)	Serious Injury Rate = (Total Lost Work Hours Due to Work-Related Injuries × 1,000,000 (work hours)) / Total Work Hours	191.38

4.4.7 Health Examination and Health Promotion

Employees are the greatest asset of a company, and only healthy employees can bring the company the greatest growth momentum. The Company continues to promote safety and health and health promotion activities, and actively build a good workplace environment. CSSC has been awarded the Health Promotion Mark by the Health Promotion Administration.

1. Employee Health Checkups

CSSC provides annual health checkups for all its employees, regardless of their age and gender, which is better than the current legal requirements. In addition to general health checkups, the checkups also include abdominal ultrasound and tumor markers screening. Moreover, we also follow the National Health Administration's Cancer Screening Program to screen for oral cancer, in order to provide our employees with more in-depth health checkups. After the employees obtain the annual health check report, CSSC also appoints occupational medicine doctors to visit the factory for health consultation and disease prevention lectures.

In 2025, some employees at CSSC were engaged in work involving special health hazards. These employees were required to undergo the following additional special health examination items:

Name of Special Task / Special Health Examination Items	Noise Exposure	Dust-Exposed Work
Special Health Examination Items	Pure-tone hearing test	Chest X-ray, Pulmonary Function Test
Number of Employees Engaged in Work Positions with Special Health Hazards	57	89
Number of Level 1 Supervisors	30	63
Number of second-level managers	27	26
Number of third-level managers	0	0
Number of Level 4 Managers	0	0

CSSC has formulated control measures and standard operating procedures for operations with high risk of occupational diseases. In addition to installing protective equipment, CSSC also provides relevant safety gears for employees to use in order to reduce the risk of occupational diseases among employees

Type of Work	Noise-Exposed Operations	Dust-Generating Operations	Electric Welding Operations	Work Involving Organic Solvents
Occupations Prone to Occupational Diseases	Hearing loss, mental health disorders	Pneumoconiosis	Parkinson's disease, glaucoma, cataracts	Abnormal liver function
Protective equipment	Soundproof walls	Local exhaust ventilation	Ventilation equipment	Local exhaust ventilation
Protective Equipment	Earplugs	Supplied-air respiratory protection	Cartridge-type respiratory protection, safety goggles	Cartridge-type respiratory protection

2. Health Seminars and Awareness Campaigns

To promote the physical and mental well-being of employees, the company organizes health promotion activities and seminars on an irregular basis throughout the year, providing employees with information on wellness and the latest medical developments.

The health seminars and awareness campaigns organized by CSSC in 2025 are as follows:

Date	Location	Event / Topic
January 2, 2025	Kaohsiung Plant	Company-sponsored flu vaccine and COVID-19 JN.1 vaccine administration
January 17, 2025	Kaohsiung Plant	Health Promotion and Education Session
February 21, 2025	Guantian Factory	Balanced Diet, Cardiovascular Disease Prevention, and Drug Abuse Prevention Awareness Campaign
September 11, 2025	Kaohsiung Plant	Prevention of Lower Back Pain and Stretching Exercises
September 19, 2025	Guantian Factory	Diet and Health
November 6, 2025	Kaohsiung Plant	Government-Funded Flu and COVID-19 LP.8.1 Vaccinations

3. On-site Services by Nurses and Physicians

CSSC employs licensed nurses to provide emergency medical care and health education to employees and subcontractors at any time. Once a month, the company regularly invites occupational medicine specialists to provide on-site services, offering free health consultations, hygiene guidance, and other services to employees and subcontractors.



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5. Supply Chain

- 5.1 Supplier Management
- 5.2 Contractor Management



Supply Chain

5.1 Supplier Management

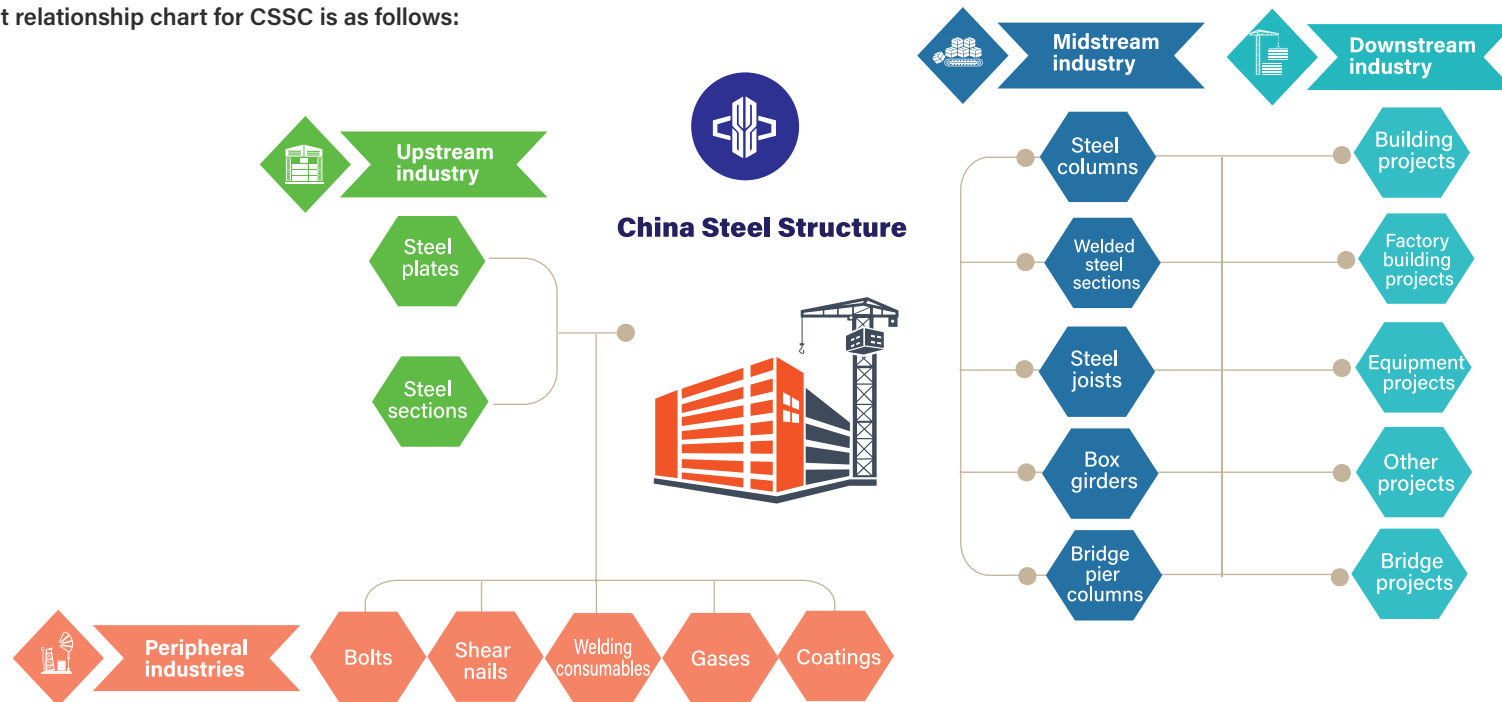
5.1.1 Local Procurement

Most of CSSC's primary raw material suppliers are based in Taiwan, with many concentrated in central and southern Taiwan. These include China Steel (steel plates), Dragon Steel (hot-rolled structural steel and narrow-width steel plates), and other suppliers of steel products, welding materials, and hardware. Key raw material suppliers were evaluated and graded for the first time during the 2025 assessment. Subsequent routine evaluations of suppliers are conducted every six months. In 2025, a total of 27 suppliers underwent routine assessments, all of which scored 95 points or higher and met the company's standards. To ensure that all suppliers comply with CSSC's corporate sustainability policy requirements, the following evaluation criteria have been established:

1. Raw material quality must comply with CNS standards or equivalent standards.
2. Suppliers must have a good reputation and consistent quality.
3. Accurate delivery times and a high level of responsiveness to urgent requests.
4. Production sites are assessed for compliance with environmental protection regulations, including life-cycle management of hazardous substances, pollution prevention and process improvement, and wastewater and waste treatment. Suppliers that have a significant negative impact on the environment will not be included in the list of qualified vendors.

The suppliers of CSSC include raw material suppliers, equipment suppliers, production suppliers, construction suppliers, labor suppliers and service suppliers, and the characteristics of suppliers can be divided into labor-intensive, capital-intensive and technology-intensive categories. The suppliers of both Kaohsiung Plant and Guantian Factory are from Taiwan. In terms of the geographical location of the suppliers and the distribution of the number of employees, the suppliers of CSSC in Taiwan are mainly concentrated in the southern region (Kaohsiung, Pingtung, and Tainan areas).

The market relationship chart for CSSC is as follows:



5.1.2 Supplier Characteristics

Suppliers must complete vendor registration and undergo an evaluation by CSSC to assess their capabilities in areas such as quality, delivery times, and project performance. Additionally, suppliers must be legally registered and approved companies recognized by the government, subject to regulation and inspection by relevant local authorities such as the Labor Bureau and Environmental Protection Bureau. Those meeting the qualification requirements are incorporated into the supply chain management system, and when contracting out various types of work, CSSC may select qualified vendors to request quotations. CSSC views suppliers as important business partners in its operations and is committed to maintaining long-term cooperative relationships with them. In addition to ensuring product quality, delivery times, and competitive pricing, suppliers must undergo periodic evaluations by CSSC and strictly comply with domestic laws and regulations, as well as the company's internal policies regarding environmental and safety requirements, in order to uphold the spirit of corporate social responsibility.

5.1.3 Procurement Safety and Health Management

Regarding the procurement of raw materials, equipment, protective gears and components, in accordance with the "Procurement Management Methods" of CSSC Quality Management System and Safety, Health and Environment Management System, the requisitioning unit must clearly record the type, specification, size, quantity, period of use, purpose and relevant safety and health standards of the goods required when making the requisition for purchase. If necessary, the requisition will be forwarded to the Industrial Safety Division, which will assist the requisitioning unit in formulating the safety and health specifications and conditions of the requisitioned items, so as to ensure that the purchased items comply with the safety and health standards. During the acceptance of the purchased items, the quality assurance unit or the requisitioning unit should double-check whether the purchased items meet the requirements.

5.2 Contractor Management

Steel structure industry is a labor-intensive industry. Due to the increase in the orders received by CSSC year by year, the employees of CSSC have been transformed to engage in the management job from the direct engagement in production work in the early years. At present, Kaohsiung Plant and Guantian Factory have entrusted the work of most of their steel production lines to specialized manufacturers, and the production lines are all third parties in Taiwan.

In order to make the contractors integrate into CSSC's industrial safety culture, we have developed the "Third Party Safety and Health Management Measures". The Measures describes CSSC's safety and health requirements and standards, and is used as one of the conditions of performance for signing the contract with the third party. Contractors are required to comply with CSSC's Code of Conduct and fulfill all safety and health requirements. If there is any significant event with an impact on the environment and society, CSSC may terminate the contract with the contractor or implement suspension, depending on the circumstances.

Before the commencement of work, the contractor shall hold a "Pre-construction Coordination Meeting" with the organizer of CSSC for the contractor to be informed of the possible hazards in the workplace and work content and how to prevent them. The

contractor shall designate a site manager and a work safety officer who will be responsible for carrying out automatic inspections, improving safety and health facilities and other safety and health related work, and the contractor shall apply for joining the organization meeting of each workplace of CSSC to carry out work coordination.

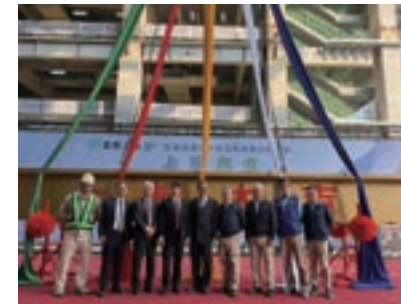
After the commencement of the third party's work, CSSC will hold regular meetings to discuss issues related to joint work at the workplace, which will help to clarify the hazards arising from joint work, communicate issues related to mutual cooperation and assistance, and discuss issues related to the third party's human rights at work.

CSSC attaches great importance to the health of third-party employees and organizes annual health checkups for third-party employees, which are more frequent than required by law, so as to keep track of the health status of third-party employees on a regular basis.

5.2.1 Contractor Evaluation

Any contractor wishing to undertake work for CSSC must first complete contractor registration and undergo a capability assessment and approval process. Upon approval, the contractor is assigned a classification code and placed under registration and control, serving as a source for selecting subcontractors when soliciting bids and awarding contracts for various types of work. On-site operational units conduct monthly performance evaluations of each subcontractor. In addition to scoring their performance in quality, progress, cooperation, and occupational safety, the Company includes subcontractor personnel attendance rates as an evaluation item in the monthly assessment forms (for example, conducting random spot checks to verify whether subcontractors' overtime and leave arrangements comply with relevant laws and regulations to ensure adherence to labor laws). Furthermore, our engineering contracts and occupational safety and health management regulations require subcontractors to maintain relevant insurance coverage to ensure that, in the event of occupational accidents or incidents, appropriate insurance claims and compensation can be provided to protect the rights and interests of subcontractor employees.

In accordance with the above regulations, evaluations are conducted on a regular basis, and the results serve as a reference for subsequent vendor selection. If a vendor's evaluation score falls below 70 for three consecutive months, the Company will suspend its eligibility for one year; if the score falls below 60, eligibility will be suspended for two years. In 2025, all subcontractors achieved evaluation scores of 70 or higher, and their evaluation results met the Company's standards.





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6. Environmental Protection

- 6.1 Green Products
- 6.2 Green Factory Buildings
- 6.3 Response to Climate Change
- 6.4 Energy and Resource Management
- 6.5 Environmental Management



Environmental Protection

6.1 Green Products

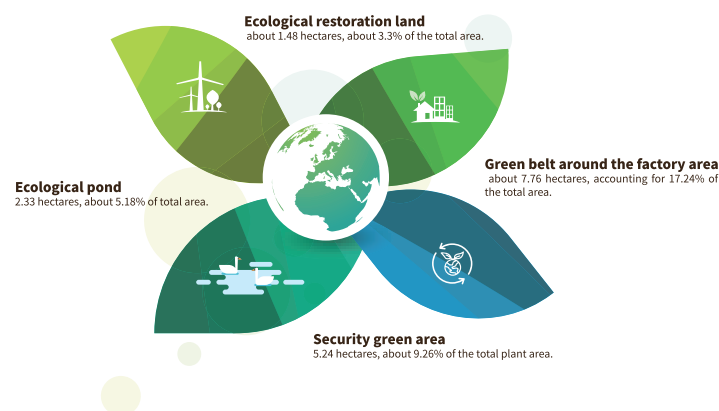
The primary raw materials for steel structures are steel plates and hot-rolled structural steel, most of which are sourced from China Steel Corporation (CSC) and Dragon Steel Corporation. Since the production of steel plates and structural steel involves not only iron ore but also the addition of scrap steel during smelting, and since the steel plate offcuts generated during CSSC's manufacturing process—as well as materials from the future demolition of steel structures—are sent back to steel mills for recycling and remelting, the raw materials used in the steel structure manufacturing process (steel plates, structural steel, angle iron, round tubes, etc.) can also be regarded as important recycled materials.

No hazardous substances are used in the manufacturing process of CSSC's products. Major raw materials, such as steel plates and hot-rolled structural steel, have obtained radiation-free certificates and material safety certificates issued by companies such as China Steel and Dragon Steel. No hazardous substances are added during the steel plate manufacturing processes at China Steel and Dragon Steel; product quality complies with international and domestic environmental protection regulations and adheres to the European Union's Restriction of Hazardous Substances (RoHS) Directive. Regarding cadmium (below 100 ppm), mercury, lead, hexavalent chromium, polybrominated biphenyls, and polybrominated diphenyl ethers (all below 1,000 ppm) in steel plates are strictly controlled to guarantee the safety and quality of the raw materials and ensure customer safety during use.

6.2 Green Factory Buildings

As part of CSSC's efforts toward environmental sustainability, in addition to actively implementing energy-saving and carbon-reduction measures to mitigate climate change, the company recognizes that ecological and biodiversity conservation are key actions for achieving environmental sustainability. Fully aware of the importance of biodiversity and the preservation of forests for ecological and climate stability, therefore, for areas adjacent to our existing operational sites that overlap with biodiversity hotspots, we commit to implementing strategies such as avoidance and mitigation to minimize our impact on these areas. We also regularly monitor the ecological environment surrounding our operational sites and assess our impact. By integrating the principles of ecological conservation and environmental stewardship, we aim to realize a vision where daily life, production, and ecology coexist harmoniously.

In order to take into account of the concept of ecological conservation, the Kaohsiung Plant's ecological conservation area covers a total of 16.81 hectares (about 37.4% of the total area), constituting a multi-level habitat for plants and animals. The green belt around the factory not only reduces the perception of noise from the factory by the neighboring residents, but also purifies the air quality. The ecological pond not only has the function of flood retention, but also has ecological and landscape benefits. We utilize shallow wetlands, wide and deep pools, hard and soft canal bottoms, and hard and soft berms to create a habitat environment, and combine with educational and interpretive facilities to play the function of education and advocacy, as well as the balance of the plant's ecological environment.



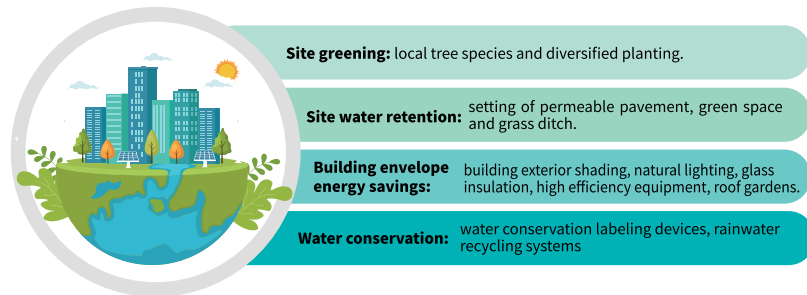
In addition, to facilitate the reuse of treated wastewater, a “Nature Treatment System for Water Pollution Control” has been implemented. This system utilizes ecological engineering methods for wastewater treatment. Diverse aquatic plants are cultivated within the ecological ponds to create natural habitats, thereby achieving a balanced, self-sustaining cycle with the surrounding environment.

CSSC requires that employees and contractors must not disturb, capture, or harm wildlife moving within the plant premises. Wildlife is free to roam the plant grounds, and since the ecological conservation area is not adjacent to production zones, production operations do not affect the activities of local native species. Currently, a variety of bird species can be observed at the Kaohsiung plant, with both their numbers and diversity showing a gradual increase.



6.2.1 Green Buildings

The construction of CSSC's facilities has not had a significant impact on biodiversity or protected species. Furthermore, the Kaohsiung Plant's administrative building incorporates green building design concepts, planned in the most environmentally friendly manner possible. The design is based on green building indicators such as site greening, water retention, daily energy conservation, and water resource management. In 2013, the building obtained the Taiwan EEWH Green Building Label, reflecting our commitment to achieving mutual prosperity with the local ecosystem.



6.2.2 Ecological Survey

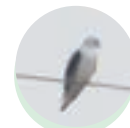
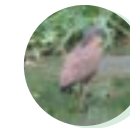
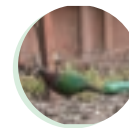
The CSSC Kaohsiung Plant is located near the Wushanding Mud Volcano Nature Reserve, while the Guantian Factory is not situated within a nature reserve or general conservation area. The area surrounding the Kaohsiung Plant retains extensive native vegetation, with a rich variety of native flora and fauna and a complex ecosystem. In addition to raptors, the skies above the plant are home to a significant number of mixed flocks of *Accipiter trivirgatus*, *Spilornis cheela*, *Elanus caeruleus*, *Glareola maldivarum*, *Bambusicola thoracicus*, *Megalaima nuchalis*, *Pomatorhinus musicus*, *Erythrogenys erythronemus*, *Cyanoderma ruficeps*, *Heterophasia auricularis*, *Acridotheres cristatellus*, *Lanius cristatus*, *Apus nipalensis*, *Dicrurus macrocercus*, *Dendrocitta formosae*, *Pycnonotus sinensis*, *Hypsipetes leucocephalus*, *Sprizixos semitorques*, *Prinia inornata*, *Sinosuthora webbiana*, and *Hypothymis azurea*. A comparison of ecological survey reports from the construction and operational phases of CSSC reveals that the bird species inhabiting the company's Kaohsiung plant have stabilized, with population numbers showing a gradual increase. During the breeding season, birds are frequently observed nesting and breeding within the plant grounds, indicating that CSSC's ongoing efforts to preserve the natural environment are beginning to yield results.

The following bird species, designated as protected by the Council of Agriculture and listed on the International Union for Conservation of Nature (IUCN) Red List, can be observed within the CSSC Kaohsiung plant site as of 2025:

Family name	Chinese name	Scientific name	Conservation category by Council of Agriculture based on Act on Wildlife Conservation (Note 1)	Specific to Taiwan
Accipitridae	Crested Goshawk	<i>Accipiter trivirgatus</i>	II	V
Accipitridae	Crested Serpent Eagle	<i>Spilornis cheela</i>	II	V
Accipitridae	Black-winged Kite	<i>Elanus caeruleus</i>	II	-
Glareolidae	Oriental Pratincole	<i>Glareola maldivarum</i>	II	-
Phasianidae	Taiwan Bamboo Partridge	<i>Bambusicola thoracicus</i>	-	V
Phasianidae	Taiwan Barbet	<i>Megalaima nuchalis</i>	-	V
Thrush family	Small Curl-billed	<i>Pomatorhinus musicus</i>	-	V
Thrush family	Large Curved-billed	<i>Erythrogenys erythronemus</i>	-	V
Thrush family	Mountain Redhead	<i>Cyanoderma ruficeps</i>	-	V
Turtle-dove family	White-eared Bulbul	<i>Heterophasia auricularis</i>	-	V
Sturnidae	Myna	<i>Acridotheres cristatellus</i>	II	V
Shrewbird family	Red-tailed Shrike	<i>Lanius cristatus</i>	III	-
Swift family	House Swift	<i>Apus nipalensis</i>	-	V
Long-tailed Family	Black Drongo	<i>Dicrurus macrocercus</i>	-	V
Corvidae	Tree Magpie	<i>Dendrocitta formosae</i>	-	V
Cettidae	Light-vented Bulbul	<i>Pycnonotus sinensis</i>	-	V
Cicadellidae	Red-billed Black Bulbul	<i>Hypsipetes leucocephalus</i>	-	V
Cettidae	Collared Finchbill	<i>Sprizixos semitorques</i>	-	V
Fan-tailed Warbler Family	Brown-headed Warbler	<i>Prinia inornata</i>	-	V
Parrotbill family	Pink Parrotbill	<i>Sinosuthora webbiana</i>	-	V
Tyrannidae	Black-naped Blue Flycatcher	<i>Hypothymis azurea</i>	-	V

Note 1: According to the Act on Wildlife Conservation, the Council of Agriculture has announced that there are three classes of species in the conservation category: I, II and III, and the description of each class is as follows.

I: Endangered wildlife II: Rare and precious wildlife III: Other wildlife to be conserved





6.2.3 Environmental Impact Assessment

CSSC relocated from Xiaogang District to Yanchao District. In response to the need for plant expansion and in the spirit of environmental protection, the “Environmental Impact Statement for CSSC’s Yanchao Industrial Park” for the Kaohsiung plant was approved by the Ministry of the Environment in 2010. During operations, in accordance with the Environmental Impact Statement, environmental monitoring is conducted quarterly. The monitoring covers seven areas—air quality, noise and vibration, low-frequency noise, groundwater, soil, terrestrial ecology, and traffic volume—with sampling surveys and monitoring activities carried out separately for each.

Most of CSSC’s 2025 environmental monitoring results fell within normal ranges. Explanations for abnormal readings in certain monitoring items are provided below:

Monitoring Parameter	Abnormal Location	Time of Abnormality	Description of Abnormality	Explanation
Air Quality	Plant Area	Second Quarter	PM10(daily average) exceeded regulatory standards	Reference data from nearby air monitoring stations operated by the Ministry of the Environment shows that the exceedances found there are consistent with the results of this monitoring; this is likely due to the influence of general environmental background levels. We will continue to monitor and investigate in the future to track trends.
Groundwater	MW3	Flood and Dry Seasons	Manganese analysis values exceed the Class II groundwater monitoring standard	According to data from the Ministry of the Environment’s National Environmental Water Quality Monitoring Network, ammonia nitrogen levels in groundwater at the Fengshancuo monitoring station near the plant site exceeded regulatory standards in every year from 2011 to 2025. Since the area is currently used as farmland and nitrogen fertilizers are commonly present in agricultural fertilizers, it is assessed that these results are attributable to environmental background levels.
		Dry Season	Iron analysis values exceeded the Class II groundwater monitoring standard	
	MW4	Flood and Dry Seasons	Iron levels exceeded the Class II groundwater monitoring standard	
		Dry season	Ammonia-nitrogen concentration exceeds the Class II groundwater monitoring standard	
	MW5	High- and low-flow periods	Iron concentration exceeds the Class II groundwater monitoring standard	
		High- and low-flow periods	Ammonia-nitrogen analysis values exceed the Class II groundwater monitoring standard	





6.3 Response to Climate Change

CSSC evaluates the risks and opportunities that may be brought by climate change, and draws up countermeasures to control the risks in advance, to disperse the risks and reduce the losses; for the opportunities, it cooperates with the government, universities and colleges, and steel structure associations to participate in or organize seminars to advocate the characteristics of steel structure products to enhance the application rate of steel structure in Taiwan's buildings.

CSSC has formulated countermeasures in response to the risks and opportunities caused by climate change on the Company's operation, and the results are as follows::

- 1.Develop the new vibration dampening device, establish its own brand and performance verification program to reduce cost and enhance competitiveness.
- 2.Budget year by year, prioritize the replacement of old equipment, purchase new inverter models, improve energy efficiency, and meet the annual power saving target of 1%.
- 3.Regularly check the gas pipeline to avoid high pressure air leakage, reduce the full load time of the air compressor, increase the no-load time, and reduce power consumption.
- 4.Set up a flood retention pond in the factory area, and avoid flooding caused by heavy rainfall by designing the flood retention capacity of the flood retention pond based on the scale of flooding that occurs once every 100 years.
- 5.Adopt the best feasible control technology for stationary pollution sources, conduct regular equipment maintenance, maintain the best efficiency of the equipment, and enhance the efficiency of the equipment prevention and control.
- 6.Cooperate with universities and colleges, industrial associations and labor unions to organize steel structure seminars to promote steel structure products with great efforts.

6.3.1 Task Force on Climate-related Financial Disclosures (TCFD)

World Economic Forum (WEF) released the 2023 Global Risk Report, predicting that th World Economic Forum (WEF) released the 2023 Global Risk Report, predicting that there will be six long-term risks related to climate and environment in the next decade globally, of which "failure of climate change mitigation" ranks first. Intergovernmental Panel on Climate Change (IPCC) considers Greenhouse Gas (GHG) Emissions as the major reason causing climate change, and it is expected to have a great impact on the global economy and human life. The Company places great importance on climate change issues, and is accelerating relevant measures, the disclosure is in accordance with the framework recommended by Task Force on Climate-related Financial Disclosures (TCFD), in order to enable stake-holders to fully understand the efforts CSSC has made in risk control and response strategies in addressing climate change, and to convey this concept to its colleagues.

CSSC follows the four core pillars of TCFD, and identifies the risks and opportunities brought by climate change by each department, so as to effectively respond to the wide range of issues caused by cli-mate change. The relevant management actions are disclosed as shown in the table below:

Green Steel Structures / Green Building Materials

In recent years, the government has been actively promoting the steel structure for green buildings. From the perspective of environmental protection, from the production of materials, construction to dis-mantling and recycling, the energy consumption of steel structure is only 83% of reinforced concrete building, the emission of carbon dioxide is only 71%, and the steel recycling rate of steel structure is 100%, although the cost is relatively high, it is positive for the environmental protection. At the same time, due to the strong seismicity, high safety factor and short construction time of steel structure buildings, it can also reduce the use of reinforced concrete, avoid the landslides caused by the over-exploitation of sand and gravel in the environment and slow down the ecological damage caused by the development activities. The extensive use of the structural material of steel structure can also help to slow down the global climate change.



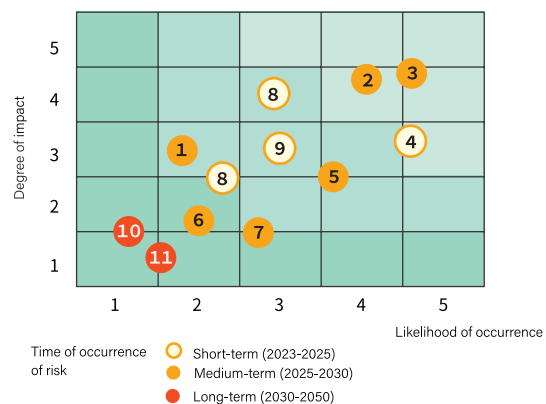
Framework	CSSC' s Approach
Governance	•The Sustainable Development Committee convenes at least once a year to report on the current year' s implementation results and the following year' s implementation plan, regularly monitors progress, and subsequently submits the implementation plan and results to the Board of Directors. •Regarding its carbon neutrality issue, the Company holds annual meetings to make rolling adjustments and convenes relevant units to formulate on-site energy-saving and carbon-reduction initiatives. •In conjunction with the China Steel Group' s Energy and Environment Conference, the company participates twice a year to discuss energy conservation and carbon reduction issues.
Strategy	•In alignment with the carbon neutrality roadmap, the timeframe for identifying risks and opportunities is divided into short-term (2022–2025), medium-term (2026–2030), and long-term (2030–2050) periods. •Through cross-departmental discussions, we identify climate-related risks and opportunities. Drawing on the professional expertise of each unit, we assess the timeframes, likelihood of occurrence, and severity of these risks and opportunities to conduct risk identification, classification, and prioritization, and evaluate the potential operational and financial impacts on the company.
Risk Management	•Using the TCFD framework, we analyze policies and regulations, technology, markets, corporate reputation, as well as immediate and long-term climate risks. Through communication involving department heads and employees, we discuss the impact of these risks and opportunities on the company and conduct periodic assessments of climate-related risks and opportunities to ensure that the findings remain current. •Develop response plans based on the results of the climate risk and opportunity identification. •Carbon neutrality issues are incorporated into the company' s risk management framework, and company-wide carbon reduction strategies and policies are discussed within the "Sustainability and ESG Task Force."
Metrics and Targets	•Starting in 2022, we will conduct greenhouse gas inventories in accordance with ISO 14064 and commission a third-party verification body annually to obtain a verification statement. •Identify potential reduction opportunities based on the results of the greenhouse gas inventory. •We will establish short-, medium-, and long-term goals for greenhouse gas management and energy management

The Company refers to the TCFD framework, and takes into account the scope covering product application, supply chain, adaptation and mitigation activities, emerging technology research and development and investment, operation process and other aspects, identifies the risks related to climate change, finds opportunities, and incorporates them into strategic planning and management mechanisms, summarizes 7 transformation risks, 5 physical risks and 7 opportunity issues, and conducts risk identification and related analysis matrix based on the time interval, possibility and impact degree of occurrence, and in line with the Company' s carbon neutrality goal, when designing the questionnaire, the time of occurrence of risks and opportunities is aligned with the time point of the target year.



Climate-Related Risk Analysis Matrix

Item	Type of risk		Potential financial impact issues
1	Transition risk	Policies and regulations	Increased operating costs due to carbon fees associated with response to emerging regulations (e.g., Climate Change Response Act, CBAM).
2	Transition risk	Policies and regulations	Continuous increase in the proportion of renewable energy usage in response to regulations, customer and international initiatives, and reduction targets set by the Company.
3	Transition risk	Technology	In response to the low-carbon trend, the Company actively researches and develops new low-carbon technologies and materials, thus increasing costs.
4	Transition risk	Technology	Upgrading the energy and resource efficiency standards of various assets in response to the low-carbon development trend, such as replacement with high-efficiency equipment, low-carbon materials, which increases operating costs.

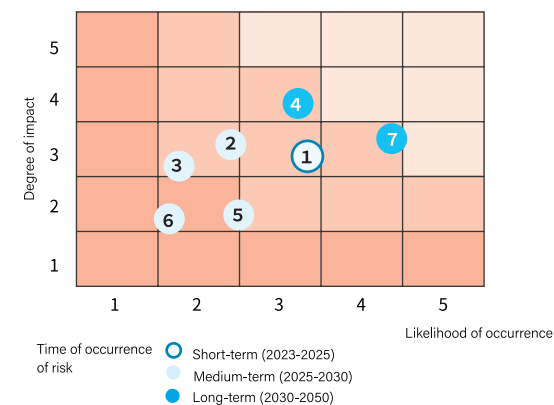


Item	Type of risk		Potential financial impact issues
5	Transition risk	Market	Low-carbon transition process may result in cost increases due to tight supply of raw materials.
6	Transition risk	Market	When customers use steel structure to cope with climate change, the demand for steel products will change. If the Company does not actively reduce carbon emissions, we may lose part of the market.
7	Transition risk	Reputation	The government and neighborhoods are becoming more aware of the environment, and the Company needs to invest in human resources to respond to any of its negative news related to the environment.
8	Physical risk	Immediacy	The frequency and severity of extreme weather events such as typhoons and floods have increased, preventing suppliers (raw materials) from normal production or distribution, and affecting the company's operations.
9	Physical risk	Immediacy	Increased frequency and severity of extreme weather events such as typhoons and floods, affecting production.
10	Physical risk	Long-term	Increase in global temperatures forcing employees to leave their jobs.
11	Physical risk	Long-term	Rising global sea levels and inundation of low-lying areas resulting in damage to assets.
12	Physical risk	Long-term	Increased risk of water shortages due to extreme changes in weather patterns, which may impact production.



Climate-Related Opportunity Analysis Matrix

Item	Type of opportunity		Potential financial impact issues
1	Opportunity	Energy efficiency	Reducing product resource consumption through R&D of new technologies
2	Opportunity	Energy efficiency	Collaborating with the industry chain for low carbon transition to reduce product life cycle footprint and gain customer favor
3	Opportunity	Energy source	Continuously developing diversified renewable energy sources in response to the low-carbon transition to increase resilience in the face of carbon fees
4	Opportunity	Energy source	Saving energy and reducing carbon emissions, developing carbon rights, and participating in the carbon market in an active manner
5	Opportunity	Product and service	Continuously developing and expanding the Company's low-carbon emission technology and providing low-carbon products to gain customers' favor
6	Opportunity	Market	Providing wind power related materials, producing underwater foundation for offshore wind power, and developing welding process technology and materials to expand the business territory
7	Opportunity	Resilience	Increasing profitability by increasing demand for climate resilience through the ability to respond to climate change in various countries.





Climate-Related Risks/Opportunities and Response Actions

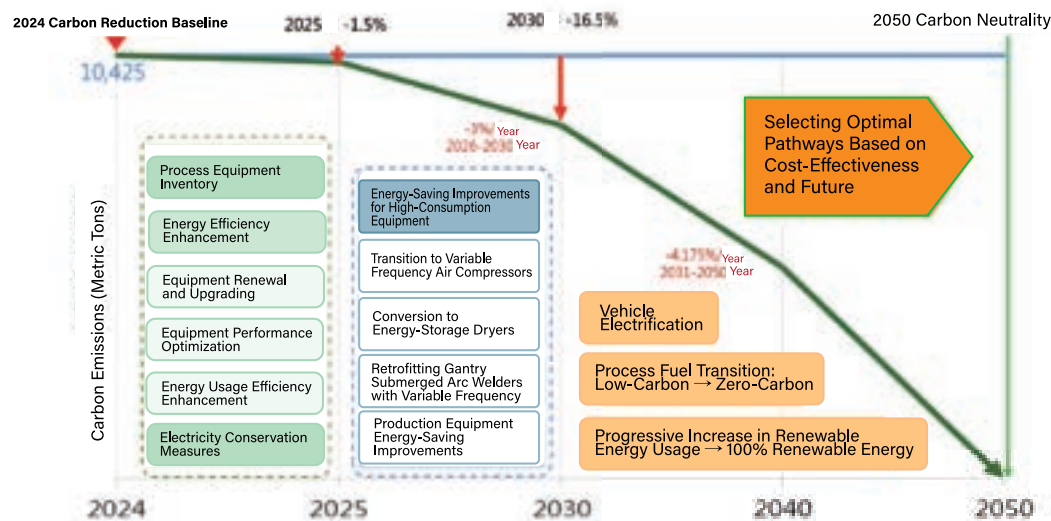
Climate risks		Climate scenarios	Response actions
Transition risk	Continuously increasing the use of renewable energy in accordance with regulations, customer and international initiatives, and the Company's reduction targets.	IEA APS	- Organizing carbon inventories and set short-, medium- and long-term carbon reduction targets. - Planning for green power demand from 2023 to 2030.
Transition risk	In response to the low carbon trend, the Company actively researches and develops new low carbon technologies and materials, thereby increasing costs.	IEA APS	Collecting data and information related to the replacement of welding shielding gases to move toward low-carbon raw materials.
Transition risk	Upgrading the energy and resource efficiency standards of various assets in response to the low-carbon development trend, such as replacement with high-efficiency equipment, low-carbon materials, which increases operating costs.	IEA APS	- Improving energy efficiency and process improvement, and replacing old equipment and optimizing process parameters. - Continuing to focus on process carbon reduction technologies.

6.3.2 Greenhouse Gas Inventory

CSSC has been implementing greenhouse gas inventory from 2021 onwards in accordance with ISO 14064 to respond to the global trend, control the internal situation and mitigate the impact. The inventory has been commissioned to the impartial third-party verification organization recognized by the Ministry of Environment, and the verification statement has been obtained. Taking action on climate change, we have established 2024 consolidated financial report boundary greenhouse gas emissions as the carbon reduction baseline year. Guided by the principle of “low carbon first, then zero carbon”, we have developed response mechanisms and formulated a carbon reduction roadmap with short, medium and long-term decarbonization targets. We have planned a carbon reduction pathway toward the goal of achieving carbon neutrality by 2050.



Carbon Neutrality Decarbonization Pathway





Starting in 2024, the scope of the greenhouse gas inventory (consolidated financial reporting boundaries) covers the Company's domestic facilities and subsidiaries (United Steel Engineering & Construction). In addition to ensuring that Scope 1 and Scope 2 inventories comply with current regulatory requirements, the Company proactively conducts Scope 3 inventory activities. Based on the strength of supporting evidence, the Company has selected items such as "employee commuting," "business travel," "disposal of operational waste," "upstream transportation and freight delivery," and "fuel and energy-related activities." We have commissioned a third-party verification body to verify these items and obtain a verification statement, and we will continue to refine the scope of our inventory.

Annual	Plant	Scope	Scope 1 (Direct Emissions)	Scope 2 (Indirect Emissions from Energy Use)	Total	Scope 3 (Other Indirect Emissions)
2023	Kaohsiung Plant	Emissions (metric tons of CO _{2e} / year)	1,852.4980	4,872.9552	6,725.4532	234,312.044
	Guan Tian Plant	Emissions (metric tons of CO _{2e} / year)	470.6792	1,602.3942	2,073.0734	
	Total (metric tons of CO _{2e} / year)		2,323.1772	6,475.3494	8,798.5266	
	Emissions intensity (metric tons of CO _{2e} / per million in revenue)		0.467			
2024	Kaohsiung Plant	Emissions (metric tons of CO _{2e} / year)	2,227.8685	5,410.6953	7,638.5638	358,520.8798
	Guan Tian Plant	Emissions (metric tons of CO _{2e} / year)	679.4390	1,906.4470	2,585.8860	
	United Steel Engineering & Construction	Emissions (metric tons of CO _{2e} / year)	178.0349	22.5457	200.5806	
	Total (metric tons of CO _{2e} / year)		3,085.3424	7,339.6880	10,425.0304	
	Emissions intensity (metric tons of CO _{2e} / per million in revenue)		0.529			
2025	Kaohsiung Plant	Emissions (metric tons of CO _{2e} / year)	2,424.5003	6,033.9496	8,458.4472	367,921.2210
	Guan Tian Plant	Emissions (metric tons of CO _{2e} / year)	803.3676	1,926.6304	2,729.9980	
	United Steel Engineering & Construction	Emissions (metric tons of CO _{2e} / year)	159.8203	11.1745	170.9948	
	Total (metric tons of CO _{2e} / year)		3,387.6882	7,971.7518	11,359.4400	
	Emissions intensity (metric tons of CO _{2e} /per million in revenue)		0.542			

Note:

Since 2024, the Company has conducted greenhouse gas (GHG) emissions inventories and verification based on the consolidated financial reporting boundary. For both 2024 and 2025, GHG inventories were conducted in accordance with ISO 14064-1:2018, with third-party verification (assurance) performed by SGS Taiwan Limited (SGS).





6.3.3 Ozone-depleting Substances

Since 2012, CSSC has been conducting an inventory of Ozone Depleting Substances (ODS)-containing machinery and equipment in the factory. In 2015, there were no new ODS-containing machines or equipment, so the total ODS emissions in 2025 were maintained at 3.3 kg, which is comparable to the emissions in 2013. Since China Steel Structure's ODS come from air-conditioners, refrigerators, and other daily-use refrigeration equipment, the raw materials and equipment that contain ODS are not used in the process, and the amount used is very small. After converting ODS to greenhouse gases, the total amount is less than 0.5% of greenhouse gas emissions. Therefore, according to the environmental protection regulations, CSSC can keep the same amount of ODS as that of 2013 and does not need to be re-inventoried in 2025.

6.4 Energy and Resource Management

CSSC's products are all kinds of steel structure products, with steel plates and hot rolled steel sections as the main raw materials, and welding consumables, all kinds of iron materials, bolts and so on as auxiliary raw materials. Electricity is the largest energy source used in the production process, and other ancillary energy consumption includes Liquefied Petroleum Gas (LPG), carbon dioxide, oxygen, and tap water. CSSC has a maintenance plan for machinery and equipment and gas storage tanks, machinery and equipment inspection and maintenance are carried out based on the cycle of the maintenance plan, and there are special personnel responsible for turning on and off the tank supply as well as the inspection every day. CSSC had not experienced any gas leakage of oxygen, carbon dioxide, LPG or other gases from 2012 to 2025.

6.4.1 Energy Management

CSSC's main production processes are steel plate cutting, erection and welding. LPG and oxygen are mainly used for steel plate cutting, while electricity and carbon dioxide are used for erection and welding. Electricity is the main source of energy used in CSSC's operations. Therefore, CSSC is committed to process improvement, and controlling the investment of energy resources. Through detailed statistics and calculations in conjunction with various energy-saving and carbon-reducing activities, the environmental impact is effectively reduced. No renewable energy is used for the time being.

CSSC's energy usage in 2023-2025 is as follows:

Energy Type	Year		
	2023	2024	2025
Purchased electricity (million kWh)	13.1	15.4	17.1
LPG (metric tons)	122.7	168.8	162.1
Diesel (liters)	14,154	15,430	15,588
Gasoline (liters)	18,484	16,655	16,176

CSSC's direct energy consumption (LPG, gasoline, diesel) and indirect energy consumption (purchased electricity) for each year are converted to calorific value. The usage status in recent years is as follows:

Energy Type	Year		
	2023	2024	2025
Purchased electricity (GJ)	47,160	55,573	61,498
LPG (GJ)	1,479.8	2,035.8	1,955.6
Diesel (GJ)	497.8	542.7	548.2
Gasoline (GJ)	603.7	543.9	528.3
Total Energy Consumption (GJ)	49,741.2	58,695.6	64,530.1
Energy intensity (GJ per NT\$1 million in revenue)	2.64	2.98	3.08

Note 1: Calorific value conversions are calculated based on the product unit calorific value table published by the Energy Agency of the Ministry of Economic Affairs.

Note 2: 1 GJ = 10⁹J.

The main energy used by CSSC is electricity, followed by liquefied petroleum gas (LPG) and other gases. The Company has implemented the ISO 50001 Energy Management System and established the "Energy Planning and Management Regulations" to identify major energy consumption sources. We actively promote various energy reduction initiatives, selecting high-efficiency and energy-saving equipment to reduce corporate and product energy consumption. Additionally, we are evaluating the integration of renewable energy to optimize energy usage efficiency.

In response to climate change, the Company has continuously implemented energy-saving measures annually since 2015, including setting an annual electricity reduction target of 1%. Using 2024 consolidated financial report boundary greenhouse gas emissions as the carbon reduction baseline year, we have set short-term (2025) and medium-term (2030) targets to reduce emissions by 1.5% and 16.5%, respectively, compared to the baseline year, with the long-term goal of achieving carbon neutrality by 2050. In 2025, greenhouse gas emissions, measured in CO₂ equivalents, increased slightly by approximately 9% compared to the baseline year; to meet our carbon reduction plan, we have begun planning to accelerate the upgrading of energy-consuming equipment.

Specifically, in 2025, the company will continue to promote the replacement of LED lights (at the Kaohsiung Plant's BOX Yard, Administration Building, Buildings A and D at the Guantian Factory), up-grading traditional submerged-arc welders to variable-frequency welders, replacing air compressors with variable-frequency models, and replacing two dryers with energy-storage models (estimated to save approximately 247,395 kWh of electricity). Additionally, plans are in place for 2026 to replace lighting in the offices and production facilities at the Kaohsiung and Guantian plants with LED lights, replacing conventional electric welding machines with variable-frequency models, replacing air compressors with variable-frequency models, replacing dryers with two energy-storage models, and replacing company vehicles with hybrid vehicles.



CSSC's total electricity consumption and energy-saving statistics for 2025 are as follows:

	Kaohsiung Plant	Guan-Tian Plant	Total
Total Electricity Consumption (kWh)	12,948,384	3,927,600	16,875,984
Electricity Saved (kWh)	121,415	69,750	191,165
Electricity Savings Rate (%)	0.93	1.74	1.12

Note 1: The above data is based on information approved by the Energy Agency's Online Energy Audit Reporting System.
 Note 2: Electricity Savings Rate = Electricity Savings / (Total Electricity Consumption + Electricity Savings).

6.4.2 Water Resources Management

CSSC Kaohsiung Plant's tap water source is supplied by Lingkou Water Purification Plant, and the water source comes from underground wells in the Zhongliao area of Qishan Mountain; Guantian Factory's tap water source is supplied by Wushantou Water Supply Plant, and the water source comes from Wushantou Dam and Zengwen Dam, where Wushantou Dam is located within the National Drinking Water Quality and Quantity Protection Zone of the Ministry of the Environment. The water sources of both Kaohsiung and Guantian Factories are supplied by the tap water companies. CSSC does not draw water from any non-tap water sources such as groundwater, spring water, or ambient water.

Our company's water management policy focuses on recycling to reduce water consumption. Our tap water usage figures are consistent with the third-party verification data for Scope 3 greenhouse gas emissions. Specifically, the Kaohsiung plant's tap water usage for 2024 and 2025 was 32,033.9 metric tons and 28,183.8 metric tons, respectively, while the Guan-Tian plant's tap water consumption for 2024 and 2025 was 11,419.9 metric tons and 9,642.3 metric tons, respectively. The Company's tap water is primarily used for employee domestic purposes and on-site cleaning. After recycling and purifying domestic wastewater and rainwater, the treated water can be used for irrigation within the plant premises. Additionally, the Company's faucets are equipped with water-saving devices bearing the Water Conservation Label; The Kaohsiung plant is equipped with a rainwater harvesting system, which is expected to recover approximately 4,830 metric tons in 2025 for on-site irrigation (accounting for approximately 11.3% of total water consumption); To evaluate the effectiveness of efforts to reduce tap water consumption, we propose setting a reclaimed water reuse rate (volume of reclaimed wastewater and rainwater reused / total water consumption) as a quantitative benchmark. The planned management targets for future years are as follows: short- to medium-term (2026–2030) ≥ 10%, and long-term (2050) ≥ 15%.

CSSC's water consumption in recent years is as follows:

Year	2023	2024	2025
Water Usage (metric tons)	34,420	43,454	37,826
Water Intensity (metric tons per 1 million NTD in revenue)	1.83	2.21	1.81

6.4.3 Raw Material Management

CSSC's main raw materials are steel plates, steel sections, and secondary raw materials are Flat iron, welding consumables, angle irons, channel irons, round irons, round tubes and square tubes. The main sources of materials are supplied by CSC and Dragon Steel within the Group. Since CSSC is in the same group as CSC and Dragon Steel, there is no risk of material supply or material supply breakage. If there is a need for special materials, they are purchased from overseas or agents.

The usage of CSSC's primary raw materials is as follows:

Year	2023	2024	2025
Raw material quantity			
Steel plates (metric tons)	52,636	109,580	108,324
Structural Steel (metric tons)	31,628	27,971	40,315





The usage of secondary raw materials at CSSC is as follows:

Year Raw material quantity	2023	2024	2025
Angle Iron (metric tons)	923	1,068	1,617
Channel Steel (metric tons)	1,021	331	448
Welding consumables (metric tons)	2,341	2,921	3,262
Round Bar (metric tons)	1.13	18.6	19.8
Steel Pipe (metric tons)	1,788	752	1,652
Flat bar (metric tons)	1,926	6,461	12,342
Shear studs (metric tons)	805	1,025	1,455
Oxygen (metric tons)	991	1,316	1,300

6.5 Environmental Management

CSSC's Industrial Safety Division assists in the promotion and planning of the Company's environmental protection business, and has set up environmental protection specialists in each factory in accordance with the law. In addition to the current environmental management system, CSSC also cooperates with the Energy and Environment Conference of China Steel Group to regularly identify and discuss countermeasures against legislative amendments and new regulations while continuing ongoing environmental monitoring. In 2025, CSSC had not received any environmental complaints regarding the operation of its factories.

6.5.1 Environmental Management System

The Company successfully passed the ISO 14001:2015 management system transition audit in 2017 (validity period: from December 14, 2025 to December 14, 2028), and we will continue to review it regularly every year, based on the quality management system implementation methods, we properly plan the integrated operation of three systems of similar nature, which are the environmental management system, safety and health management system and energy management system, in order to realize the complementary effect. This is expected to improve the efficiency, eliminate the contradictions between the systems and reduce costs. We have continued to follow ISO 14064-1 for greenhouse gas inventory and third-party verification every year since 2021, and we completed the carbon footprint calculation per ton of steel structure products and third-party verification for ISO 14067 in 2022.

6.5.2 Compliance with Environmental Laws and Regulations

As a basic metal processing industry, CSSC's manufacturing processes do not involve combustion, smelting, or similar procedures. To effectively manage and prevent pollution incidents, the company not only requires each plant to strengthen self-management to avoid human error and implement economically viable environmental management plans but also conducts internal audits to assist plants in enhancing self-regulation. Additionally, the company plans environmental improvements—such as purchasing new equipment and upgrading or replacing existing equipment—to comply with environmental regulations.

Year Raw material quantity	2023	2024		2025
Reporting unit	None	Kaohsiung City	Tainan City Environmen-tal Protection Bureau	Kaohsiung City Environ-mental Protection Bureau
Number of complaints		2	1	1
Amount of punish- ment (NTD Ten thou- sand)		40	10	0.3

6.5.3 Environmental Accounting/Green Procurement

CSSC's environmental protection expenses can be categorized into waste disposal expenses (including general waste and business waste), wastewater treatment expenses, air pollution prevention expenses (volatile organic compounds), investment in environmental protection equipment and other expenses (including discharge pipeline inspection fees for stationary sources of pollution, and costs for commissioning for renewal of permits).

CSSC's environmental protection expenses in recent years are as follows:

Year Raw material quantity	2023	2024	2025
Waste	2,341	2,300	2,615
Wastewater	10	16	14
Air pollution	70	109	113
Environmental Protection Equipment	117	4,817	1,847
Other	242	497	254



Green Procurement

In recent years, CSSC has been promoting green procurement in line with government policies, giving priority to recycled paper made from recycled pulp for daily office photocopying, and installing water-saving devices with water-saving labels on toilets and faucets. We are also phasing out the use of the equipment with traditional ozone-depleting refrigerants (fluorochlorocarbons, CFC, NCFC) year by year, and purchasing new air-conditioners and refrigerators of models with environmentally friendly refrigerants. The air-conditioners and refrigerators are well maintained to prevent refrigerant leakage.



6.5.4 Air Pollution Prevention and Control

The CSSC Coating Plant is equipped with enclosed sandblasting machines (incorporating baghouse dust collectors), as well as airflow booths fitted with activated carbon filters, to prevent air pollutants generated during sandblasting and coating processes from being directly released into the atmosphere. Sandblasting operations are conducted within enclosed sandblasting machines, and the particulate-laden airflow generated during the process is collected and treated by baghouse dust collectors; Coating operations are conducted in enclosed air-flow booths, where VOCs (volatile organic compounds) generated by spraying are treated via adsorption by activated carbon within the booths. As CSSC operates in the basic metal processing industry and does not use sulfur- or nitrogen-containing fuels in its manufacturing processes, it does not generate sulfur oxides (SOx) or nitrogen oxides (NOx).

Item	2023	2024	2025
Particulate pollutants (metric tons)	0.012	0.014	0.019
Sulfur oxides (metric tons)	0	0	0
Nitrogen oxides (metric tons)	0	0	0
Volatile Organic Compounds (metric tons)	37.191	35.052	41.951

6.5.5 Water Pollution Prevention and Control

The steel structure manufacturing process at CSSC does not require the use of water; therefore, no industrial wastewater is generated. The only wastewater generated is domestic wastewater from employees' daily office activities. Although only domestic wastewater is produced, each plant still treats it in accordance with regulations. The Guantian Factory is located within the Guantian Industrial Park, which is equipped with a centralized wastewater treatment plant. The domestic wastewater generated by the Guantian Factory is piped to the Guantian Industrial Park and entrusted to the park for treatment; The Kaohsiung plant is equipped with a wastewater treatment facility to treat daily domestic wastewater. Wastewater generated on-site is directed into this facility, where it undergoes screening, sedimentation, biological treatment, filtration, and chlorination disinfection to meet discharge standards before being released into an ecological pond. The ecological pond is planted with floating aquatic plants such as water hyacinth and duckweed, utilizing ecological engineering methods for secondary purification. Currently, birds such as egrets frequently inhabit the ecological restoration area, which significantly contributes to providing habitats for both aquatic and terrestrial animals. The Company will continue to develop the area into a diversified ecological restoration zone. In light of Taiwan's increasingly scarce water resources, the Kaohsiung plant treats approximately 30 metric tons of wastewater daily through secondary purification in the ecological pond. It is estimated that approximately 1,476 metric tons of water (accounting for about 3.8% of total water consumption) can be reclaimed annually for use in irrigating flowers, grass, and trees on the plant premises.

The volume of domestic wastewater generated by CSSC in recent years is as follows:

Item	2023	2024	2025
Wastewater Volume (metric tons)	16,593	19,873	17,227





6.5.6 Waste Removal and Disposal

CSSC's main products are steel structure fabrication and steel product trading. Steel structures and steel products are transported to delivery locations directly loaded onto transport pallets; product transportation does not require any packaging, and no packaging waste is generated during the transport process to the delivery locations. Bolt barrels and plastic rings from welding wire generated during installation at construction sites are entrusted to qualified waste management companies for disposal and can be incorporated into the recycling system as additives for plastic raw materials.

Among the waste generated during CSSC's production process, scrap steel is collected and returned to the China Steel Group for remelting, while submerged arc welding slag is entrusted to welding consumables companies for recycling and reuse with approximately 610 metric tons recycled in 2025. Waste sandblasting material is sorted with the assistance of local authorities and then entrusted to recycling contractors for processing, with approximately 233 metric tons recycled in 2025. Other waste is entrusted to qualified waste management contractors for landfilling or physical treatment; household waste is collected by qualified waste management contractors and incinerated, with all processing procedures complying with the provisions of the Waste Disposal Act. All waste generated by CSSC has undergone Toxicity Characteristic Leaching Procedure (TCLP) testing, with all measured values falling below the criteria for hazardous industrial waste. All waste from CSSC is entrusted to qualified domestic waste management and treatment contractors for disposal, and the company has never imported or exported hazardous industrial waste as defined by the Basel Convention.

Our company's waste management objectives are waste reduction and reuse. The waste generated by our factories consists primarily of general industrial waste; we prioritize reuse and only resort to disposal through licensed waste management contractors for landfill when necessary. Specifically, for the 2024 and 2025 fiscal years, the volume of waste processed at the Kaohsiung plant was 3,826.4 metric tons and 4,089.2 metric tons, respectively, while the volume processed at the Guantian plant was 2,028.6 metric tons and 2,055.0 metric tons, respectively. To evaluate the effectiveness of waste reduction and reuse initiatives, we propose setting the percentage of outsourced reuse of industrial waste (Category R) (outsourced reuse volume / total outsourced industrial waste volume) as a quantitative benchmark. The management targets for future years are planned as follows: short-term (2025) $\geq 5\%$, medium-term (2030) $\geq 20\%$, and long-term (2050) $\geq 40\%$. In 2025, the Company's outsourced recycling rate was approximately 19.1% (target achieved).

Waste Type (Waste Code)	Disposal Method	2023		2024		2024	
		Generation Volume (metric tons)	Percentage	Generation (metric tons)	Percentage	Generation (metric tons)	Percentage
Spent activated carbon (R-2408), submerged arc welding slag (R-1104), sandblasting waste (D-2407), scrap iron (R-1301), waste wood (R-0701)	Reuse	2,744.23	73.1%	4,955.4	84.6%	5,367.8	87.4%
Mixed waste oil (D-1799), sludge (H-1001), and other single non-hazardous waste metals or mixtures of metal scrap (D-1399)	Physical (Intermediate Treatment)	337.06	9.0%	301.97	5.2%	221.57	3.6%
Sandblasting waste (D-2407), spent activated carbon (D-2403), other single non-hazardous metal or mixtures of metal scrap (D-1399), other mixtures of waste glass, ceramics, bricks, tiles, and clay (D-0499), non-hazardous waste dust or mixtures (D-1099)	Landfill (Final Disposal)	470.15	12.5%	448.89	7.7%	418.12	6.8%
Mixed waste wood (D-0799), mixed waste fiber or other cotton, cloth, etc. (D-0899), and household waste from business employees (H-0002)	Incineration	202.77	5.4%	148.65	2.5%	136.73	2.2%
Total		3,754.21	100%	5,854.91	100%	6,144.22	100%
Waste Density Calculation (metric tons per million in revenue)		0.199		0.297		0.293	



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7. Social Participation

7.1 Community Creation

7.2 Public Participation

7.3 External Engagement and Participation

Social Participation

7.1 Community Creation

The Yanchao area is rich in various agricultural products, among which dates and guavas are famous throughout Taiwan and across the Taiwan Strait, and have been exported to many countries in Europe and the United States, while the Guantian area is rich in water chestnuts and grapefruits. In order to help promote and revitalize local agriculture, the Company gives priority to purchasing local agricultural products as gifts during festivals.

CSSC expects that after moving its operational headquarters to Yanchao District, it will be able to take root here and integrate into the local community culture. In addition to actively communicating and interacting with the local people, sponsoring and organizing various community building activities, CSSC has also cooperated with the architectural and civil engineering departments of many colleges and universities in Taiwan, and organizes factory visits for school students, in the hope that CSSC's experience in the industry and its engineering achievements will contribute to the education and industrial sectors, and lay a solid foundation for the future of the steel structure industry.

CSSC's social participation is as follows:

1. Participating in and subsidizing Yanchao District to hold various festivals, temple fairs, charitable activities and public welfare activities.
2. Receiving the visitors from the steel structure related departments of Taiwan's universities and colleges, as well as various associations and civil societies to observe and learn from the actual factory.
3. Subsidizing the activities organized by Community Development Association and other organizations of various villages in Yanchao District.

The management of CSSC reviews this approach year by year to ensure that it is suitable for establishing a good interaction with the residents of the community, so as to fulfil its corporate social responsibility, and to create greater value.

CSSC's neighborhood support activities in 2025 are as follows:

Date	Organization	Event Name
February 15, 2025	Kaohsiung City Yanchao Construction and Development Promotion Association	2025 Community Elderly Health Care and Water Conservation Awareness Campaign
March 16–18, 2025	Kaohsiung City Yanchao District Fengxiong Community Development Association	2025 Community Member Empowerment Activities and General Assembly
March 22, 2025	Kaohsiung City Yanchao Senior Citizens' Association	2025 Elderly Care, Plastic Reduction, and Water Conservation Awareness Campaign
April 20–22, 2025	Kaohsiung City Yanchao District Agricultural Development Association	2025 Energy Conservation, Carbon Reduction, and Environmental Protection Policy Awareness Campaign
April 27, 2025	Kaohsiung City Gung-Shui Evergreen Association	2025 "Health for Seniors" and General Membership Meeting
May 3–5, 2025	Kaohsiung City Yanchao District Xincuo Community Development Association	2025 Community Environmental Protection Observation (Environmental Policy Promotion) Event
June 8, 2025	Qionglin Community Development Association, Yanchao District, Kaohsiung City	2025 Seniors' Outing
June 30, 2025	Kaohsiung City Yanchao District Anzhao Community Development Association	2025 Community Care and Support Center Operational Exchange Event
November 1–2, 2025	Kaohsiung City, Yanchao District, Shenshui Community Development Association	2025 Community Environmental Protection Training and Energy Conservation and Carbon Reduction Awareness Campaign
December 28, 2025	Kaohsiung City Yanchao District Xiyao Community Development Association	2025 Outreach to Vulnerable Elderly in the Community and Water Conservation Awareness Campaign

7.2 Public Participation

7.2.1 Philosophy of Public Participation

CSSC does not encourage its employees to be involved in political operations, nor does it force its employees to take a political stand. The company does not make any political contributions to political parties or individuals. CSSC participates in public affairs on the basis of its social responsibility and actively provides opinions through industry associations and labor unions, with a view to fully communicating and negotiating with all sectors of the community.

CSSC's participation in public affairs is based on the following principles:

- 1.We have comprehensive consideration, rather than taking the Company's own interests as the only consideration. We take into account the positions of various stakeholders and social responsibilities.
- 2.Fairness of speech: we are customer-oriented and empathetic to win the recognition of all sectors with open, fair and democratic procedures.
- 3.Conformity with international trends and national conditions: we fully understand the thinking and experience of advanced countries, and make appropriate adjustments according to our national conditions.
- 4.Professional basis: we express opinions based on international and Taiwanese professional information, to enhance the depth of participation and the credibility of the argument.
- 5.Pursuit of fairness and reasonableness: we comply with the principle of fair competition, in order to realize social public welfare and substantive justice.
- 6.Professional participation: we mobilize the Company's human and material resources and provide engineering expertise to fully assist the government in the promotion and construction of public works policies.

Project Timeline (Under Construction)	Project Name	Project Type	Social Engagement Aspects
2020–Expected completion in 2026	New Construction Project for the Guangfu Camp and Dashu North Camp of Plant No. 205, Production and Manufacturing Center, Armaments Bureau, Ministry of National Defense (Guangfu Camp)	Construction Project	Building upon the “New Construction Project for the Guangfu Camp and Dashu North Camp of Plant No. 205, Production and Manufacturing Center, Bureau of Armaments, Ministry of National Defense (Guangfu Camp),” the Company's social engagement policy aligns with major national economic development initiatives and the city's urban development plans to create a win-win-win situation for the nation, the local community, and the Armed Forces.
2020–Expected completion in 2026	South Taiwan Science Park E/S Expansion Civil Engineering Turnkey Project	Construction Project	In support of national economic development, this project aims to stabilize the power supply and bolster corporate investment. The expansion plan for the Southern Taiwan Science Park's ultra-high-voltage substation is designed to meet the electricity demands of not only TSMC but also other companies within the park. With anticipated growth in electricity demand—including from Taiwanese companies returning to Taiwan—the expansion of substation facilities will ensure a stable power supply, allowing businesses to focus on production without concern.
2022–Expected completion in 2028	Tainan P/S Renovation Civil Engineering Turnkey Project (Phase I)	Construction Project	Building on the “South Taiwan Science Park E/S Expansion Civil Engineering Turnkey Project,” the company is supporting national economic development by ensuring a stable power supply to underpin corporate investment. Consequently, the expansion of substation facilities will provide a stable power supply environment, allowing enterprises to focus on production without any concerns.
2024–Expected completion in 2028	Construction of the Quantum Technology Laboratory Building at the Academia Sinica Southern Campus	Construction Project	Taiwan possesses significant advantages in the semiconductor and information and communication technology sectors, and the Shalun Park is poised to become a hub for future collaboration among industry, government, academia, and research institutions. The Academia Sinica is a major center for basic research in Taiwan. Over the past 20 years, quantum computing technology has developed rapidly and has reached a tipping point for practical application. The Quantum Technology Laboratory Building, which is now under construction, will enable the Academia Sinica to collaborate with domestic universities to take on the responsibility of gathering, nurturing, and attracting top-tier quantum R&D teams.

7.2.2 Participation in Public Construction

CSSC and its subsidiary, United Steel Engineering & Construction, specialize in steel structure and civil engineering. Having accumulated extensive engineering experience over the years, they have jointly participated in numerous major domestic public works projects in recent years. Upholding the principle of fair competition, they have leveraged the company's experience, technology, production capacity, and mobilization capabilities to assist the government and the China Steel Group in constructing domestic infrastructure. This has indirectly promoted economic, transportation, and social development, driving overall domestic prosperity.

In recent years, CSSC (including its subsidiary, United Steel Engineering & Construction) has participated in the following major domestic projects:

7.3 External Engagement and Participation

CSSC actively participates in relevant social organizations, academic, official and networking activities by virtue of its professional expertise in steel structures, and establishes good relations with all walks of the industry, government and academia. In addition to its participation in external organizations, CSSC was not a signatory to any external economic, environmental or social charters, principles or initiatives in 2025.

CSSC's participation in external organizations is as follows:

Academic societies

Member

- Chinese Institute of Engineers
- Chinese Institute of Mining and Metallurgical Engineers
- Chinese Society for Quality
- Chinese Society of Structural Engineering

Industrial trade unions

Member

- Kaohsiung City Confederation of Mechanical Workers
- Kaohsiung City Confederation of Labors
- Kaohsiung City Confederation of Trade Unions

Civil associations

- Taiwan Steel Framework Association
- Taiwan Steel Erection Association
- International Steel Management Society of Kaohsiung
- Taiwan Steel & Iron Industries Association
- Kaohsiung Chamber of Industry
- Taiwan Welding Society
- Taiwan Institute of Steel Construction
- Chinese National Association of Industry and Commerce
- The Institute of Internal Auditors-Chinese Taiwan
- Occupation Safety and Health Promotion Council of Southern Taiwan Construction
- Occupation Safety and Health Promotion Council of Northern Taiwan Construction
- Northern Taiwan TOSHSM Promotion Association
- Tainan City Guantian Industrial Park Manufacturers Association



Appendix 1: GRI Guidelines Comparison Table

Statement of Use	China Steel Structure Co., Ltd. has prepared this report in accordance with the GRI Guidelines for the period from January 1, 2025, to December 31, 2025.
GRI used: 1	GRI 1: Foundation 2021
Applicable GRI Sector Guidelines	None

GRI 2: General Disclosures 2021 [Material topics are highlighted in light yellow]

Disclosure Items		Relevant Sections/Notes	Page Number
1. Organizational Structure and Reporting Practices			
2-1	Organizational Details	2.1 Company Profile of China Steel Structure	15
2-2	Entities Included in the Organization's Sustainability Report	About the Report	1
2-3	Reporting Period, Frequency, and Contact Information	About the Report	1
2-4	Restatement of Information	No restatements of information	-
2-5	External Assurance / Assurance	Regarding This Report / This Report Has Undergone External Assurance	1/82
2. Activities and Personnel			
2-6	Activities, Value Chains, and Other Business Relationships	2.1 Company Profile of China Steel Structure / 2.3.1 Manufacturing and Installation Process / 2.4 Customer Service	15/18/19
2-7	Employees	4.1 Human Resources	36
2-8	Non-employee workers	4.1 Human Resources	36
3. Governance			
2-9	Governance Structure and Composition	3.1 Corporate Governance Framework	24
2-10	Nomination and Selection of the Highest Governing Body	3.1.1 Board of Directors	25
2-11	Chair of the Highest Governance Body	3.1.1 Board of Directors	25
2-12	The Role of the Highest Governance Body in Overseeing Risk Management	1.4 Stakeholder Identification and Communication / 3.1 Corporate Governance Structure	11
2-13	Head of Impact Management	1.3 Sustainable Development Committee / 3.2 Risk Management	7
2-14	Role of the Highest Governing Body in Sustainability Reporting	1.3 Sustainable Development Committee / 3.1.1 Board of Directors	7/25
2-15	Conflicts of Interest	3.1.1 Board of Directors	25
2-16	Communication of Material Events	3.1.1 Board of Directors	25
2-17	Collective Wisdom of the Highest Governing Body	3.1.1 Board of Directors	25
2-18	Performance Evaluation of the Highest Governance Body	3.1.1 Board of Directors	25
2-19	Compensation Policy	3.1.1 Board of Directors / 3.1.4 Remuneration Committee	25/27

Disclosure Items		Relevant Sections/Notes	Page Number
2-20	Remuneration Decision-Making Process	3.1.4 Remuneration Committee	27
2-21	Annual Total Compensation Ratio	3.1.4 Remuneration Committee / 4.1.2 Employee Salary and Benefits	27/38
4. Strategies, Policies, and Practices			
2-22	Statement on Sustainability Strategy	Words from the Management / 1.2 Sustainable Development Strategy	6
2-23	Policy Commitments	1.1 Sustainable Development Policy / 4.3.1 Maintenance of Human Rights and Information Confidentiality	6/40
2-24	Incorporated Policy Commitments	1.1 Sustainable Development Policy / 4.3.1 Maintenance of Human Rights and Information Confidentiality	6/40
2-25	Procedures for Addressing Adverse Impacts	4.3.3 Labor and Management Communication	43
2-26	Mechanisms for Seeking Advice and Raising Concerns	1.4 Stakeholder Identification and Communication / 4.3.1 Human Rights Protection and Data Confidentiality	11/40
2-27	Regulatory Compliance	4.4.1 Compliance with Safety and Health Regulations / 6.5.2 Compliance with Environmental Laws and Regulations	44/63
2-28	Membership in Trade Associations and Professional Organizations	7.3 External Engagement and Participation	70
5. Stakeholder Engagement			
2-29	Stakeholder Engagement Policy	1.4 Stakeholder Identification and Communication	13
2-30	Collective Bargaining Agreements	4.3.4 Company Unions	44

GRI 3: Material Topics 2021

Disclosure Items		Relevant Sections/Notes	Page Number
3-1	Process for Identifying Material Topics	1.4 Stakeholder Identification and Communication	11
3-2	List of Key Topics	1.4 Identification and Engagement of Stakeholders	11
3-3	Management of Material Topics	For details on management objectives, see 1.3 Sustainable Development Committee; 2.5 R&D, Innovation, and Investment; 3.1.5 Internal Audit; 3.1.6 Code of Moral/Ethical Conduct; 3.2.2 Risk Management Mechanisms; 3.3 Overview of Operations; 4.1 Human Resources; 4.4 Occupational Safety and Health; 6.3 Response to Climate Change	7/21/28/28/29 32/36/44/56

GRI 200 Topic-Specific Standards

Disclosure Items		Relevant Sections/Notes	Page Number
GRI 201: Economic Performance 2016			
201-1	Direct Economic Value Generated and Distributed by the Organization	3.3 Overview of Operations	31
201-2	Financial Impacts and Other Risks and Opportunities Arising from Climate Change	6.3 Response to Climate Change	56
201-3	Defined Benefit Obligations and Other Retirement Plans	4.3.2 Employee Welfare	41
201-4	Financial Assistance from the Government	None	-

GRI 204: Procurement Practices 2016

204-1	Percentage of procurement expenditures from local suppliers	1.3 Sustainable Development Committee / 5.1.1 Local Procurement	7/50
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GRI 205: Anti-Corruption 2016

205-1	Operating sites where corruption risk assessments have been conducted	3.1.5 Internal Audit / 3.1.6 Code of Ethics and Conduct	28/28
205-2	Communication and Training on Anti-Corruption Policies and Procedures	3.1.5 Internal Audit / 4.2 Functional Development	28/39
205-3	Identified Incidents of Corruption and Actions Taken	3.1.6 Code of Moral/Ethical Conduct	28

GRI 300 Specific Topic Standards

Disclosure Items		Relevant Sections/Notes	Page Number
GRI 301: Materials 2016			
301-1	Weight or volume of materials used	6.4 Energy and Resource Management	61
GRI 302: Energy 2016			
301-2	Internal energy consumption	6.4.1 Energy Management	61
301-3	Energy Intensity	6.4.1 Energy Management	61
301-4	Reducing Energy Consumption	6.4.1 Energy Management	
GRI 303: Water and Effluent 2018			
303-1	Interactions in Shared Water Resources	6.4.2 Water Resources Management	62
303-2	Management of Impacts Related to Drainage	6.5.5 Water Pollution Prevention and Control	64
303-3	Water Withdrawal	6.4.2 Water Resources Management	62
303-4	Discharge Volume	6.5.5 Water Pollution Prevention and Control	64
303-5	Water Consumption	6.4.2 Water Resources Management	62
GRI 305: Emissions 2016			
305-1	Direct (Scope 1 / Category 1) Greenhouse Gas Emissions	6.3.2 Greenhouse Gas Inventory	59
305-2	Indirect (Scope 2) Greenhouse Gas Emissions	6.3.2 Greenhouse Gas Inventory	59
305-3	Other Indirect (Scope 3 / Categories 3–6) Greenhouse Gas Emissions	6.3.2 Greenhouse Gas Inventory	59
305-4	Greenhouse Gas Emission Intensity	6.3.2 Greenhouse Gas Inventory	59
305-5	Greenhouse Gas Emissions Reduction	6.3.2 Greenhouse Gas Inventory / 6.4.1 Energy Management	59/61
305-6	Emissions of Ozone-Depleting Substances (ODS)	6.3.3 Ozone-depleting Substances	61
305-7	Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and Other Significant Gaseous Emissions	6.5.4 Air Pollution Prevention and Control	64

Disclosure Items		Relevant Sections/Notes	Page Number
GRI 306: Waste 2020			
306-1	Waste Generation and Related Significant Impacts	6.5.6 Waste Removal and Disposal	65
306-2	Management of Significant Impacts Related to Waste	6.5.6 Waste Removal and Disposal	65
306-3	Waste Generation	6.5.6 Waste Removal and Disposal	65
306-4	Waste Disposal and Transfer	6.5.6 Waste Removal and Disposal	65
306-5	Direct Disposal of Waste	6.5.6 Waste Removal and Disposal	65

36 GRI 400 Specific Topic Standards

Disclosure Items		Relevant Sections/Notes	Page Number
GRI 401: Labor-Management Relations 2016			
401-1	New Hires and Separations	4.1 Human Resources / 4.1.1 Employee Retention	36/37
401-2	Benefits Provided to Full-Time Employees (Excluding Temporary or Part-Time Employees)	4.1 Human Resources / 4.3.2 Employee Welfare	36/41
401-3	Parental Leave	4.1.1 Employee Retention	36

Disclosure Items		Relevant Sections/Notes	Page Number
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational Safety and Health Management System	4.4 Occupational Safety and Health	44
403-2	Hazard Identification, Risk Assessment, and Accident Investigation	4.4 Occupational Safety and Health	44
403-3	Occupational Health Services	4.3.1 Maintenance of Human Rights and Information Confidentiality / 4.4.3 Friendly Working Environment / 4.4.7 Health Examination and Health Promotion	40/46/48
403-4	Worker Participation, Consultation, and Communication Regarding Occupational Safety and Health	4.3.3 Labor and Management Communication / 4.3.4 Company Unions / 4.4 Occupational Safety and Health	43/44/44
403-5	Training of Workers on Occupational Safety and Health	4.4.5 Safety and Health Education and Training	46
403-6	Worker Health Promotion	4.4.7 Health Examination and Health Promotion	48
403-7	Prevention and Mitigation of Occupational Safety and Health Impacts Directly Related to Business Operations	4.4 Occupational Safety and Health	44
403-8	Workers Covered by the Occupational Safety and Health Management System	4.1 Human Resources / 4.4 Occupational Safety and Health	36/44
403-9	Work-Related Injuries	4.4 Occupational Safety and Health	44
403-10	Occupational Diseases	4.4 Occupational Safety and Health	44

GRI 404: Training and Education 2016			
404-1	Average number of training hours per employee per year	4.2 Functional Development /	39



Disclosure Items		Relevant Sections/Notes	Page Number
GRI 405: Workforce Diversity and Equal Opportunity 2016			
405-1	Diversity in Governance Bodies and the Workforce	4.1 Human Resources	36
405-2	Ratio of Women's Base Salary and Total Compensation to Men's	4.1.2 Employee Compensation	38
GRI 406: Non-Discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken by the organization	4.1.2 Employee Salary and Benefits / No relevant incidents occurred	38
GRI 407: Freedom of Association and Collective Bargaining 2016			
407-1	Operating sites or suppliers potentially at risk regarding freedom of association and collective bargaining	4.3 Employee Rights and Benefits / No relevant incidents occurred	40
GRI 408: Child Labor 2016			
408-1	Significant risks of child labor at operating sites and among suppliers	4.1 Human Resources / Prohibition of Child Labor	36
GRI 409: Forced or Compulsory Labor 2016			
409-1	Operating Sites and Suppliers with Significant Risk of Forced or Compulsory Labor Incidents	4.2 Functional Development / 5.1 Supplier Management / No relevant incidents occurred	39
GRI 411: Indigenous Peoples' Rights 2016			
411-1	Incidents involving violations of Indigenous Peoples' rights	No relevant incidents occurred	-
GRI 413: Local Communities 2016			
413-1	Operational Activities Involving Communication with Local Communities, Impact Assessments, and Development Plans	7.1 Community Engagement	67
GRI 416: Customer Health and Safety 2016			
416-2	Incidents of non-compliance with health and safety regulations related to products and services	2.4 Customer Service / No relevant incidents occurred	19
GRI 418: Customer Privacy 2016			
418-1	Complaints regarding confirmed breaches of customer privacy or loss of customer data	2.4.2 Customer Privacy	20

Appendix 2: Sustainability Accounting Standards Board (SASB) Cross-Reference Table - Engineering & Construction Services Metrics

Topic	Indicator Code	Disclosure Item	Type / Unit	Quantity/Amount or Corresponding Section	Remarks
Project Environmental Impact	IF-EN-160a.1	Number of cases involving violations of environmental permits, standards, or relevant regulations	Quantification / Number	6.5.2 Compliance with Environmental Laws and Regulations	
	IF-EN-160a.2	Description of the process for assessing and managing environmental risks associated with project design, siting, and construction	Discussion and Analysis / None	Project design is the responsibility of the owner; CSSC assists in its implementation	
Structural Integrity and Safety of the Building	IF-EN-250a.1	Costs of rework related to defects and safety	Quantification / Amount	16,163,120 NTD	
	IF-EN-250a.2	Total financial losses resulting from legal proceedings arising from defect- and safety-related rework	Quantification / Amount	0 NTD	
Worker Health and Safety	IF-EN-320a.1	Accident and fatality rates for employees and contractors	Quantification / Ratio	4.4.6 Statistical Analysis of Occupational Hazards	
Life Cycle Assessment of Buildings	IF-EN-410a.1	(1) Number of completed projects certified under third-party multi-attribute sustainability standards and (2) number of ongoing projects seeking such certification	Quantification / Quantity	None	Project design is the responsibility of the owner
	IF-EN-410a.2	Description of the process for incorporating energy and water efficiency considerations from the operations phase into project planning and design	Discussion and Analysis / None	None	
Climate Impacts	IF-EN-410b.1	Total value of fossil fuel and renewable energy projects under construction	Quantification / Amount	0 NTD	
	IF-EN-410b.2	Amount of fossil fuel projects canceled during construction	Quantification / Amount	0 NTD	
	IF-EN-410b.3	Total value of non-energy projects related to climate change mitigation in construction	Quantification / Amount	0 NTD	
Business Ethics	IF-EN-510a.1	Number and value of construction projects underway in the 20 countries with the lowest rankings on Transparency International's Corruption Perception Index	Quantitative / Number, Amount	Construction Projects Not Located in Those Countries	
	IF-EN-510a.2	Total monetary losses resulting from legal proceedings arising from violations of laws and regulations regarding bribery, corruption, and anti-competitive conduct	Quantification / Amount	No relevant legal proceedings have occurred	
	IF-EN-510a.3	Description of policies and specific actions to prevent (1) bribery/corruption and (2) anti-competitive conduct during the bidding process	Discussion and Analysis / None	See 2.4.2 Customer Privacy and 3.1.6 Code of Moral/Ethical Conduct	
Activity Indicators	IF-EN-000.A	Number of Projects Under Construction	Quantitative / Number	97 projects	
	IF-EN-000.B	Number of Completed Projects	Quantification / Number	27 cases	
	IF-EN-000.C	Value of Projects Under Construction	Quantitative / Amount	20,937,343,209 NTD	

Appendix 3. Sustainability Disclosure Metrics –Iron and Steel Industry

Item	Indicator	Indicator Type	Annual Disclosure Status	Unit	Remarks
1	Total Energy Consumption, Percentage of Purchased Electricity, Renewable Energy Utilization Rate, and Total Self-Generated and Self-Consumed Energy	Quantitative	- Total energy consumption: 64,530.1 GJ - Percentage of Purchased Electricity: 95.3% (61,498.0 GJ) - Renewable Energy Utilization Rate: 0 - Total self-generated and self-consumed energy: 0	billion joules, percentage (%)	
2	Total fuel consumption, percentage of coal, percentage of natural gas, and percentage of renewable fuels	Quantification	- Total fuel consumption: 3,032.1 GJ (excluding raw materials and electricity) - Percentage of coal: 0% (the company does not use coal) - Percentage of Natural Gas: 0% - Percentage of renewable fuels: 0% (The company does not use renewable fuels)	Billion joules, Percentage (%)	
3	Total Water Withdrawal and Total Water Consumption	Quantification	- Total water withdrawal: 37,826 (thousand cubic meters) - Total water consumption: 36,350 (thousand cubic meters)	thousand cubic meters (m³)	
4	Weight of Waste Generated, Percentage of Hazardous Waste, and Recycling Rate	Quantification	- Waste generation: 6,144.22 metric tons - Percentage of hazardous waste: 0% - Recycling rate: 87.4%	metric tons (t), percentage (%)	
5	Description of the number and rate of occupational accidents	Quantitative	- Number of occupational accidents: 2 employees, 12 contractors - Occupational accident rate: (1) Recordable injury rate - Full-time employees = 1.98 - Third-party contractors = 3.30 (2) Fatality rate - Full-time employees = 0 - Third-party contractors = 0	Rate (%), Number	Total working hours in 2025 were 4,648,529 hours. (1) Employees: 1,011,696 hours. (2) Contractors: 3,636,833 hours.
6	Production Volume of Major Products by Product Category	Quantification	Steel structure output: 174,523 metric tons	Varies by product type	

Notes:

(1) Occupational injury fatality rate = Number of occupational injury fatalities × 1,000,000 (work hours) / Total work hours.

(2) Recordable occupational injury rate = Number of recordable occupational injuries (including fatalities) × 1,000,000 (work hours) / Total work hours.

Appendix 4. China Steel Structure's Information of Climate-related Implementation

Item	Implementation Status
1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	- A Sustainable Development Committee has been established to monitor risks arising from climate change from a sustainability perspective and formulate corresponding measures; relevant issues are reported to the Board of Directors at least once a year. - Reports on climate change mitigation measures, such as energy conservation, were presented to the Board of Directors; on December 29, 2025, the Board was briefed on the interim implementation results of the short-term ESG development goals (2025). - Establish a Sustainability Task Force to discuss various climate change risks and formulate relevant response measures, thereby reducing the transition and physical risks posed by climate change to the Company, capitalizing on opportunities arising from climate change, and integrating greenhouse gas emission reduction and climate change adaptation strategies across all departments.
2. Describe how the identified climate risks and opportunities affect the company's business, strategy, and finances (short-term, medium-term, and long-term).	- Design time frames for the occurrence of risks and opportunities in alignment with the carbon neutrality pathway, with planning targets set for 2025 (short term), 2030 (medium term), and 2050 (long term). - Through cross-departmental discussions and the identification of climate-related risks and opportunities, assess the timeframes, likelihood of occurrence, and severity of impact based on each unit's professional expertise to identify, classify, and prioritize risks, and evaluate the potential operational and financial impacts on the company.
3. Describe the financial impacts of extreme weather events and transition-related actions.	Examine the impacts of various climate risks and opportunities under different scenarios, including identifying physical risks caused by extreme weather (such as water shortages and damage to assets in low-lying areas due to sea-level rise) and transition risks resulting from regulatory and policy changes (such as carbon levies and increased costs due to the low-carbon transition), as well as opportunities arising from the provision of low-carbon products and the green energy industry. Develop response plans based on the identification results, including the continued implementation of greenhouse gas reduction measures and the initiation of research and development for low-carbon production processes.
4. Describe how the processes for identifying, assessing, and managing climate risks are integrated into the overall risk management system.	- The Corporate Governance and Risk Management Subcommittee of the Sustainable Development Committee is responsible for overall risk management. When identifying risks, the subcommittee analyzes the operating environment and covers all business and operational activities to manage risks through qualitative or quantitative methods. When relevant departments and units inventory and identify potential risk sources, they conduct assessments by considering both external and internal environmental factors. - Climate risks fall into two major categories: transition risks and physical risks. These are further subdivided into policy and regulatory, technological, market, and reputational risks, as well as immediate and long-term risks. Opportunities are categorized into resource efficiency, energy sources, products and services, markets, and organizational resilience. Participating units use internal surveys and assessments to identify operational transformation risks (7 items), physical risks (5 items), and potential opportunities (7 items) that may arise from climate change factors. They then assess these using three factors—business relevance, vulnerability (risk preparedness/opportunity readiness), and impact/contribution—and plot the results on a risk and opportunity matrix.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and primary financial impacts should be described.	Please refer to the section on “Climate Change Response—Actions Addressing Climate-Related Risks and Opportunities” in the Sustainability Report.
6. If there is a transition plan to manage climate-related risks, describe the plan's content, as well as the indicators and targets used to identify and manage physical risks and transition risks.	- The Company is taking action on climate change. Using 2024 as the base year, we have set targets to reduce emissions by 1.5% in 2025 (short term) and 16.5% in 2030 (medium term) compared to the base year, with the long-term goal of achieving carbon neutrality by 2050, and have developed a carbon neutrality roadmap. - In the short term, the focus is on “intensifying efforts to improve energy efficiency,” coupled with the adoption of “renewable energy”; for the medium and long term, the plan is to transition from low-carbon to zero-carbon, primarily through strategies such as expanding “renewable energy use,” “electrification of equipment,” and “carbon-free fuels.”

Item	Implementation Status
7. If internal carbon pricing is used as a planning tool, the basis for price setting should be explained.	•In the short term, internal carbon pricing is set at NT\$300 per metric ton of CO_{2e}. •The scope of application and usage principles are limited to benefit assessments for capital expenditure investments, with the cost subject to rolling adjustments thereafter.
8. If climate-related targets have been set, the Company should disclose information such as the activities covered, the scope of greenhouse gas emissions, the planning timeline, and annual progress toward achieving these targets. If carbon offsets or Renewable Energy Certificates (RECs) are used to meet these targets, the Company should specify the source and quantity of the carbon reduction credits used for offsetting, or the quantity of Renewable Energy Certificates (RECs).	•The Company is taking action on climate change, using the greenhouse gas emissions of 10,425.0304 metric tons of CO_{2e} within the 2024 consolidated financial reporting boundary as the base year (Scope 1: 3,085.3424 metric tons of CO_{2e}; Scope 2: 7,339.6880 metric tons of CO_{2e}). •The Company's short- and medium-term carbon reduction targets, strategies, and action plans are as follows: (1)Reduce emissions by 1.5% and 16.5% compared to the base year by 2025 (short term) and 2030 (medium term), respectively, with the long-term goal of achieving carbon neutrality by 2050. (2)We will conduct rolling reviews of the effectiveness of our carbon reduction efforts, select the most appropriate path based on cost-effectiveness and future trends, and implement the following strategic plan: "short-term carbon reduction, followed by low-carbon and then zero-carbon in the medium and long term" : ① In the short term, we will implement process improvements, increase yield rates, enhance equipment efficiency, and optimize energy scheduling. ② In the medium and long term, we will further intensify efforts to improve energy efficiency, plan for the introduction of low-carbon (or carbon-free) energy sources, and promote electrification. However, practical and feasible technologies for implementing the medium- and long-term carbon reduction pathways are still lacking, which we view as a challenge. Specific Action Plan for the Short and Medium Term (by 2030): (3) Improving Energy Efficiency: ① Short term: Replace factory lighting with LED lights ② Medium-term: Process improvements and introduction of low-carbon (carbon-free) energy: •Gradually replace traditional fixed-frequency air compressors (100 HP) with variable-frequency models. •Dryers (100 HP): Gradually replace traditional recirculating dryers with regenerative dryers. •Gradually replace SAW gantry welding machines on production lines with variable-frequency submerged-arc gantry welding machines. •Company vehicles will be gradually converted to hybrid models as part of efforts toward vehicle electrification. (4)In the short term, by 2025, the Company will implement the replacement of LED lighting (at the Kaohsiung Plant's BOX area, the Administration Building, and Buildings A and D at the Guantian Factory) and upgrade traditional submerged arc welding machines to variable-frequency models, as well as replace two air compressors and two dryers with regenerative models (estimated to save approximately 247,395 kWh of electricity). •The Company continues to monitor global climate change trends, striving first toward low-carbon and eventually toward zero-carbon operations, and applying the energy transition to its business operations. Currently, the Company does not use carbon offsets or renewable energy certificates. •Emissions in 2025 totaled 11,359.4400 metric tons of CO_{2e}, representing a slight increase of approximately 9% in CO₂ emissions compared to the base year (2024).
9. Greenhouse gas inventory and verification status, as well as reduction targets, strategies, and specific action plans.	Please refer to the explanations in Sections 1-1 and 1-2.

1-1 Status of the Company's Greenhouse Gas Inventories and Verification for the Last Two Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Describe the company's greenhouse gas emissions for the most recent two years (metric tons of CO_{2e}), intensity (metric tons of CO_{2e} per million in revenue), and the scope of data coverage.

The Company's greenhouse gas emissions for 2024 and 2025 are as follows:

Year	2024	2025
Scope 1 (metric tons of CO _{2e})	3,085.3424	3,387.6882
Scope 2 (metric tons of CO _{2e})	7,339.6880	7,971.7518
Intensity (metric tons of CO _{2e} per million)	0.529	0.542
Scope 3 (metric tons of CO _{2e})	358,520.880	367,921.221

► Note 1: The scope of Scope 1, Scope 2, and Scope 3 inventories covers the Company's domestic operating sites and its subsidiary, United Steel Engineering & Construction.

► Note 2: The scope of the Scope 3 inventory includes "employee commuting," "business travel," "disposal of operational waste," "upstream transportation and freight delivery," and "fuel and energy-related activities."

1-1-2 Greenhouse Gas Assurance Information

Provide a description of the verification status for the two most recent fiscal years as of the date of publication of the annual report, including the scope of verification, the verification body, the verification criteria, and the verification opinion.

- The Company has conducted greenhouse gas inventories since 2021 and has annually commissioned a third-party verification body accredited by the Ministry of the Environment to verify these inventories and obtain a verification statement. Starting in 2024, the scope of Scope 1 and Scope 2 inventories will cover the Company's consolidated financial reporting boundary; In addition, the Company proactively conducts Scope 3 inventories and, based on the strength of supporting evidence, selects items such as "employee commuting," "business travel," "disposal of operational waste," "upstream transportation and goods distribution," and "fuel and energy-related activities" for verification by an independent third-party verification body, obtaining verification statements. The Company will continue to refine the scope of its inventories. For the Company's 2024 and 2025 greenhouse gas emissions, a third-party verification statement in accordance with ISO 14064-1:2018 was obtained on June 27, 2025, and third-party verification in accordance with ISO 14064-1:2018 was completed on March 2, 2026.
- Relevant verification (third-party verification) information will also be disclosed in the Sustainability Report and on the company's official website.



1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

Describe the base year for greenhouse gas reduction and its associated data, reduction targets, strategies, specific action plans, and the status of achieving these reduction targets.

1. The Company is taking action on climate change and has adopted the greenhouse gas emissions of 10,425.0304 metric tons of CO₂e within the 2024 consolidated financial reporting boundary as the base year (Scope 1: 3,085.3424 metric tons of CO₂e; Scope 2: 7,339.6880 metric tons of CO₂e).
2. Emissions Reduction Targets: Reduce emissions by 1.5% and 16.5% compared to the base year by 2025 (short-term) and 2030 (medium-term), respectively, with the goal of achieving carbon neutrality by 2050 (long-term); emissions in 2025 are projected to be 11,359.4400 metric tons of CO₂e, representing a slight increase of approximately 9% in CO₂ emissions compared to the base year (2024)
3. Strategy:

The Company conducts rolling reviews of the effectiveness of its carbon reduction initiatives, selecting the most appropriate path based on cost-effectiveness and future trends. The strategic plan of “short-term carbon reduction, followed by low-carbon and then zero-carbon in the medium and long term” is outlined as follows:

 - ▶ In the short term, we will implement process improvements, increase yield rates, enhance equipment efficiency, and optimize energy allocation.
 - ▶ In the medium and long term, we will intensify efforts to continue process improvements, enhance energy efficiency, and plan for the adoption of low-carbon (or carbon-free) energy sources and electrification.
4. Specific Action Plan:

(1) Short Term: Replace factory lighting with LED lights.

(2) Medium term:

 - ▶ Gradually replace the traditional fixed-frequency air compressor (100 HP) with a variable-frequency model.
 - ▶ Gradually replace the traditional recirculating-type dryer (100 HP) with a regenerative-type dryer.
 - ▶ Gradually replace SAW gantry welding machines on production lines with variable-frequency submerged-arc gantry welding machines.
 - ▶ Company vehicles will be gradually converted to hybrid models as part of efforts toward vehicle electrification.



■ Appendix 5: 2025 Consolidated Financial Statements

Entities Included in the Consolidated Financial Statements

The consolidated financial statements include the financial statements of CSSC and its controlled entities.

Names of Investee Companies	Name of Subsidiary	Nature of Business	Percentage of Equity Held				
			December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024	December 31, 2025
The Company	United Steel Engineering & Construction	Contracting for civil engineering, construction, and bridge projects, as well as the installation of steel frame structures	100	100	100	100	100
	CSSC (Samoa) Holdings Ltd. (CSSHCL)	Various investment and other businesses	100	100	100	100	100

Appendix 6: Auditor's Limited Assurance Report



In performing our assurance procedures, we applied professional judgment in the planning and conduct of our work to obtain evidence supporting the limited assurance. Because of the inherent limitations of any internal control, there is an unavoidable risk that even some material misstatements may remain undetected. The procedures we performed include, but not limited to:

- Inquiring management and personnel involved in the preparation of the Report to understand the policies and procedures, information systems and the relevant internal control for the preparation of the selected subject matter information to identify the areas where there may be risks of material misstatement.
- Based on the above understanding and the areas identified, performing selective testing including inquiry, observation and inspection, recalculating and re-examining to obtain evidence for limited assurance.

Inherent Limitations

As the non-financial information contained in the Report is subject to more inherent limitations compared to financial information. The disclosure of this information may involve significant judgments, assumptions, and interpretations made by the management. As a result, different stakeholders may interpret this information differently.

Independence, professional standards and quality management

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which contains integrity, objectivity, professional competence and due care, confidentiality and professional behavior as the fundamental principles. In addition, our firm applies Statement of Quality Management Standard No. 1 "Quality Management for Public Accounting Firms" issued by the Accounting Research and Development Foundation of the Republic of China and accordingly maintains a comprehensive system of quality controls, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our limited assurance conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been properly prepared, in all material respects, in accordance with the reporting criteria.



國富浩華聯合會計師事務所
Crowe (TW) CPAs
80210高雄市苓雅區四維三路
4號2樓之1
27F-1, No. 8, Shwen 3rd Rd.,
Lingzhen Dist., Kaohsiung City
80210, Taiwan
Tel: +886 7 3312133
Fax: +886 7 3311710
www.crowe.tw

Independent Auditors' Limited Assurance Report

The Board of Directors and Shareholders

China Steel Structure Co., Ltd.

Crowe (TW) CPAs ("Crowe Taiwan" or "we") were engaged to provide a limited assurance report to China Steel Structure Co., Ltd. (the "Company") over the Subject Matter Information described below for the year ended 31 December 2025.

Subject Matter Information and Reporting Criteria

The Subject Matter Information reported in the Sustainability Report (the "Report") and the respective reporting criteria are set out in Appendix 1.

Management's Responsibilities

Management is responsible for the preparation of the sustainability performance information disclosed in the Report with Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Report by TWSE Listed Companies, Universal Standards and Topic Standards published by the Global Reporting Initiative (GRI), SASB Standards published by Sustainability Accounting Standards Board (SASB), and for such internal control as management determines is necessary to enable the preparation of the Report that are free from material misstatement.

Our responsibilities

We conducted our work on the selected subject matter information (Appendix 1) in the Report in accordance with the Statements of on Assurance Engagements Standards 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation of the Republic of China to issue a limited assurance report on the preparation, in all material respects, of the Report. The nature, timing and extent of procedures performed in a limited assurance engagement are different from and more limited than a reasonable assurance engagement and, therefore, a lower assurance level is obtained than a reasonable assurance.

APPENDIX 1

SUMMARY OF THE SUBJECT MATTER INFORMATION
Taiwan Stock Exchange Corporation Rules Governing the Preparation
and Filing of Sustainability Reports by TWSE Listed Companies –
Sustainability Disclosure Indicators - Steel Industry

NO	Corresponding Section	Subject Matter Information	Reporting Criteria
1	6.4.1 Energy Management	Total energy consumption: 64,530.1 GJ Percentage of purchased electricity: 95.3% (61,498 GJ) Percentage of renewable energy: 0% Percentage of self-generated and self-use energy: 0%	Total energy consumption, percentage of purchased electricity, utilization rate (renewable energy/total energy), and total self-generated and self-use energy (Note A)
2	6.4.1 Energy Management	Total fuel consumption: 3,032.1 GJ (Does not include raw materials and electricity) Percentage of coal: 0% (No coal used) Percentage of natural gas: 0% Percentage of renewable fuels: 0% (No renewable fuels used)	Total fuel consumption, percentage of coal, percentage of natural gas, and percentage of renewable fuels
3	6.4.2 Water Resources Management	Total Water Withdrawal: 37,826 thousand cubic meters Total Water Consumption: 36,350 thousand cubic meters	Total water withdrawn and total water consumption
4	6.5.6 Waste Removal and Disposal	Total waste generated: 6,144.22 tons. Percentage of hazardous waste: 0% Percentage recycled: 87.4%	Total waste generated, percentage of hazardous waste and percentage recycled
5	4.4.6 Statistical Analysis of Occupational Hazards	Number of people injured in occupational accidents: - Full-time employees =2 - Contract employees referring to third parties =12 Rate of occupational accidents: (1) Total recordable incident rate - Full-time employees =1.98% - Contract employees refer to third parties =3.30% (2) Fatality rate - Full-time employees =0% - Contract employees refer to third parties =0%	Number of employees in and rate of occupational accidents
6	2.1 Introduction to China Steel Structure Co., Ltd.	Steel structures (ton): 174,523	Production by product category

Note A : The total self-generated and self-use energy is defined in accordance with the Renewable Energy Development Act, the Implementation Regulations Governing Renewable Energy Certificates, and other applicable subordinate regulations.

NO	Corresponding Section	Subject Matter Information	SASB Reporting Criteria																								
1	6.5.2 Compliance with Environmental Regulations	In 2025, the Company was inspected by the Environmental Protection Bureau Kaohsiung City Government and received one penalty for violating Article 8, Paragraph 4 of the Noise Control Act. A total of one violation case was recorded.	IF-EN-160a.1 Number of incidents of non-compliance with environmental permits, standards and regulations																								
2	4.4.6 Occupational Injury Statistics and Analysis	<table border="1"> <tr> <td colspan="4">The number of recordable occupational injuries, total working hours, recordable injury rate, and fatality rate for the Company's employees and contractors in 2025 are as follows:</td></tr> <tr> <td>Item</td><td>Employees</td><td colspan="2">Contractors</td></tr> <tr> <td>Number of Recordable Occupational Injuries</td><td>2</td><td colspan="2">12</td></tr> <tr> <td>Total Working Hours</td><td>1,011,696</td><td colspan="2">3,636,833</td></tr> <tr> <td>Total Recordable Injury Rate (TRIR)</td><td>1.98</td><td colspan="2">3.30</td></tr> <tr> <td>Fatality Rate</td><td>0.00</td><td colspan="2">0.00</td></tr> </table>	The number of recordable occupational injuries, total working hours, recordable injury rate, and fatality rate for the Company's employees and contractors in 2025 are as follows:				Item	Employees	Contractors		Number of Recordable Occupational Injuries	2	12		Total Working Hours	1,011,696	3,636,833		Total Recordable Injury Rate (TRIR)	1.98	3.30		Fatality Rate	0.00	0.00		IF-EN-320a.1 (1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees
The number of recordable occupational injuries, total working hours, recordable injury rate, and fatality rate for the Company's employees and contractors in 2025 are as follows:																											
Item	Employees	Contractors																									
Number of Recordable Occupational Injuries	2	12																									
Total Working Hours	1,011,696	3,636,833																									
Total Recordable Injury Rate (TRIR)	1.98	3.30																									
Fatality Rate	0.00	0.00																									



Other Matters

We shall not be responsible for conducting any further assurance work for any change of the subject matter information or the criteria applied after the issuance date of this report.

The engagement partner on the limited assurance report is Lee Kuo-Ming.

Crowe (TW) CPAs
Kaohsiung, Taiwan
Republic of China
July 10, 2026

Notes to reader

For the convenience of readers, the independent auditors' limited assurance report and the accompanying summary of selected subject matter information have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' limited assurance report and summary of selected subject matter information shall prevail.



Year	Month	Event
2026	Jun.	The turnkey project (Phase II) for the Tainan Asia-Pacific International Baseball Training Center, undertaken by subsidiary United Steel Engineering & Construction, received the Yuaneye Award (Public Building category).
2025	Dec.	Subsidiary United Steel Engineering & Construction received an Honorable Mention in the "25th Public Works Gold Award" from the Public Construction Commission of the Executive Yuan for its turnkey project (Phase II) of the Tainan Asia-Pacific International Baseball Training Center.
		Subsidiary United Steel Engineering & Construction received the "2025 Environmental Protection Excellence in Construction Site" award from the Tainan City Government Environmental Protection Bureau for the new construction project of the Quantum Technology Laboratory Building at the Academia Sinica Southern Campus.
	Oct.	The A62 Non-Destructive Testing Group passed the ISO 17025 extension certification for non-destructive testing laboratories issued by the National Accreditation Foundation.
		Awarded the CTBC Financial Holding Company Sustainability Excellence Award.
	Jul.	The turnkey project (Phase II) for the Tainan Asia-Pacific Baseball Stadium Training Center, undertaken by subsidiary United Steel Engineering & Construction, received the Special Award in the "Best Construction Quality - Public Construction" category at the 2025 National Excellence in Construction Awards.
	Jun.	Obtained the third-party verification statement for greenhouse gas emissions under ISO 14064-1:2018 for CSSC (consolidated financial statements) for fiscal year 2024.
	Jan.	Passed ISO 9001: 2015 verification.
		Passed ISO 3834 verification.
	Dec.	Asia-Pacific International Baseball Training Centers Construction Project (Phase 2) by subsidiary United Steel Engineering & Construction, awarded "Honorable Mention" in the 6th Tainan City Government Outstanding Public Works Awards.
		Kaohsiung Light Rail Loop Phase 2 Construction Project Civil Engineering and Railway Engineering by subsidiary United Steel Engineering & Construction, awarded "Honorable Mention" in the 24th Public Construction Golden Quality Awards.
2024	May.	Subsidiary United Steel Engineering & Construction obtained the ISO 14064-1:2018 Greenhouse Gas Third Party Verification Statement for 2023.
	Apr.	Obtained ISO 14064-1:2018 Greenhouse Gas Third Party Verification Statement for 2023.
	Mar.	Subsidiary United Steel Engineering & Construction, certified to ISO 9001:2015 standards.
2023	Dec.	Awarded Top Group of "2023 Kaohsiung City Workplace Employee Health Service Promotion Program" by Department of Health, Kaohsiung City Government.
		Awarded Runner-up of "2023 Safety and Health Group Partner Performance Competition - Safety and Health Family Group" by Occupational Safety and Health Administration, Ministry of Labor.
	Nov.	Subsidiary United Steel Engineering & Construction obtained the greenhouse gas inventory statement certification for the year 2022 (Statement No. 23GHGA57520-2/2).
		Subsidiary United Steel Engineering & Construction was awarded the Certificate of Appreciation for Contributing Dengue Fever Prevention Materials by Tainan City Government. (Fu-Wei-Mi-Tzu# 1121524792)
		Kaohsiung Plant was awarded the "2022 Safety and Health Management Competition Good Performance Member Factory- Special Award" by Taiwan Steel & Iron Industries Association.
		Guantian Factory was awarded the "2022 Safety and Health Management Competition Good Performance Member Factory - Golden Safety Award" by Taiwan Steel & Iron Industries Association.
		Awarded the Gold Medal in the Manufacturing Industry for Happy Enterprise 2023 by 1111 Human Resource Bank.
	Oct.	Passed ISO 14064-1:2018 Greenhouse Gas Third Party Verification for 2022.
		Awarded "2023 Net Zero Industry Competitiveness Award -Top Prize" by 21st Century Foundation.
	Apr.	Subsidiary United Steel Engineering & Construction obtained the greenhouse gas inventory statement certification for the year 2021 Greenhouse Gas Verification Statement. (Statement No.: 23GHGA57520-1/1)

Year	Month	Event
2022	Dec.	Passed ISO 14067: 2018 Carbon Footprint Third Party Verification for Steel Structure Products.
		Passed TIPS (Taiwan Intellectual Property Management System) Verification.
		CSC's "Project of Enclosed Building Civil Engineering for New Coal Mine" and "Project of BOT Medical Building New Construction of Siaogang Hospital" won the Top Prize of Excellent Construction Site Evaluation Award of Kaohsiung City.
		Guantian Factory was awarded the Certificate of Appreciation from the Labor Health Service Center of the Southern District of the Occupational Safety and Health Administration as a core company of the Health Family.
	Nov.	Passed 2021 ISO 14064-1: 2018 Greenhouse Gas Third Party Verification.
		Turnkey Civil Works Project of Southern Taiwan Science Park E/S Expansion was awarded the Environmental Protection Excellent Construction Site of Tainan City.
		Guantian Factory was awarded the Taiwan Steel & Iron Industries Association "2021 Safety and Health Management Competition Good Performance Member Factory - Golden Safety Award".
		United Steel Engineering & Construction was honored by the Tainan City Government as a 2022 Air Quality Maintenance Merit Unit of Tainan City.
	Oct.	Passed ISO 9001: 2015 verification.
		Passed ISO 3834 verification and extended third party certification.
Passed EN 1090 verification and extended third party certification.		
Passed TAF Non-Destructive Testing Laboratory verification.		
Aug.	Awarded "2022 National Occupational Safety and Health Award - Special Award for Investment in Traditional Industries".	
	Project of BOT Medical Building New Construction of Siaogang Hospital won the Bronze Award of Cancer Prevention and Control Health Site Promotion of the Ministry of Health and Welfare.	
Jan.	Passed the Healthy Workplace Certification - Health Promotion Mark of the National Health Administration.	
2021	Dec.	Guantian Factory was awarded the "Top Prize of 2020 Safety and Health Management Performance Evaluation Award" by Taiwan Steel & Iron Industries Association.
		Subsidiary United Steel Engineering & Construction was awarded the "Workplace Health Award", "Occupational Safety and Health Gold Award", and "2021 Sustainable Environmental Protection Award of Superior Construction Site Manufacturer of Kaohsiung City".
	Nov.	Passed ISO 9001: 2015 verification.
		Passed ISO 3834 verification and extended third party certification.
		Passed EN 1090 verification and extended third party certification.
		Awarded 20221 Human Resource Bank's 2021 Gold Award of Happiness Company - Manufacturing Industry.
2020	Dec.	Subsidiary United Steel Engineering & Construction won the "2020 Sustainable Environmental Protection Award of Superior Construction Site Manufacturer of Kaohsiung City" for the "Project of BOT Medical Building New Construction of Siaogang Hospital".
	Nov.	Obtained Qualified Supplier Certificate from Mitsubishi.
	Jan.	Passed ISO 50001: 2018 verification.





中鋼結構大事記

Year	Month	Event
2019	Dec.	Passed ISO 14001: 2015 verification.
		Passed ISO 45001: 2018 & CNS 45001 verification.
	Nov.	Guantian Factory was awarded the "Top Prize for 2018 Excellent Member Factory of Industrial Safety Performance Evaluation Award" by Taiwan Steel & Iron Industries Association.
	Sep.	CSSC (Kunshan) in mainland China ceased production.
	May.	Subsidiary United Steel Engineering & Construction won the Award of Excellence from Chinese Institute of Engineers Engineering for its "C411 Bid Zhengyi Road Section Tunneling Project (including Temporary Tracks and Temporary Stations for the Whole Route)".
2018	Dec.	Subsidiary United Steel Engineering & Construction won the Environmental Protection Excellent Construction Site of Kaohsiung City for its "Project of Dormitory Equipment and Monitoring Center of National Sports Training Center" and "CSC's New Sinter Mine Automated Enclosed Building Civil and Construction and Renovation Project".
	Nov.	Obtained ISO 3834-2 verification certificate.
		Obtained EN 1090-2 verification certificate.
2017	Dec.	Passed ISO9001: 2015 version update verification.
		Passed ISO14001: 2015 version update verification.
	Oct.	CSSC (Cambodia) completed the second phase of plant construction.
2016		Passed ISO14001: 2004 management system verification.
	Dec.	Subsidiary United Steel Engineering & Construction received the 16th Public Works Gold Quality Award from the Public Construction Commission.
	Jun.	Selected as a constituent stock of Taiwan Stock Exchange's "High Compensation 100 Index".
	Apr.	CSSC (Cambodia) completed the first phase of plant construction.
2015	Dec.	Subsidiary United Steel Engineering & Construction Received the 15th Public Works Gold Quality Award from the Public Construction Commission.
	Nov.	Subsidiary United Steel Engineering & Construction received the 9th Public Works Golden Safety Award from the Ministry of Labor.
	Mar.	CSSC (Kunshan) obtained Class H certification from Japan's Iron Bone Manufacturing Plant.
	Feb.	A new factory site was acquired in the Guantian Industrial Park, with a site area of 11,342m ² and a building area of 2,980 m ² .
2014	Dec.	CSSC was awarded MHPS [Qualified Steel Structure Supplier] certificate.
		Awarded the "Sustainable Governance Practice Award" by BSI Taiwan.
	Nov.	Awarded Manufacturing Industry Gold Award and Innovation Growth Award of "2014 Taiwan Corporate Sustainability Award" - "Taiwan Top 50 Corporate Sustainability Reporting Award".
		Selected as a constituent stock of Taiwan Stock Exchange's "High Compensation 100 Index".
	Oct.	Subsidiary United Steel Engineering & Construction won the 8th Golden Safety Award for Public Works from the Ministry of Labor.
	Aug.	Invested and established CSSC (Cambodia) Co.
	May.	Ranked No. 201 in the Top 2000 in Manufacturing Industry by CommonWealth Magazine, No. 6 in the Metal Products Category.
	Feb.	CSSC (Kunshan) obtained AISC certification.
	Nov.	CSSC was honored with Merit Award of [2013 Taiwan Corporate Sustainability Award].
	Oct.	Taiwan Steel Structure was the first company to pass API certification.
2013	May.	CSSC received the Outstanding Organization Award from the Institution of Engineers.
	Apr.	Revenues in 2012 returned to NT\$15 billion, with consolidated revenues reaching a record high of NT\$20 billion.

Year	Month	Event
2012	Nov.	CSSC and United Steel Engineering & Construction both won the 12th Public Works Gold Quality Award (Top Prize of Public Works Quality Excellence Award).
	May.	Kaohsiung Plant moved to Yanchao District on May 14, 2012, with an area of 450,103 m ² .
	Mar.	Since the decline in revenues after the financial crisis, Kaohsiung Plant's revenue once again exceeded NT\$13.6 billion in 2011, and the consolidated revenue reached NT\$18.1 billion.
2011	Jan.	Passed OHSAS18001: 2007 & TOSHMS:2007 certification.
		Groundbreaking for Kaohsiung Plant.
2010	Dec.	Awarded by TSMC for excellent supplier in the field of factory services.
	Sep.	Accredited by the Taiwan Accreditation Foundation (TAF) as a non-destructive testing laboratory (ISO/IEC 17025: 2005).
		CSSC (Kunshan) obtained ISO9001: 2008 quality management system certification.
	Apr.	Subsidiary (United Steel Engineering & Construction) obtained ISO9001:2008 quality management system certification.
2009	Dec.	Passed ISO9001: 2008/CNS12681 quality management system certification.
	Apr.	Revenue in 2008 reached NT\$15 billion, and consolidated revenue reached NT\$19.8 billion.
2008	Apr.	Revenue in 2007 exceeded NT\$10.3 billion, and consolidated revenue reached NT\$15.2 billion.
2007	Sep.	CSSC (Kunshan) obtained ISO9001: 2000 quality management system certification.
2005	Dec.	Completed the steel fabrication and erection of the landmark Taipei Financial Center (Taipei 101) super high-rise building.
	Mar.	Completed the construction of Kunshan Factory, with a total area of 134,413 m ² , with a workshop area of 22,000 m ² , 130 employees, and a monthly production capacity of 2,000 metric tons.
2004	Aug.	OHSAS 18001 certified.
	Jan.	Approved for the establishment of CSSC (Kunshan).
2002	Feb.	Passed ISO9001: 2000/CNS12681 quality management system certification.
1994	Nov.	Passed ISO9002/CNS12682 quality management system certification.
1992	Jan.	Listed and traded in Taiwan's capital market (stock code: 2013China Steel Structure).
1991	-	Authorized to engage in the contracting of various environmental protection projects as well as the design, manufacturing, installation and sales of equipment.
1989	-	Constructed a second factory in the Guantian Industrial Park in Tainan, with a site area of 78,372 m ² and a factory building area of 26,658 m ² .
1988	-	Approved to diversify operations and engage in the import and export of steel products and related petroleum products.
1979	Apr.	The Kaohsiung plant was complete



China Steel Structure Co., Ltd.

Headquarters

Address: No. 500, Zhongxing Road, Yanchao District,
Kaohsiung City 82447

Tel: (07) 616-8688

Fax: (07) 616-8680

CSSC Website: <https://www.cssc.com.tw/>

Guan-Tian Plant

Address: No. 2, Gongye South Road, Erzhenli, Guantian District,
Tainan City 72046

Phone: (06) 698-6651

Fax: (06) 698-4820

Taipei Office

Address: 10th Floor, No. 58, Section 3, Minquan East Road,
Zhongshan District, Taipei City 10477

Phone: (02) 2517-3611

Fax: (02) 2517-1965



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If you have any comments or suggestions regarding
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