

A close-up, low-angle photograph of several parallel steel rebar bars. The bars are dark grey and feature a prominent, repeating pattern of raised, semi-circular ribs along their length. The perspective is from a low angle, looking down the length of the bars, which creates a strong sense of depth and perspective. The lighting is dramatic, with highlights on the ridges of the ribs and deep shadows in the grooves, emphasizing the texture and industrial nature of the material. The background is a soft, out-of-focus grey, making the sharp foreground bars stand out.

Sustainability Report 2022

TNP STEEL
— Taiwan Steel Group —

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Introduction

About this Report



About this Report

The report is the first sustainability report issued by TMP Steel Corporation (stock code: 6248; the "TMP Steel" or the "Company") in compliance with the GRI Standards issued by GRI with reference to the common standards and topic standards of disclosures. In addition, the disclosures in the report also respond to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," "Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies," SDGs of the UN, TCFD, and other domestic and foreign standards and specifications in the hope of allowing the public and stakeholders to understand the short-term, mid-term, and long-term targets for promoting sustainable development, investments, and achievements of the Company through the issuance of the report, which also serves as a material channel for the Company to communicate non-financial information.

For the [index](#) of GRI content of the report, please refer to the appendices for details.

Scope and boundary of the report

The boundary of the report only includes TMP Steel, and Taiwan Steel Material Corp., a subsidiary newly established by the Company in September 2022, is not included, primarily considering that the subsidiary was just founded and has not commenced formal large-scale operations. Also, TMP Steel is the major operating entity of the Group, accounting for 100% of the production capacity of the Group, and the number of employees also accounts for 100% of the number of employees of the Group; therefore, TMP Steel shall be sufficiently representative in terms of the sustainability performance of the Group.

The report discloses the data on the economic, environmental, and social performance of the Company in 2022 (from January 1 to December 31, 2022). To seek the completeness and comparability of data, partial performance data was traced back to December 31, 2020.

Data source, management, and assurance of the report

The data used in the report was collected and provided by responsible departments. After the overall planning by the Management Department, the data was compiled and subsequently edited and amended. After the completion of the first draft, it was submitted to the supervisors of departments, the Vice President of the Finance Department, and the Chairman for review to ensure the authenticity and completeness of the content of the sustainability report. Finally, it was submitted to the Corporate Governance and Sustainable Development Committee for ultimate review and confirmation before being published. After the completion of the preparation of the report, third-party assurance has not been performed.

Data in the report was calculated and investigated by the Company, and the financial data was abstracted from the financial statements audited and certified by PwC Taiwan. The information related to environmental and safety and health management systems and GHG inventory was regularly audited internally by the Company.

Date of Publication

The Company will regularly issue its sustainability report each year and concurrently disclose relevant information in the ["ESG" section](#) of its website.

Current issuance date: Issued in June 2023

Next issuance date: Expected to be issued in June 2024

Contact Information



website

ESG

If you have any questions about the report or have any recommendations or opinions for the Company, please feel free to contact us via the following channels.

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Chapter 1

Business overview and sustainable governance



1.1 Letter from our Chairman

2022 was a year of growth for TMP Steel. The scale of production and sales was driven, and profits were significantly improved for our operation due to the continual demand for rebars in the construction industry, bringing about abundant investment returns for shareholders. However, while seeking improvement in our corporate scale, we also learned that sustainable development in modern society has become the administration focus and target pursuit by governments in different countries and is a material topic concerned by the public and investors. As a corporate citizen, the Company considered how to take from society and give back to society and how to exert the positive influence of an enterprise to bring sustainable development momentum of positive value to our environment, economy, and society.

"A journey of a thousand miles begins with a single step." We decided to start out with corporate governance, combining the spirit of ESG with the management philosophy of transparency and responsibility to establish favorable corporate governance systems, promote the establishment of the Audit Committee, Remuneration Committee, and Corporate Governance and Sustainable Development Committee to protect the interests of shareholders and stakeholders through the supervision of the governance department and the management by fulfilling their duties and improve the sustainability value of the Company. In 2022, the Company obtained recognition by ranking in the top 6% to 20% among companies listed on TPEX in the 8th Corporate Governance Evaluation, representing significant growth as compared to the evaluation results in the preceding year.

The Company also focuses on social responsibility topics. We commit to creating a happy and stable workplace that focuses on welfare and individual development. After the operating HQ (the Changbin Plant) moved to the Changhua Coastal Industrial Park, we had a greater demand for talent. Apart from increasing the local hiring, we have also been optimizing the occupational safety and health management system of the workplace, providing adequate employee welfare, planning for various occupational skill training courses, organizing health inspections for employees, and listening to employees' opinions and demand via diverse communication channels. We are convinced that adhering to the faith of people orientation, fully fulfilling the corporate social responsibility of caring for employees, and protecting employees' mental and physical health can improve employees' recognition with the enterprise so as to jointly

build TMP Steel as an organization of competitiveness and sustainable development.

In response to the promulgation of the "Climate Change Response Act" in Taiwan and the stipulation of the net zero carbon emissions target to be achieved by 2050, TMP Steel has started to improve its sustainability practices in terms of environmental protection. We commenced our GHG inventory earlier than the specifications in the Sustainable Development Roadmap required by the Financial Supervisory Commission of the Republic of China (Taiwan) and identified and tracked potential material risks and opportunities of climate change on TMP Steel. Even though the steel industry is deemed one of the major carbon dioxide emissions industries worldwide, as a responsible enterprise, TMP Steel will assume its responsibilities and cooperate with companies within the supply chain to plan for adopting active response actions, including the implementation of emissions reduction plans, implementation of energy-saving and carbon dioxide reduction, planning for the use of clean energy, and other measures to contribute to the realization of sustainable environmental development.

Looking into the future, in response to customers' requirements, TMP Steel will build new steel material processing plants in Tainan Xinshi Industrial Park and Changhua Coastal Industrial Park to continue to build prestigious channels for steel products and comprehensively satisfy the demand of customers for building steel material processing. In addition to the challenge of the continual growth of our operating income, we also hope to arrange for a comprehensive corporate ESG blueprint to deeply root sustainable development in our corporate culture. Through promoting various sustainable action plans, we hope that we can take steady steps in achieving sustainable corporate development targets for shareholders and investors, customers, suppliers, employees, governments and competent authorities, media, and the community. Apart from maintaining favorable cooperating relationships with stakeholders, we hope to further achieve the management target of "customer satisfaction, fulfilling employees' wishes, and shareholders' pride."



董事長 顏慶利

1.2 About TMP Steel

TMP Steel Corporation was founded in 1984 and was listed on the TPEX in 2003. Its major scope of business is metal building material wholesale and the manufacturing, processing, and trading of parts and components, providing auxiliary rebars and comprehensive pre-shaped processing items of customized specifications.

With the guidance of professional managers and the support under the strategic alliance with Taiwan Steel Group (Note), we adhere to the business philosophy of "innovation - innovative and innovatory," "fineness - exquisite and professional," "fastness - fast and enthusiastic," and "solidity - practical and solid." Over the years, we have built a healthy cooperating relationship with wholesalers of rebars in central and southern Taiwan and major domestic construction companies and, in turn, become the major rebars supplier of multiple customers. The Company actively expanded product applications and improved its market share in line with the future development direction of the market.

Steel sold by the Company complies with the certification of product standard specifications and adopts "seek continual innovations and become a trust-worthy steel enterprise" as its prospect. We actively implement the operating spirit of "innovation and down to earth." Apart from continuing to focus on its major steel business, we also commit to assisting in relevant industrial upgrades in the upstream and downstream to improve the international competitiveness of the overall industry. Looking into the future, TMP Steel will uphold the philosophy of stable operation to create the maximum value for customers and become a professional and reliable leading brand of building steel materials.

Milestone of TMP Steel

- 1984**
Established in Xindian, Taipei. The major products in the initial period were the production and sales of power supplier units, inductors, exchange electronic transformers, and other coil parts and components.
- 2003**
Stocks were listed on the TPEX on September 2 for trading.
- 2010**
The Company was renamed "TMP International Corporation."
- 2013**
Added the "Hardware and Building Materials Division" that is committing to the planning for the development of rebar forming and processing, direct delivery to construction sites, and other services.
- 2016**
Changed from the initial "TMP International Corporation" to "TMP Steel Corporation."
- 2018**
Newly established the Taoyuan Plant in June.
- 2021**
The Board appointed one chief corporate governance officer as the most senior executive for corporate governance matters in March. Newly established the Changbin Plant in Changhua in September.
- 2022**
Established the "Corporate Governance and Sustainable Development Committee."

(Note) Taiwan Steel Group is the first comprehensive conglomerate in Taiwan to cover four major industries and twelve major sectors. It spans across the industries of "Steel," "Network Communication," "Chemical Green Energy," and "Health & Sport," along with 15 listed companies. In the steel sector, it is currently the largest vertically integrated electric arc furnace steelmaking group in Taiwan. It comprises five major subgroups: "E-Top Metal Group," "Chun Yu Group," "GMTC Group," "OFCO Group," and "S-Tech Group," and owns six listed companies, including Chun Yu (2012), OFCO (5011), GMTC (5009), S-Tech Corp (1584), TMP (6248) and Chun Zu Machinery (4544). In the Network Communication sector, it has two major subgroups: "Amigo Group" and "D-Link Group," with a global presence and six listed companies, including D-Link (2332), Cameo (6142), Amigo (6241), and DLINKINDIA (533146) listed in India. The Health & Sport group, which covers health supplements, insurance brokerage, leisure fitness, and sports events. In terms of sports, it is the first group in Taiwan to have three teams, crossing football, basketball and baseball. The group's listed companies in the Health & Sport group include Jia Jie Bio (4109) and Star Travel (2719). In the chemical green energy group, the listed company is Taiwan Styrene Monomer (1310).

1.2.1 Business location and value chain

The operating regions of TMP Steel include the Changbin Plant, Taoyuan Plant, and Tainan Plant. The positioning of the Company is a supply channel that provides services nationwide. We have built advantageous channels for steel products in northern, central, and southern Taiwan and have abundant steel product storage spaces. Meanwhile, we cooperate and distribute with major rebar companies to solve the issue of incomplete sizes of single rebar products to satisfy customers' demand instantly.

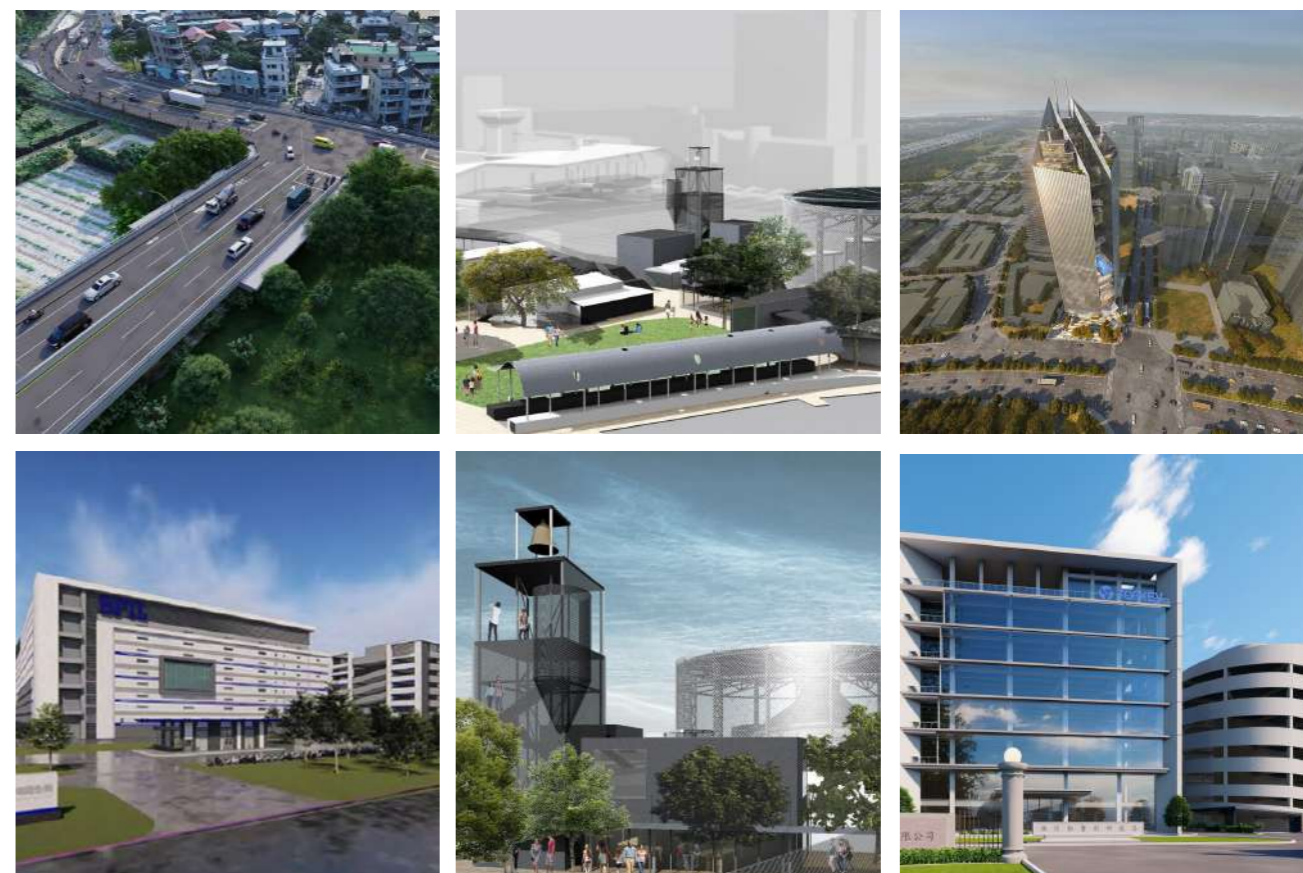
Major suppliers of the Company engaged in the manufacturing and trading of rebars, billets, angle bars, straight bar steel, and other steel materials. They have steel mills with electric arc furnaces, rebar rolling equipment and systems, and professional steel rolling equipment and systems in northern, central, and southern Taiwan and provide premium, safe,

and compliant rebar sources. Construction companies are the major customer group of the Company and have demand for rebars at construction sites across Taiwan. In 2022, construction companies closely cooperated with the Company exceeded a hundred companies.

The rebar industry is the industry with the largest production of single steel products in Taiwan, and it focuses on domestic sales in the market in Taiwan. Steel is majorly used in building and public engineering fields.

The performance of our product application building projects covers the entire Taiwan, and index building projects include cooperation construction with the government (i.e., Danhai LRT, West Coast Expressway, Keelung Tower, and Taichung Overpass).

Our product application



1.3 Sustainable governance

1.3.1 Sustainable development promoting organization

In October 2022, the Board resolved to establish a functional committee, "Corporate Governance and Sustainable Development Committee," as the ESG management center of the Company. Its member includes three Independent Directors, and five subordinated cross-department functional teams are responsible for different operations and annual project work to allow sustainable development actions to be implemented in the daily operations of the Company. The Corporate Governance and Sustainable Development Committee is responsible for regular achievement follow-up and proposing the optimization or improvement plans for the following year.

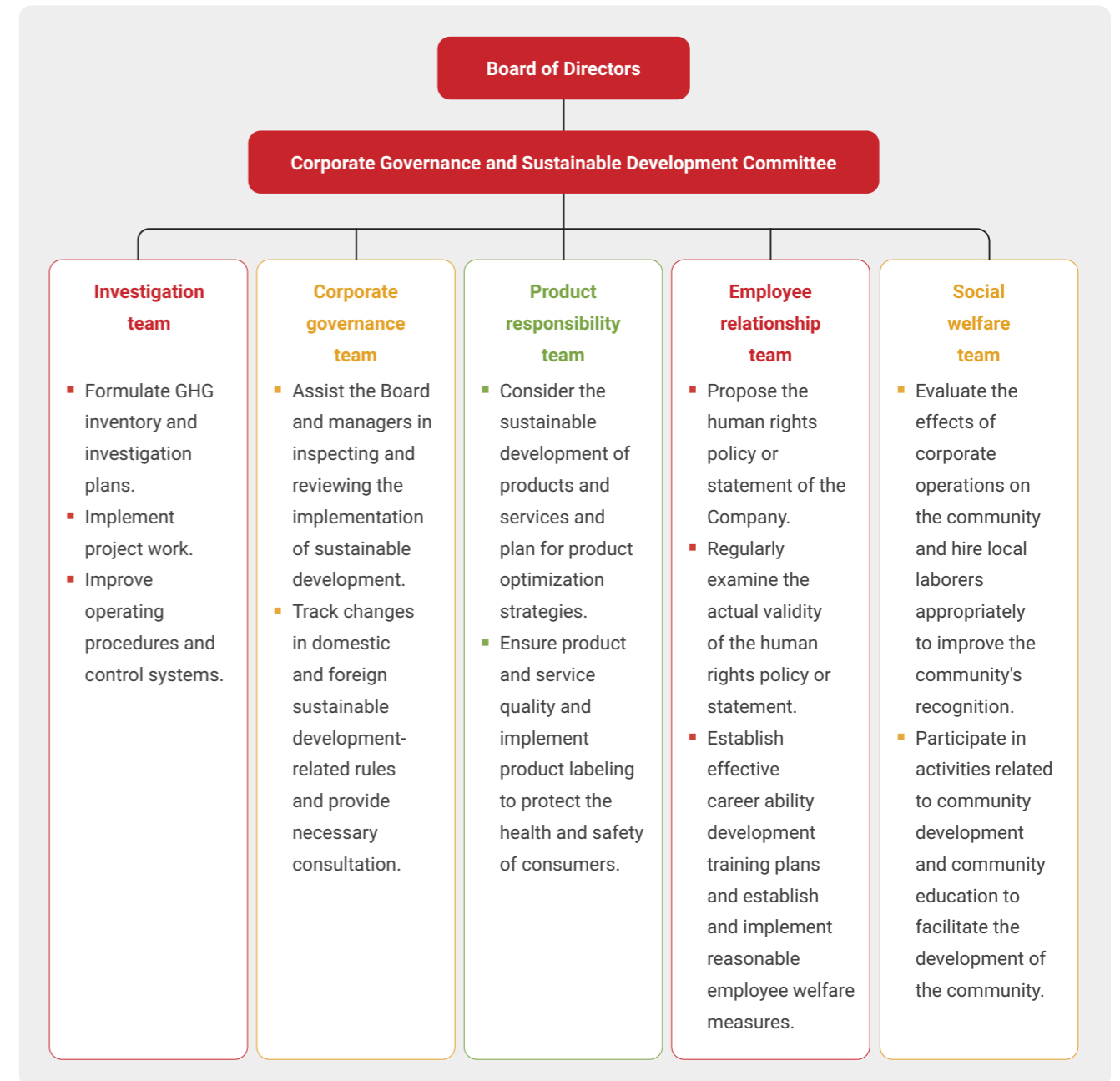
2022 is the first year of the establishment of the Corporate Governance and Sustainable Development Committee, and a meeting was convened to majorly discuss the arrangement for the Company's GHG inventory, investigation progress, and other operating schedules and they have been reported to the Board.

Work content that the Corporate Governance and Sustainable Development Committee is responsible for

- Promote and strengthen corporate governance organization and system.
- Promote and implement ethical corporate management-related work.
- Promote and develop corporate social responsibility policies and sustainable operation matters.
- Establish implementation workforces to examine, track, and amend the implementation status and effects of corporate governance evaluations and sustainable development and regularly report to the Board.



- Attach attention to topics concerned by stakeholders, including shareholders, employees, government, NGOs, community, and media and supervise communication plans.
- Implement relevant matters resolved by the Board.



- Investigation team**
- Formulate GHG inventory and investigation plans.
 - Implement project work.
 - Improve operating procedures and control systems.

- Corporate governance team**
- Assist the Board and managers in inspecting and reviewing the implementation of sustainable development.
 - Track changes in domestic and foreign sustainable development-related rules and provide necessary consultation.

- Product responsibility team**
- Consider the sustainable development of products and services and plan for product optimization strategies.
 - Ensure product and service quality and implement product labeling to protect the health and safety of consumers.

- Employee relationship team**
- Propose the human rights policy or statement of the Company.
 - Regularly examine the actual validity of the human rights policy or statement.
 - Establish effective career ability development training plans and establish and implement reasonable employee welfare measures.

- Social welfare team**
- Evaluate the effects of corporate operations on the community and hire local laborers appropriately to improve the community's recognition.
 - Participate in activities related to community development and community education to facilitate the development of the community.

1.3.2 Sustainable Development Best Practice Principles

TMP Steel adhered to the following four principles to practice sustainable development.




1.4 Stakeholder communication and engagement


1.4.1 Stakeholder identification and communication


The Company was guided by the five attributes of the AA1000 stakeholder engagement standard, including reliance, responsibility, concern, influence, and diverse perspective, to identify potential stakeholders, which is beneficial for effective communication and further helps confirm the appeals of different stakeholders.


A stakeholder page is set out on our website. Diverse channels and regular and non-periodical approaches are adopted to instantly and efficiently deliver the opinions of different parties to serve as the information source of sustainability issues and potential impact evaluations.


Government			
Issues of concern	Responses	Results	Corresponding Chapters
<ul style="list-style-type: none"> Waste management Energy Occupational Safety and Health Air pollution control GHG emissions 	<ul style="list-style-type: none"> Participate in a total of over 20 policy or regulation promotion sessions and training courses. Distribute ESG concern questionnaires once. Have official document exchanges with the government or competent authorities. Participate in the Corporate Governance Evaluation 	<ul style="list-style-type: none"> The Directors and the chief of corporate governance participated in training courses organized by the Taiwan Corporate Governance Association and TPEX for a total of 76 hours. Have real-time updates and understanding of laws and regulations and administration rules and assist the Company in implementing relevant policies. Ranked top 6% to 20% in 8th Corporate Governance Evaluation among TPEX companies 	<ul style="list-style-type: none"> Ch 3 Environmental Management


 Employees			
Issues of concern	Responses	Results	Corresponding Chapters
<ul style="list-style-type: none"> Remuneration and Benefits Talent Development and Cultivation Diversity and Equal Opportunity Product Quality and Safety 5. Legal Compliance 	<ul style="list-style-type: none"> Announced over 20 employee welfare, material operating news, and training messages. Had 12 visiting services of medical personnel. One Seminars on Health Issues. Distributed employee satisfaction questionnaires once. Distribute ESG concern questionnaires once. Convene 2 labor-management meetings. 	<ul style="list-style-type: none"> Strengthen internal communications, gather employees' cohesion, and deliver the corporate development prospect. Have medical personnel in place to provide onsite health consultation, health inspection report consultation, and pressure evaluation. Arrange a seminar on the topic of a brain and cardiovascular healthcare health improvement to improve employees' health awareness. For details on the employee satisfaction questionnaires, please refer to 5.3 Talent Development and Cultivation. For details of major topics discussed in labor-management meetings, please refer to 5.4.3 Employee Communication. 	<ul style="list-style-type: none"> Ch 2 Corporate Governance Ch 5 Happy Workplace

 Shareholders/investor			
Issues of concern	Responses	Results	Corresponding Chapters
<ul style="list-style-type: none"> Economic Performance Legal Compliance Corporate Governance Risk Management Occupational Safety and Health 	<ul style="list-style-type: none"> Published 43 material information and 34 announcements in Chinese, and a total of over 86 press releases. Announced 12 times of operating income on the corporate website and MOPS each month. Published 8 times of quarterly financial statements on the corporate website and MOPS in total. Convened 1 online investor conference. Convened 1 shareholders' meeting. Distributed ESG concern questionnaires once. 	<ul style="list-style-type: none"> For the publication of material information in the future, the Company estimates to add new business locations, appoint a new financial supervisor, and establish the Governance and Sustainable Development Committee to improve investors' confidence via transparent communication and exhibit the determination of corporate governance. Participated in the online investor conference organized by Dexin Comprehensive Securities to describe to the public the Company's business achievements and future prospects. Provide open and adequate operating information to assist investors in understanding the operating status of the Company to make appropriate decisions. 	<ul style="list-style-type: none"> Ch 2 Corporate governance Ch 5 Happy workplace

 Customers			
Issues of concern	Responses	Results	Corresponding Chapters
<ul style="list-style-type: none"> Product Quality and Safety Waste management Occupational Safety and Health Corporate Governance Risk Management 	<ul style="list-style-type: none"> Updated its website from time to time and disclosed the latest products and technologies of its corporate website. Distributed ESG concern questionnaires once. Had business meetings from time to time beneficial to responding to customers' requirements. 	<ul style="list-style-type: none"> Announced leasing the lands in Changhua Coastal Industrial Park and Tainan Xinshi Industrial Park from the Industrial Development Bureau, MOEA, provided real-time responses to customers' requirements and delivered products and provided services on time. Added processing production line and plan for the expansion of the current rebar processing production capacity and added stirrups, welded wire mesh and relevant steel material processing products to provide diverse services to customers. 	<ul style="list-style-type: none"> Ch 2 Corporate governance Ch 3 Environmental management Ch 4 Product innovation Ch 5 Happy workplace

 Suppliers/Contractors			
Issues of concern	Responses	Results	Corresponding Chapters
<ul style="list-style-type: none"> Product Quality and Safety Occupational Safety and Health Corporate Governance Risk Management Legal Compliance 	<ul style="list-style-type: none"> Updated the corporate website from time to time. Distributed ESG concern questionnaires once. Organized contractor educational training for a total of 16 hours. 	<ul style="list-style-type: none"> The content of the educational training courses for contractors is primarily improving occupational safety awareness. 	<ul style="list-style-type: none"> Ch 2 Corporate governance Ch 4 Product innovation Ch 5 Happy workplace

 Community			
Issues of concern	Responses	Results	Corresponding Chapters
<ul style="list-style-type: none"> Air Pollution Control Water Stewardship Waste Management GHG Emissions Energy 	<ul style="list-style-type: none"> Had visits from time to time. Distributed ESG concern questionnaires once. 	<ul style="list-style-type: none"> Implemented procedure management and continued monitoring to ensure the negative impacts and effects generated from the course of production of TMP Steel on the living environments of the community. Listed environmental topics as material objectives of the Company in 2022 and expected to announce them on MOPS after completion. Reinforced contributions to community activities and sponsored various charitable activities. 	<ul style="list-style-type: none"> Ch 3 Environmental management

 Media			
Issues of concern	Responses	Results	Corresponding Chapters
<ul style="list-style-type: none"> Legal Compliance Product Quality and Safety Supply chain and traceability management Corporate Governance Risk Management 	<ul style="list-style-type: none"> Updated the corporate website from time to time. Had over 86 press releases. Convened 1 investor conference. Distributed ESG concern questionnaires once. 	<ul style="list-style-type: none"> Published the latest ESG development and performance of the Company on the corporate website. Communicated the financial performance, operating status, and profitability analysis of the Company. 	<ul style="list-style-type: none"> Ch 2 Corporate governance Ch 4 Product innovation

1.5 Material topic analysis

1.5.1 Material topic identification procedures

We identified topics related to the operation and SDGs of the Company by adopting the framework under the GRI Standards and identified potential annual ESG issues with reference to global sustainable development trends, domestic and foreign industry status, ESG issues jointly concerned by the iron and steel industry, and requirements under the "Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies," and "Sustainable

Development Best Practice Principles for TWSE/TPEX Listed Companies".

We discussed with the senior management regarding the impact level and the occurrence probability of ESG issues of the Company and initially included external stakeholders' level of concern and opinions for ESG issues to decide the annual material topics.



Identify ESG Issues

Adopted GRI Standards and collected topics concerned by domestic and foreign benchmark enterprises to identify common topics in the industry through connection, and considered the operating environment and business philosophy of the Company to identify a total of 16 ESG issues.



Analyze Internal Impacts

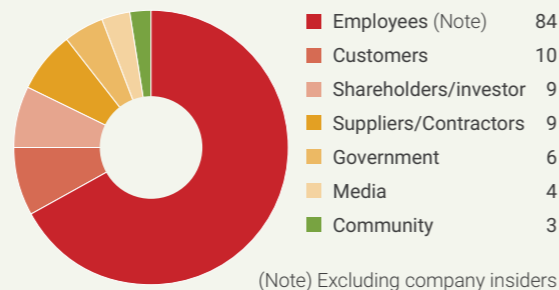
Included ESG issues in the internal impact evaluations and invited 5 department supervisors to carry out an evaluation of the occurrence probability and the scale of positive/negative impacts regarding the issues. Impact issues included environment, society/employee, corporate governance/economy, and product aspects.

Performed a composite evaluation of the positive/negative occurrence probability and the scale of positive/negative effects of issues to conclude the level of impact of issues.



Compile Issues Concerned by Stakeholders

Learned the level of attention attached by 7 major stakeholders of the Company to the 16 ESG issues by way of a questionnaire survey. We collected a total of 125 valid questionnaires in 2022.



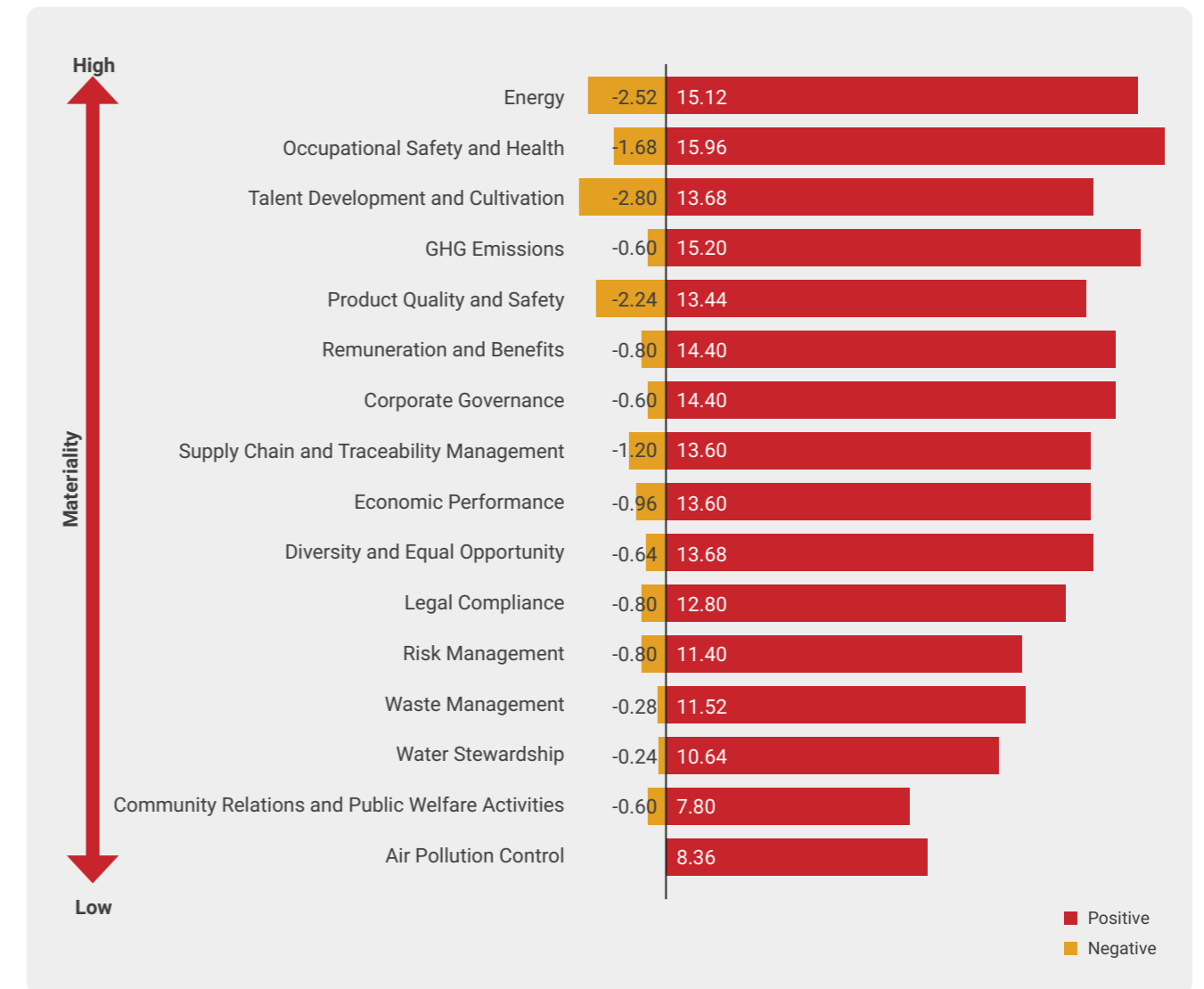
Confirmation of Material Topics

Sorted the 16 ESG issues based on the level of impact, considered the results of questionnaires, industrial features, and short-term, mid-term, and long-term strategies of the Company, and the Chairman and the sustainability teams jointly confirmed 7 major topics ultimately to serve as the disclosure focuses of the report to describe corresponding action plans and achievement in detail; for the other 9 issues, management approach and achievements were also appropriately disclosed in the report.


1.5.2 Level of impact of material topics


The sustainability team of the Company sorted 16 ESG issues based on the level of impact, selected 5 issues with the highest level of positive/negative impact, and combined similar topics based on correlations to determine 4 major topics. In addition, according to the results of external questionnaires,


topics concerned by stakeholders were sorted based on the level of concern, and 3 major topics were selected with consideration given to the level of concern and the strategic development of the Company. Therefore, a total of 7 material topics were determined.




1.5.3 Material topics and value chain in 2022

 Corporate governance/economy								
Material topic	Impact on operations	Impact boundary					Corresponding Chapter	Corresponding GRI Standards
		Internal	External					
			Supplier	Investor	Customer	Community		
Legal compliance	Since its establishment, the Company has observed domestic and foreign laws and regulations and rules, continued to focus on any policies and laws and regulations that may have material effects on the finance, environment, and business of the Company, and implemented regulatory requirements to reduce direct financial risks and avoid indirect goodwill risks.	✓	✓	✓	✓	✓	Ch 2 Corporate Governance	GRI 2: General Disclosures 2021
Risk management	Management risk is one of the crucial works related to sustainable corporate operations. A risk management system shall be established to identify and evaluate risks that may occur during the daily operations of the Company so as to propose risk countermeasures.	✓	✓	✓	✓		Ch 2 Corporate Governance	GRI 2: General Disclosures 2021

 Environment								
Material topic	Impact on operations	Impact boundary					Corresponding Chapter	Corresponding GRI Standards
		Internal	External					
			Supplier	Investor	Customer	Community		
Energy and GHG emissions	Learn the impacts of the Company on the natural ecosystem and mitigate greenhouse effects through GHG emissions management. Reduce power consumption by reducing the use of non-renewable energy, implement energy-saving plans, and, in turn, slow down global warming.	✓	✓		✓		Ch 3 Environmental management	GRI 302: Energy 2016 GRI 305: Emissions 2016
Waste management	The Company deeply understands the attention of local citizens, environmental protection groups, and governmental agencies attached to the pollution emissions (including waste gas, wastewater, and waste) of the traditional iron and steel industry; climate warming and the shortage of water resources are material challenges to the business development of the Company. Apart from complying with environmental protection regulatory standards and maintaining our corporate image, we can reduce environmental impacts and improve the competitiveness of products in terms of ESG issues by implementing energy-saving and pollution control management.	✓	✓		✓	✓	Ch 3 Environmental management	GRI 306: Waste 2020

 Society/employee								
Material topic	Impact on operations	Impact boundary					Corresponding Chapter	Corresponding GRI Standards
		Internal	External					
			Supplier	Investor	Customer	Community		
Occupational safety and health	Health of our employees is the foundation to maintain the normal operations of the Company. If the Company fails to duly manage systems related to health and safety, it will be difficult to achieve the execution goal of a safe workplace. If there is any violation of occupational safety laws and regulations, it will cause damages to the Company's goodwill.	✓	✓	✓			Ch 5 Happy workplace	GRI 403: Occupational Health and Safety 2018
Talent development and cultivation	The Company deems employees one of the significant assets of the Company and makes arrangements according to relevant laws and regulations of the government, regulations of the Company, relevant working rules, and labor-capital agreements. We maintain healthy communication with employees and improve comprehensive labor conditions and employee welfare to benefit our sustainable operations through talent selection, cultivation, and retention.	✓					Ch 5 Happy workplace	GRI 404: Training and Education 2016

 Product								
Material topic	Impact on operations	Impact boundary					Corresponding Chapter	Corresponding GRI Standards
		Internal	External					
			Supplier	Investor	Customer	Community		
Product quality and safety	Product quality is the key to sustainable operations and the building of corporate credibility and image. Stakeholders expect the Company to stringently control production activities and provide safe and reliable building materials to the public.	✓	✓		✓		Ch 4 Product innovation	GRI 416: Customer Health and Safety 2016

Chapter 2

Corporate Governance



2.1 Corporate governance

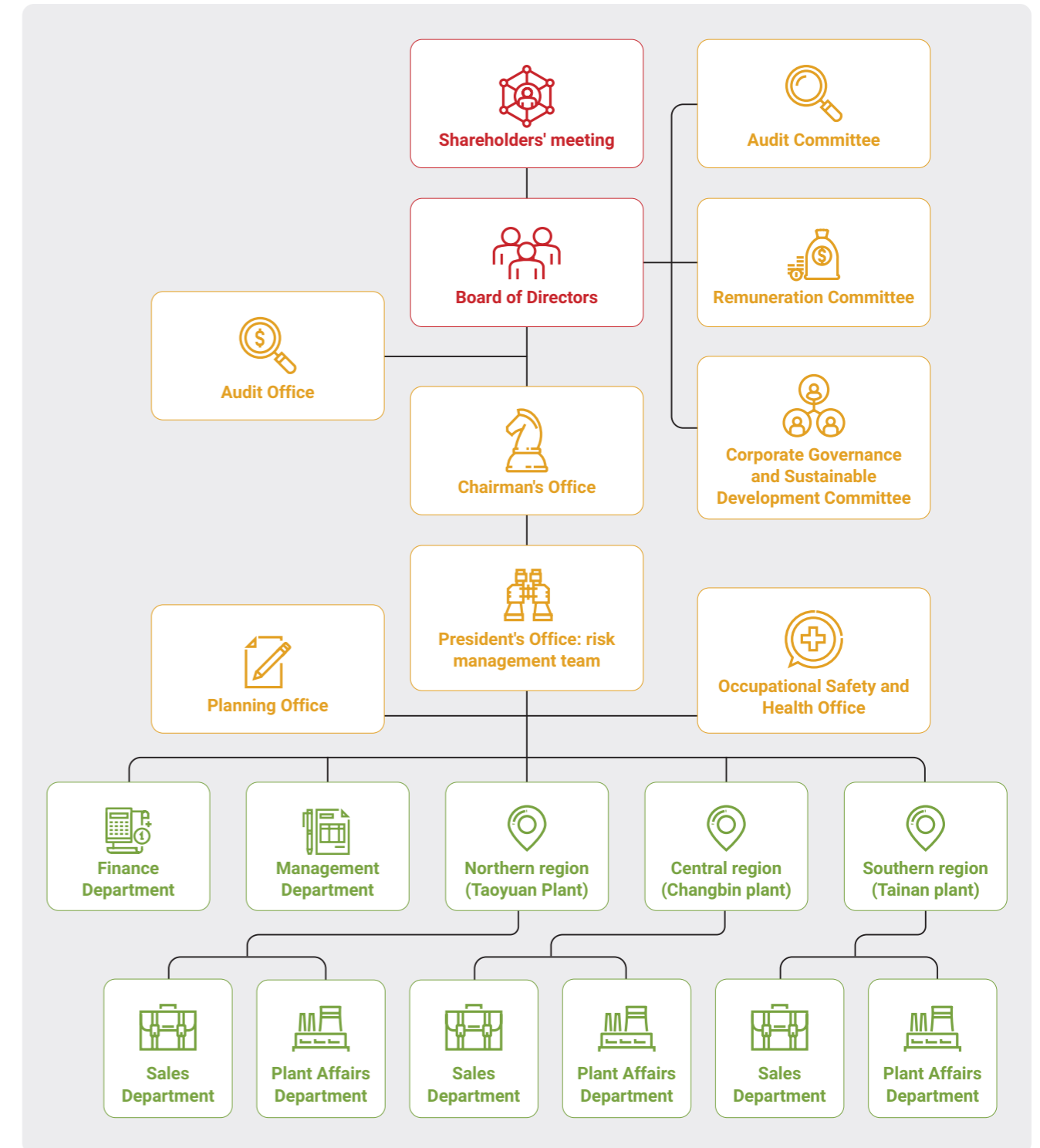
Key Performance in 2022



2.1.1 Governance Structure

The Board is the supreme governance department of the Company. Under the consideration of strengthening the functions of the Board and professional division of labor, a total of 3 functional committees were established. The Board directly manages the Audit Office to achieve the

effect of supervising the corporate operations. In response to the operating requirements, production and sales teams are established across Taiwan to coordinate the processing, production, and sales of rebars, collect market information, and maintain customer relations.





Internal Policies

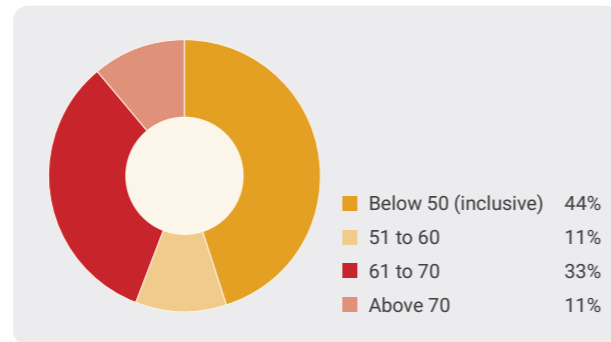
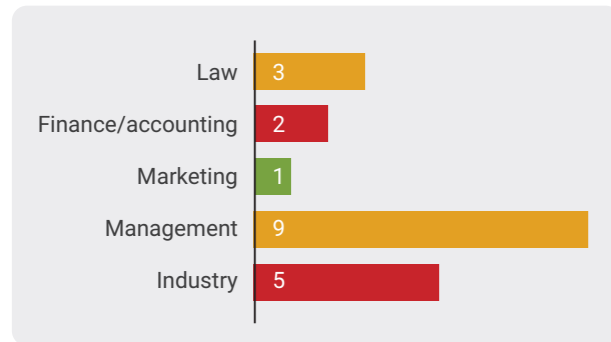
2.1.2 Corporate governance policy

The Company has established comprehensive corporate governance systems and execution matters and formulated various corporate governance rules and regulations with the precondition of ensuring the implementation of ethical

corporate management and legal compliance. For detailed information on rules, please refer to [the website of TMP Steel - Internal Policies](#).

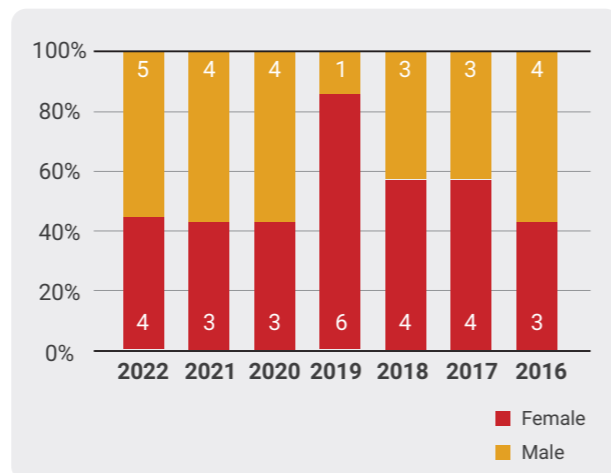
2.1.3 Board Election and Diversity

Directors' professional knowledge and talents



Basic condition and value	Professional Specialties
<ul style="list-style-type: none"> Gender Age Nationality Culture 	<ul style="list-style-type: none"> Professional background (i.e., law, accounting, industry, finance, marketing, or technology) Professional skills Industry experience

Ratio of female Directors to all Directors



The candidate nomination system is adopted for the election of the Board members of the Company, and they shall be elected by the shareholders' meeting from the list of Director candidates. The Board has 5 to 9 Directors, and the number of persons to be elected shall be determined by the Board. The term of office is 3 years, and they may be re-elected and re-appointed.

According to the organizational culture, operating pattern, and future development strategies, the Board member allocation and diversification shall be duly considered to establish, including but not limited to, the election standards of the following two aspects:

The Company has been actively promoting gender equality for years. In the past seven years, there was a female Chairman elected, and the ratio of female Directors has remained above 40% for years, higher than the average ratio of female Directors of listed companies in Taiwan (Note).

(Note) According to the statistics of the Taiwan Stock Exchange, the ratio of female Directors of listed companies in Taiwan ranged from 12.48% to 15.48% from 2017 to 2022.

2.1.4 Functional committee

To seek healthy corporate governance, establishment of adequate long-term development strategies, and improving the decision-making policy of the Board, the Company has established three functional committees under the Board based on the functions.



Audit Committee

Composition	Established on April 23, 2020 and composed of three Independent Directors.
Functions	<ul style="list-style-type: none"> Responsible for assisting the Board in implementing the supervisory duties. Exercise powers under the Securities Exchange Act, Company Act, and other laws and regulations. Substantial content: <ul style="list-style-type: none"> Monitor whether the preparation of financial statements complies with accounting standards and whether the content appropriately discloses the Company's operating status. Evaluate the validity of the internal control system. Regularly make exchanges with CPAs of the Company and carry out reviews for the election, independence, and performance of CPAs. Control existing or potential risks of the Company.
Implementation status in 2022	<ul style="list-style-type: none"> Organized five meetings. The attendance rate of Independent Directors reached 100%. Main work content <ul style="list-style-type: none"> Review the business report, parent company only/consolidated financial statements, and the proposal for earning distribution. Passed the CPA independence evaluation proposal. Passed the 2023 annual audit plan proposal. The Audit Committee is convened at least once a quarter. For any special circumstances, it will immediately report to the Board; in 2022, there were no such circumstances. If the chief auditor and CPAs have topics to discuss with Independent Directors, they may directly contact each other to maintain smooth communication and healthy interactions.



Remuneration Committee

Composition	Established on December 12, 2011 and composed of three Independent Directors.
Functions	<ul style="list-style-type: none"> Evaluate the remuneration policy and system for Directors and managers of the Company and propose recommendations to the Board to serve as the reference for decision-making. Establish and regularly examine the policy, system, standards, and structure for the performance evaluation and remuneration of Directors, supervisors, and managers. Regularly evaluate and establish the remuneration of Directors, supervisors, and managers.
Implementation status in 2022	<ul style="list-style-type: none"> Organized six meetings. The attendance rate of Independent Directors reached 100%. Main review content: <ul style="list-style-type: none"> Results of the "Board performance evaluation" of the Company in 2021 Remuneration of employees and Directors for 2021 Year-end bonus of managers for 2021 Personnel change proposal and remuneration proposal for managers of the Company in 2022



Corporate Governance and Sustainable Development Committee

Composition	Established on October 28, 2022 and composed of three Independent Directors.
Functions	<ul style="list-style-type: none"> The Board supervises the sustainable development promoting status and includes sustainable development in the business strategies of the Company to make long-term efforts and fulfill corporate social responsibility through purposeful, systematic, and organized approaches. Establish an execution team and assign supervisors from relevant departments to manage the job scope of different teams and execute the operating plans. Regularly report the work plan and execution results to the Board with respect to corporate governance evaluations, sustainable development implementation status, and the examination, follow-up, and amendment to achievements.
Implementation status in 2022	<ul style="list-style-type: none"> Organized one meeting. The attendance rate of Independent Directors reached 100%. Major practice: Report to the Board regarding the operating schedule for promoting GHG inventory and investigation.



the 2022 annual report for the shareholders' meeting.

2.1.5 The Directors and Senior Managements' Professionalism and Continuing Education

In 2022, according to work and self-development requirements and learning conditions, the Company arranged diverse external continuing education courses, and the content included corporate governance, sustainable development, and taxation topics. The continuing education hours reached 76 hours, complying with the ratio of continuing education hours of Directors of listed companies.

2.1.6 Recusal for conflicts of interest by the Board

TMP Steel has established its "Procedures for Ethical Management and Guidelines for Conduct" to provide guidance for personnel of the Company to report any conflicts of interest of oneself or the corporation it represented, or relevant circumstances of the possibility of allowing oneself, spouse, parents, children, or other persons of interests to gain unjust benefits when executing the operations of the Company to the direct supervisor or the dedicated department of the Company, and the direct supervisor shall provide appropriate instructions. Meanwhile, a recusal system for conflicts of interest for Directors is stipulated in the "Rules of Proceeding

of the Board." If a Director or the corporation it represents has any interest in any meeting proposal, it shall describe the major content of its interests at the Board meeting; if there is any risk of harming the Company's interest, it shall recuse from discussions and voting, and shall not exercise the voting rights on behalf of another Director.

From 2020 to 2022, the Chairman and the President were not the same person. For the details of the recusal of Directors due to conflicts of interest, please refer to [the 2022 annual report for the shareholders' meeting](#).

2.1.7 Board performance evaluation

The Board approved its "Rules for Performance Evaluation of Board of Directors" on March 11, 2021. The evaluation scope covers the Board, Board members, and functional committees. An evaluation is performed internally by the Company each year by way of self-evaluation questionnaires, and an evaluation is performed by an external professional independent institution or external expert/scholar group every three years.

The performance measurement period for the Board, individual Board members, and functional committees is from January 1 to December 31 each year. The evaluation results were reported to the Board on February 17, 2023, and the evaluation results in 2022 were excellent, and the operations were smooth.

2.1.8 Remuneration of the Board

Director's remuneration policy

When establishing the remuneration of Directors, the Company carefully considers the Company's profiting status and cumulative losses and appropriates no more than 4% of its profit as the remuneration of Directors. In addition, before appropriating the remuneration of Directors, we will preserve a sufficient amount to compensate for cumulative losses that potentially exist to ensure that the Company can respond to operating risks in the future.

When establishing the remuneration, to realize reasonableness, we will refer to the general standards of payments made by companies within the industry and ensure that the remuneration resolution and financial performance will not have significant differences. If the Company has significant profit reduction or long-term losses, the remuneration of Directors and supervisors will not be higher than the preceding year to ensure the stability of the Company's finance. Under special circumstances, if it is required to adjust the remuneration of Directors, the Company will provide reasonable descriptions in the annual report and report at the shareholders' meeting.

Connectivity between remuneration and business performance and future risks

The Company considers the level of participation and contributions of Directors to its operations, including the realization of the core value of the Company, management capacity, financial and business performance indicators, composite management indicators, and participation in continuing education and sustainable operations, and refer to special contributions and material negative events to execute the annual performance evaluation and remuneration distribution. Ultimately, the Company submits the remuneration report to the Remuneration Committee and the Board to determine the amount and structure of the remuneration of Directors.

2.2 Economic performance

2.2.1 Financial Performance

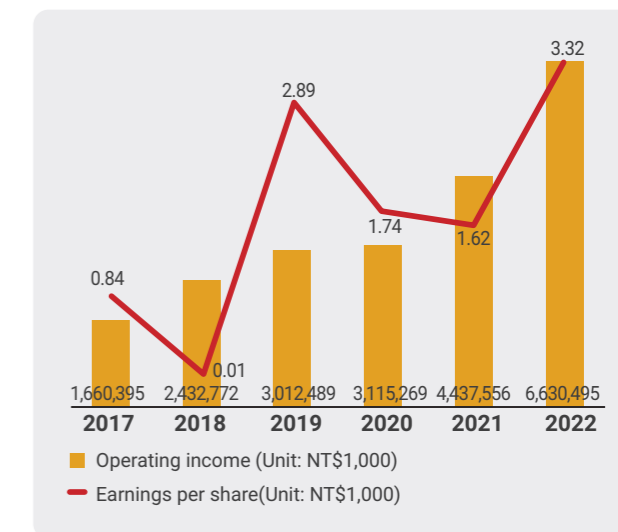
In 2022, the operating income of the Company broke through NT\$6.6 billion and reached a historical new height (representing a growth of 49.42% as compared to 2021). Earnings per share (EPS) was NT\$3.32 (representing a growth of 104.92% as compared to 2021). The excellent financial performance exhibited a stable business plan and disciplinary capital management. The growing momentum for the growth of operating income for the period is primarily benefitting from the expanded investments in new plants, commercial office buildings by domestic and foreign enterprises, and the continual strong demand for governmental public constructions, giving rise to the demand for rebars. Also, the effects of the production expansion of Changbin Plant, newly put into use in 2021, exhibited, and there was an increase in the steel product sales performance, together with the one-stop services and the significant increase in the scale of production and sales of business locations across Taiwan and the effective control of management and sales expenses, the Company recorded unprecedentedly excellent performance in terms of consolidated operating income, gross profit, net profit, and profit before tax.

TMP Steel distributed cash dividends in the past four years. It distributed a cash dividend of NT\$1.2 in the preceding year. Due to the booming profit in the current year, to give back to the long-term support of shareholders, the Board approved to distribute a cash dividend of NT\$1 per share and planned to distribute shareholders' souvenirs. In the future, the Company will continue to give back to all stakeholders, including shareholders/investors, employees, customers, suppliers, government, and communities, to lay a foundation for sustainable corporate operation.

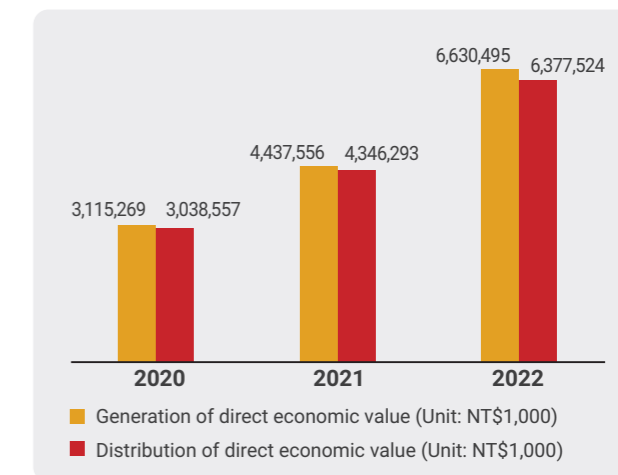
On March 29, 2023, the construction of Changbin Plant II under the capital investment of TMP Steel amounted to approximately NT\$750 million commenced. The plant has an area of approximately 30,000 m². Stirrups and welded wire mesh, and other relevant steel materials' processing production line will be established, and it is estimated to complete the construction and commence operations in the first half of 2024. **The plant expansion is beneficial for expanding the processing capacity, and products expanded from the initial rebars to stirrups and welded wire mesh. The monthly production volume of the new plant is expected to be 5,000 tons; together with the existing products, the**

monthly production volume will increase by 20%, totaling 30,000 tons. After the completion of the new plant and putting into construction, the Company expects to provide the sales of comprehensive products with better quality and services to the construction industry and the public constructions of the government and will be able to instantly understand customers' requirements so as to contribute to the constructions in Taiwan.

Operating income and earnings per share



Historical economic value generated and distributed by the Company



(Unit: NT\$1,000)	2020	2021	2022
Generation of direct economic value	3,115,269	4,437,556	6,630,495
Operating income	3,115,269	4,437,556	6,630,495
Distribution of direct economic value	3,038,557	4,346,293	6,377,524
Operating costs	2,874,497	4,195,239	6,195,387
Employees' salaries and welfare	62,772	73,213	91,216
Payments to shareholders	77,113	48,661	67,696
Payments to the government	24,175	29,180	23,024
Community investments	-	-	25
Governmental grants (Note)	-	159	702

(Note) Primarily industry development interest subsidies from the government.

2.2.2 Pensions

Defined benefit plan

Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labour Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labour Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

Defined contribution plan

The Company has a defined benefit pension plan in accordance with the Labour Standards Act, covering all regular employees' service years prior to the enforcement of the Labour Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. The Company has no employees who are subject to the pension plan under the Labour Standards Act since September 2020, and has temporarily suspended its contribution to the labour pension reserve until February 2023 as approved by the Taipei City Government, Bureau of Labour.

2.3 Risk management

2.3.1 Corporate risk management structure

The Board is the supreme department for the risk management of the Company, and there is a subordinated Audit Committee (a functional committee) and a risk management team. The risk management team is the responsible department that is responsible for the implantation of risk management. At present, the President leads supervisors of functional departments to carry out internal risk analysis of the Company and monitors potential and existing risks of departments.



Risk management procedures



Analysis of risk management evaluation aspects

	Risk item	Management method	Validity evaluation
Hazardous risk	Climate change risks	<ul style="list-style-type: none"> The risk management team leads the supervisors of departments to carry out climate change risk analysis and formulate necessary countermeasures. 	<ul style="list-style-type: none"> Complete the climate change risk identification of the Company and submit the risks identified to supervisors of relevant departments under effects to formulate subsequent countermeasures.
	Occupational disaster risks	<ul style="list-style-type: none"> The Occupational Safety and Health Office is responsible for planning, supervising, and promoting occupational safety and health management work. 	<ul style="list-style-type: none"> Organize fixed fire control drills each year. Continue to manage the reasons for the occurrence of occupational injuries and subsequent improvement measures.
Operating risks	Cybersecurity risks	<ul style="list-style-type: none"> Regularly engage a professional team to assist in the execution of the evaluation each year. 	<p>The Company engages external contractors to manage its cybersecurity, which is described as follows:</p> <ul style="list-style-type: none"> PC maintenance of plants: Two times Firewall maintenance of plants: Two times Network products of plants: Two times Physical virtualization mainframe maintenance of the HQ: Two times General server maintenance: Two times Other information-related maintenance: Two times Reinforcement of employees: educational promotion Two times, for a total of 92 persons.
	Market risks	<ul style="list-style-type: none"> Explore the order-taking and shipping status during meetings and carry out market analysis. 	<ul style="list-style-type: none"> Regularly organize supervisor meetings each week. Regularly organize sales meetings each week.
	Production scheduling risks	<ul style="list-style-type: none"> Explore the production status of the Company at meetings. 	<ul style="list-style-type: none"> Regularly organize supervisor meetings each week.

	Risk item	Management method	Validity evaluation
Financial risks	Financing risks	<ul style="list-style-type: none"> Explore the financing status and bank limit usage of the Company at meetings. 	<ul style="list-style-type: none"> Regularly organize supervisor meetings each week.
	Credit risks	<ul style="list-style-type: none"> Explore the recovery status of amounts due from customers at meetings. 	<ul style="list-style-type: none"> Regularly organize supervisor meetings each week.
Strategic risks	Business strategy risks	<ul style="list-style-type: none"> Collect, compile, analyze, study, and determine information on the price increase/decrease of domestic/foreign raw materials and effectively formulate future strategic directions. 	<ul style="list-style-type: none"> Regularly carry out business result reporting and relevant analysis at the quarterly Board meetings and make business strategy adjustments on a rolling basis based on industrial trends.
	Legal compliance risk	<ul style="list-style-type: none"> Share and report regulatory updates at meetings and order the supervisor of the responsible department to formulate the internal specifications and procedures for legal compliance. 	<ul style="list-style-type: none"> Regularly organize supervisor meetings each week.
Compliance risks	Contract risks	<ul style="list-style-type: none"> In 2022, the Legal Affairs Section was established, and there is a review system in place for sales contracts and other material contracts. 	<ul style="list-style-type: none"> The Legal Affairs Section assists in reviewing contract terms and provides professional recommendations.

2.3.2 Information Security Management

Information Security Management Structure Implementation

The Information Department of the Company is the dedicated department for organizing the amendment, execution, interpretation, and consultation of the information security policy.

Information Security Management Measures

- Set up a dedicated server room.
- Keep records of entry and exit of the computer room for review.
- Equipped with independent air conditioning, and place appropriate fire extinguishers in our server room.
- Establish a UPS system.
- Required to change system passwords regularly to maintain account security.
- Provide basic information security training for all employment to strengthen information security awareness among employees.

- An external professional team is appointed to implement an information security plan to help the Company develop corresponding actions when encountering disasters such as damage to operating systems, or improper use, so as to eliminate disaster threats to a minimum level. We believe that conducting disaster drills in a planned and ongoing manner can promote our capability to respond to emergencies.
- Conduct information security drills once for continued enhancement of our business continuity capabilities. The following situations are designed as the exercise background:
 - Network interruption
 - Power outage
 - System crashes
 - Digital viruses
 - Hardware crashes
 - Damage to the database

The content and results of the implementation have been reported to the Board on December 28, 2022. No major incidents that impacted corporate operations or infringed upon client privacy occurred in 2022.

2.3.3 Business Integrity

The Management Department of the Company is the dedicated department for organizing the amendment, execution, interpretation, and consultation of the "Procedures for Ethical Management and Guidelines for Conduct" and the

registration archiving of the reported content, supervising the execution, and examining the improvement. The implementation status was reported to the Board of the Company on December 28, 2022.

2.3.4 Internal audit

TMP Steel has an Audit Office and a chief auditor in place to coordinate the internal audits of the Company. The Board directly manages and supervises the internal audit work. The appointment and dismissal of the chief auditor shall be

approved by the Board. Furthermore, an audit personnel was otherwise established to be responsible for regular audits and project audits.

Communication with management of TMP Steel Corporation

	Audit Committee	Board of Directors
Participants	<ul style="list-style-type: none"> Independent Directors CFO Chief auditor CPAs 	<ul style="list-style-type: none"> the Board members CFO Chief auditor Senior management CPAs
Frequency	Quarterly	Quarterly
Communication matters	<ul style="list-style-type: none"> The chief auditor reported the statuses of internal control and audit implementation to the Audit Committee monthly. If the chief auditor and CPAs have topics to discuss with Independent Directors, they may directly contact each other to maintain smooth communication and healthy interactions. For any special circumstances, it will immediately report to the Board; in 2022, there were no such circumstances. 	<ul style="list-style-type: none"> The chief auditor reported the statuses of internal control and audit implementation to the Audit Committee quarterly. For any special circumstances, it will immediately report to the Board; in 2022, there were no such circumstances.

2.4 Legal compliance

TMP Steel promises to operate its businesses by adhering to the principles of integrity and honesty. To continue to enhance the implementation of legal compliance, the Company will establish a comprehensive management system, implement regulation identification, and educational training, and require all employees, supervisors, managers, and Directors to not engage in any illegal or unethical conduct by any means and not instruct other to do so.

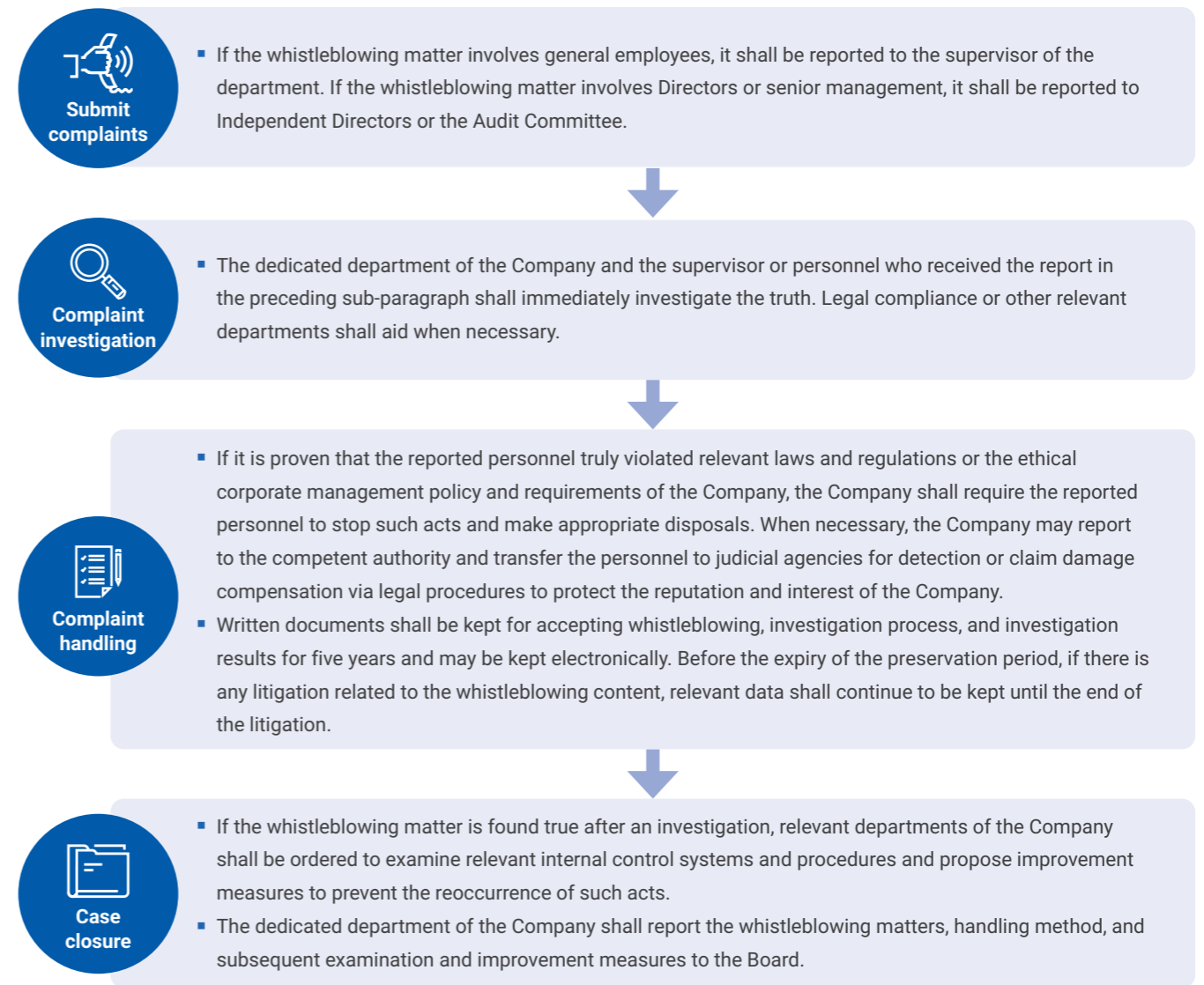
Validity evaluation

Educational training/promotion	Promotion target	Number of persons	Relevant laws and regulations or circumstances	Number of material punishments/ total amount
<ul style="list-style-type: none"> Ethical corporate management 	Directors and employees who contact external parties for business	64	<ul style="list-style-type: none"> Punishment imposed by TWSE 	None of the single events is material punishment or material loss
<ul style="list-style-type: none"> Procedures for the Prevention of Insider Trading 	Directors and managers	24	<ul style="list-style-type: none"> Infringement of customers' privacy and data leakage 	None of the single events is material punishment or material loss
<ul style="list-style-type: none"> Procedures for Handling Material Inside Information 	New Directors and new employees	127	<ul style="list-style-type: none"> Violation of occupational safety and labor rights 	None of the single events is material punishment or material loss
<ul style="list-style-type: none"> Information safety management measures 	In-service employees	92		

2.4.1 Whistleblower Procedures

To encourage internal and external whistleblowers to be courageous in exposing problems, TMP Steel adopted corresponding protection measures. Such measures include the confidentiality of the identity of whistleblowers, banning the dismissal, layoff, transfer, salary reduction, or other adverse disposals imposed on whistleblowers due to whistleblowing, and requiring relevant personnel who handle the whistleblowing matters to sign the written non-disclosure statement to ensure the protection of whistleblower's identity and the confidentiality of the content.

In 2022, there was no matter violated ethical corporate management, and the Company did not receive any internal or external whistleblowing letters or legal cases related to its ethical corporate management.



Government
Ms. Wu, Administration Section
Whistleblowing mail-box: tmp@tmpco.com.tw

Employee
Ms. Huang, Human Resources Development Section
Whistleblowing mail-box: tmp@tmpco.com.tw

Customer
Website message board
<https://www.tmpco.com.tw/contact-us.htm>

Shareholder and investor
Ms. Huang, Investor Management Section
Whistleblowing mail-box: tmp@tmpco.com.tw

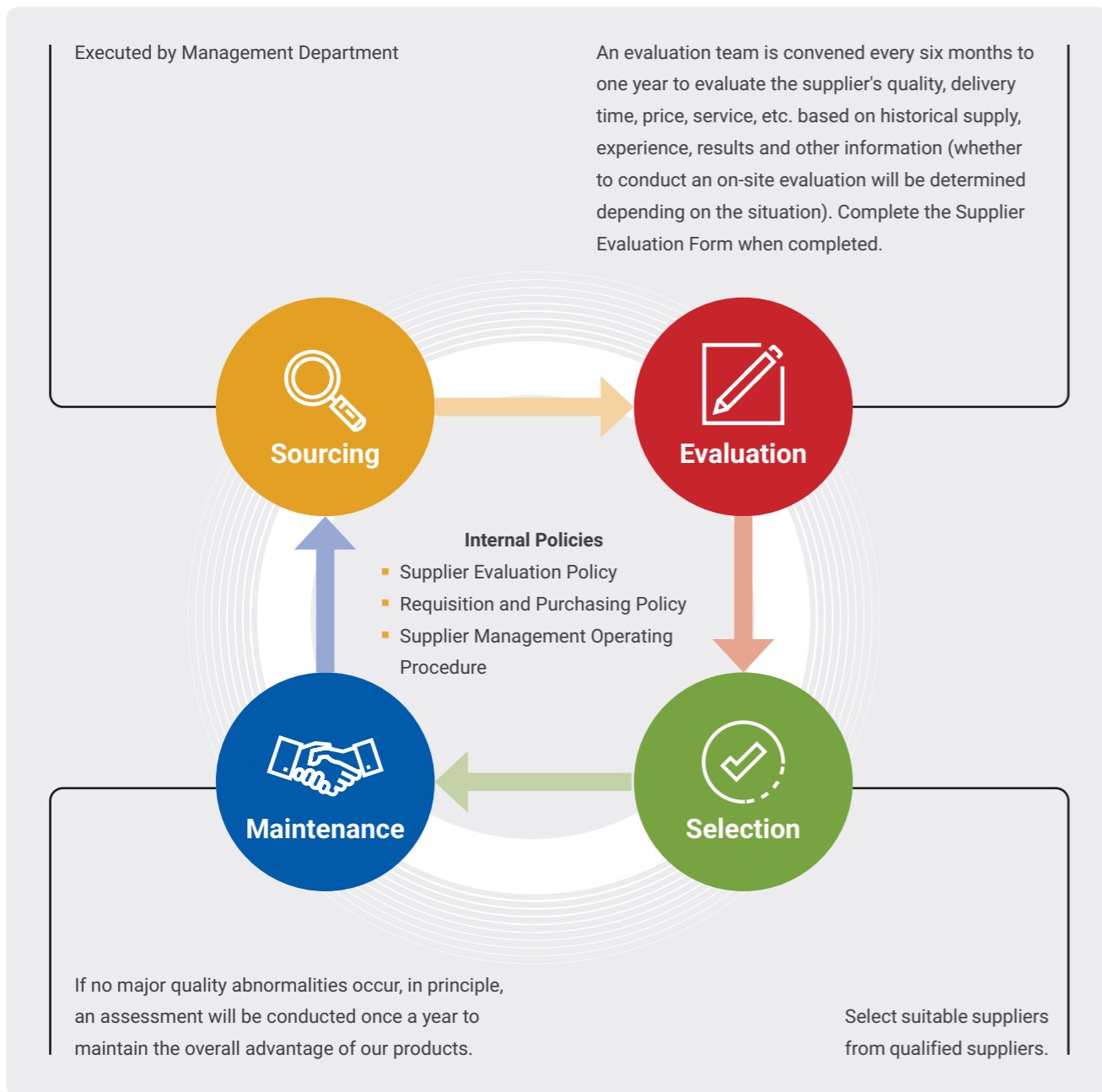
Others
Whistleblowing line: (04)7530578
Whistleblowing mail-box: tmp@tmpco.com.tw

2.5 Sustainable supply chain

TMP Steel is deeply rooted in Taiwan, and it is committed to the localization of its procurement to build a close network with the steel industry group in Taiwan. Its major supplier is E-Top Metal Co., Ltd. (the "E-Top Metal") and E-Sheng Steel Co., Ltd. (the "E-Sheng Steel"), also members of Taiwan Steel Group. In 2022, the importing ratio from E-Top Metal and E-Sheng Steel accounted for a total of 90%.

The Company has high requirements for quality. To ensure that the product quality complies with the requirements and expectations of customers, it required suppliers to obtain

the CNS Mark certification from the Bureau of Standards, Metrology and Inspection, M.O.E.A. in Taiwan and the ISO 9001 quality management system certification. In addition, for radiation management, suppliers are all qualified suppliers for the radiation detection operation for the iron and steel industry approved by the Atomic Energy Council, Executive Yuan so as to ensure there is no abnormal radiation of steel products they produced, which further confirmed the elimination of radiation-polluted buildings to allow the public to live with ease to jointly protect the health of citizens in Taiwan.



Chapter 3

Environmental management



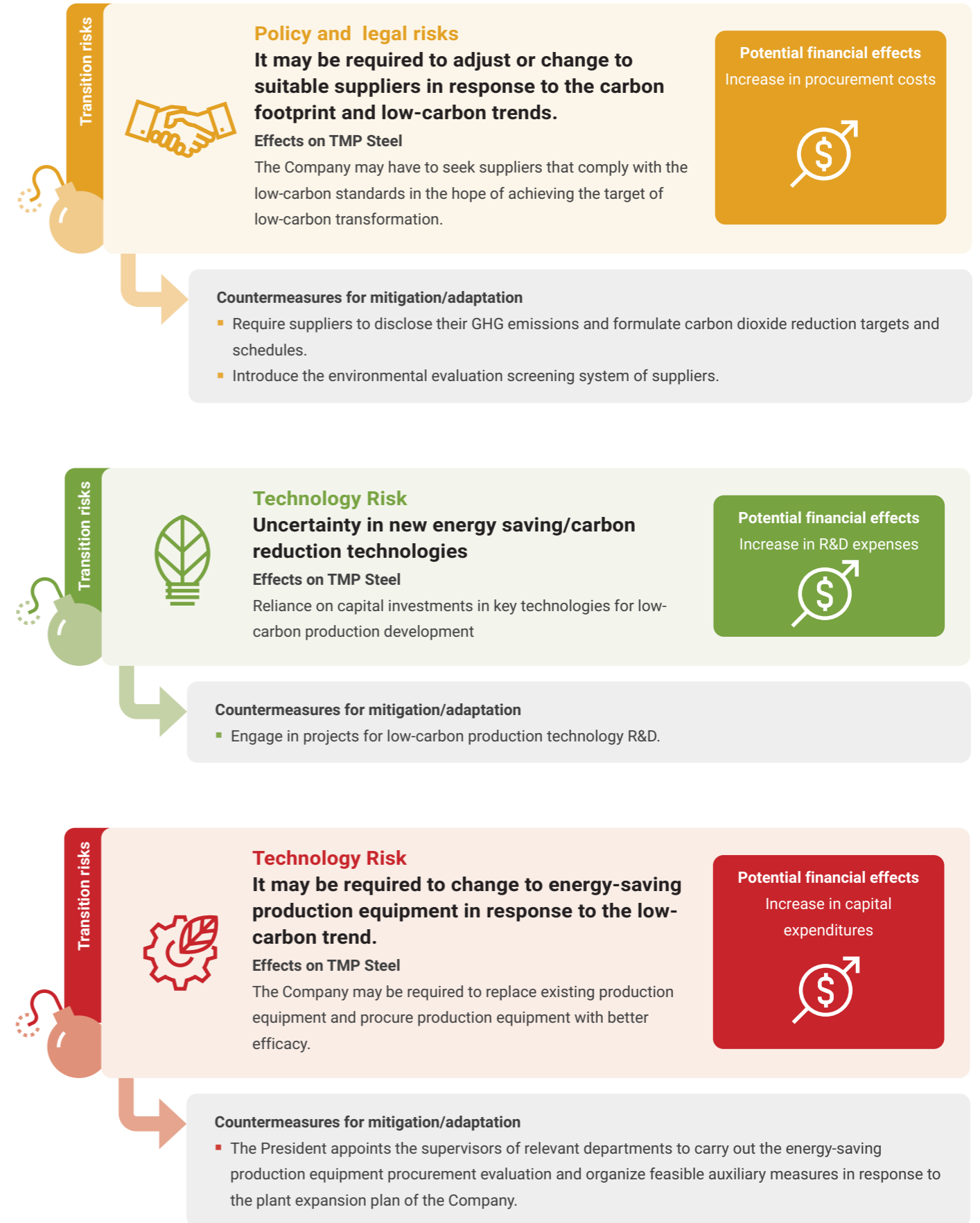
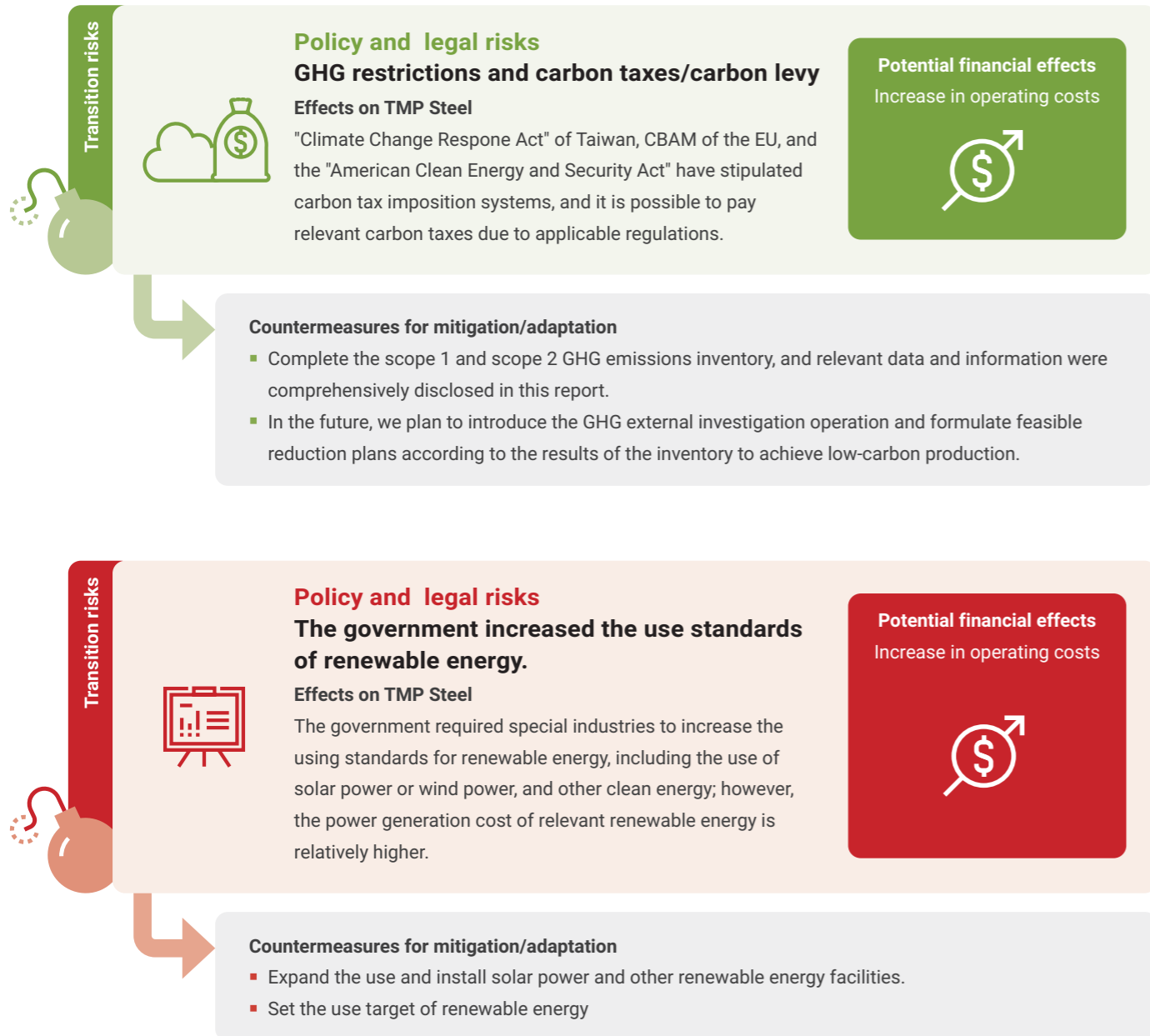
3.1 Climate change risk management

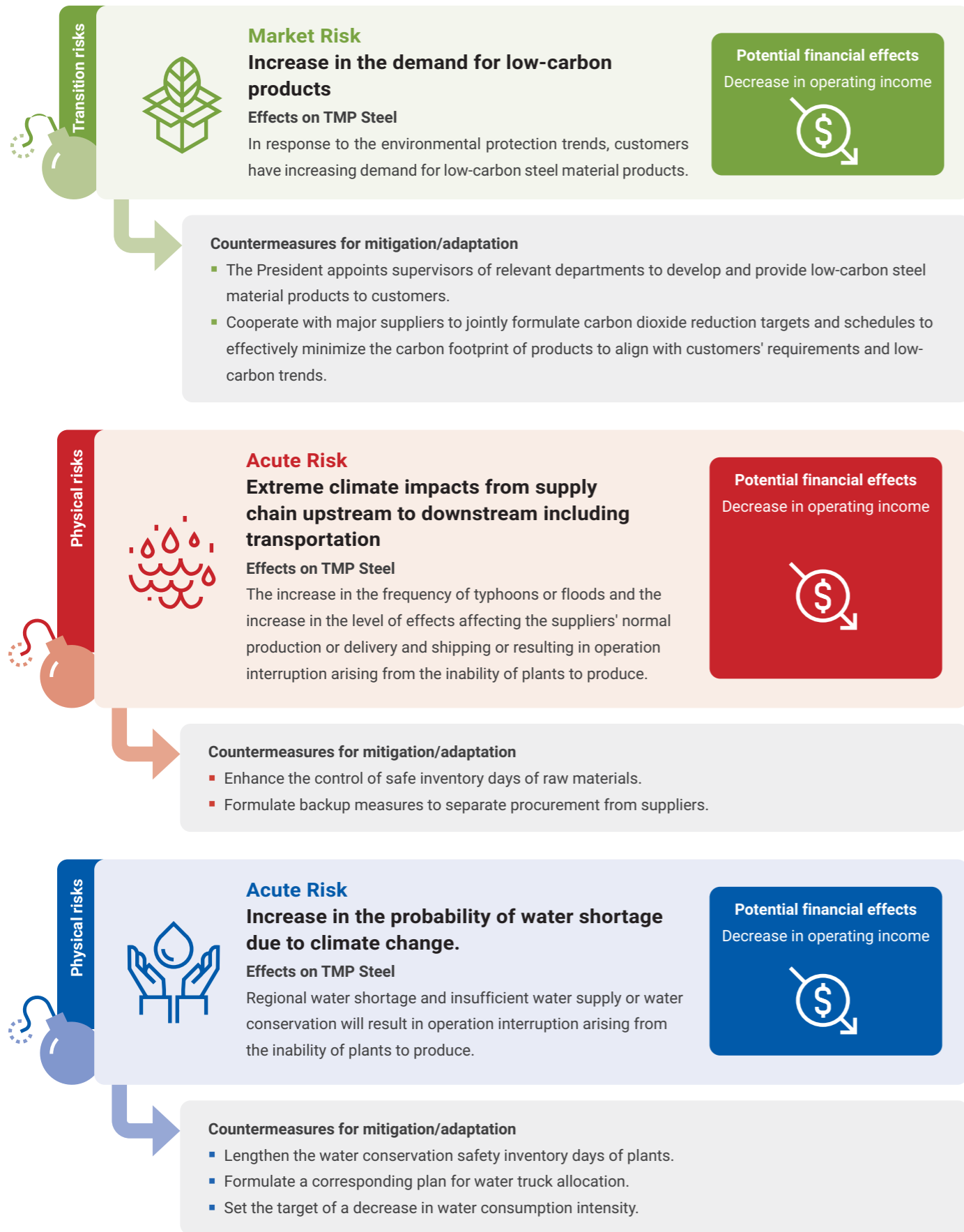
3.1.1 Climate governance

In response to the sustainable development trends worldwide and in Taiwan, to grasp the real-time effects of climate change on sustainable operations, the Board of TMP Steel (the supreme supervisory department for climate governance) and the Corporate Governance and Sustainable Development Committee decided to introduce the TCFD disclosure

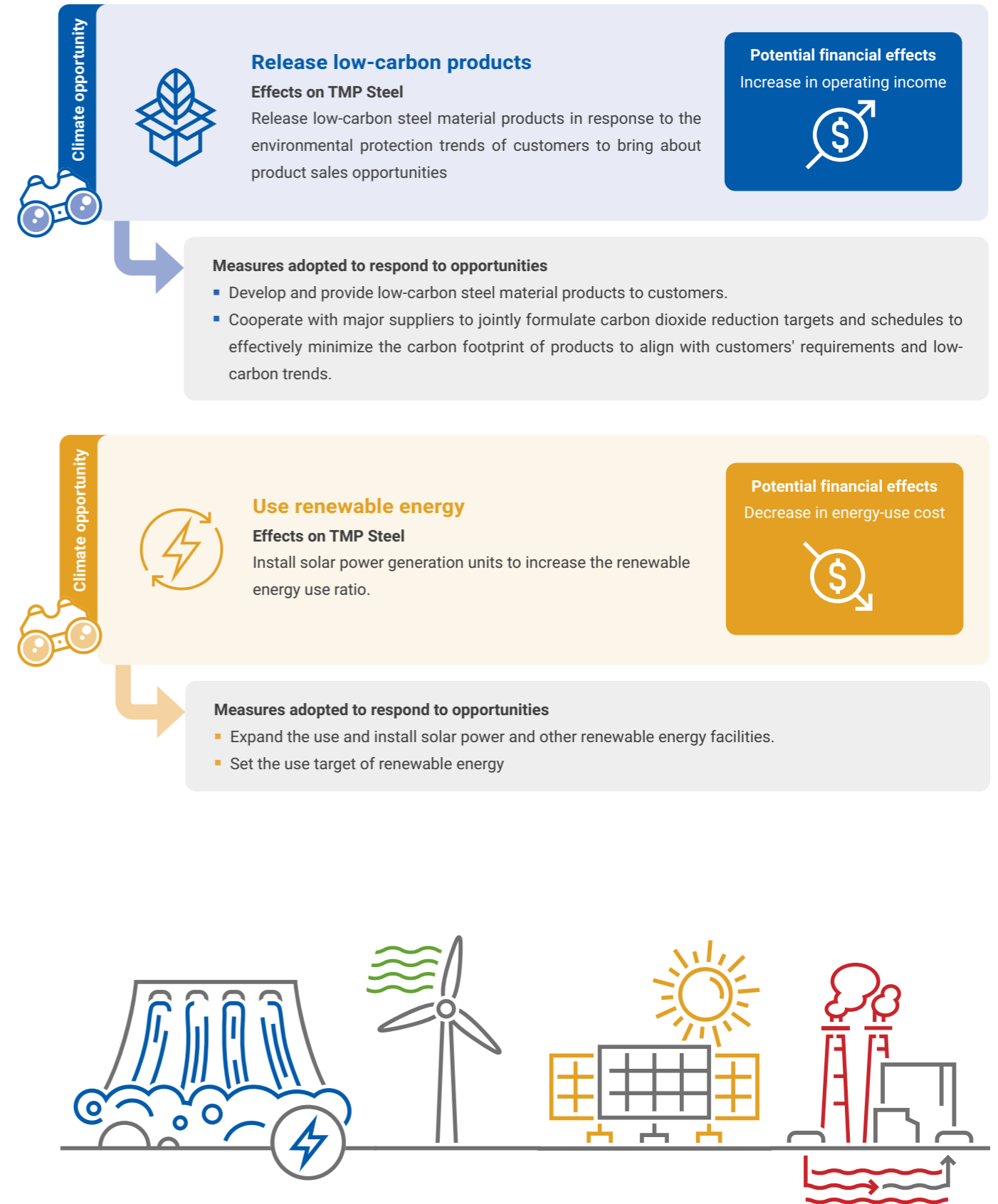
structure promulgated by the Financial Stability Board (FSB) to identify and tracking material risks and opportunities that may be caused to operations due to climate change so as to formulate corresponding and management measures and implement corporate risk management work.

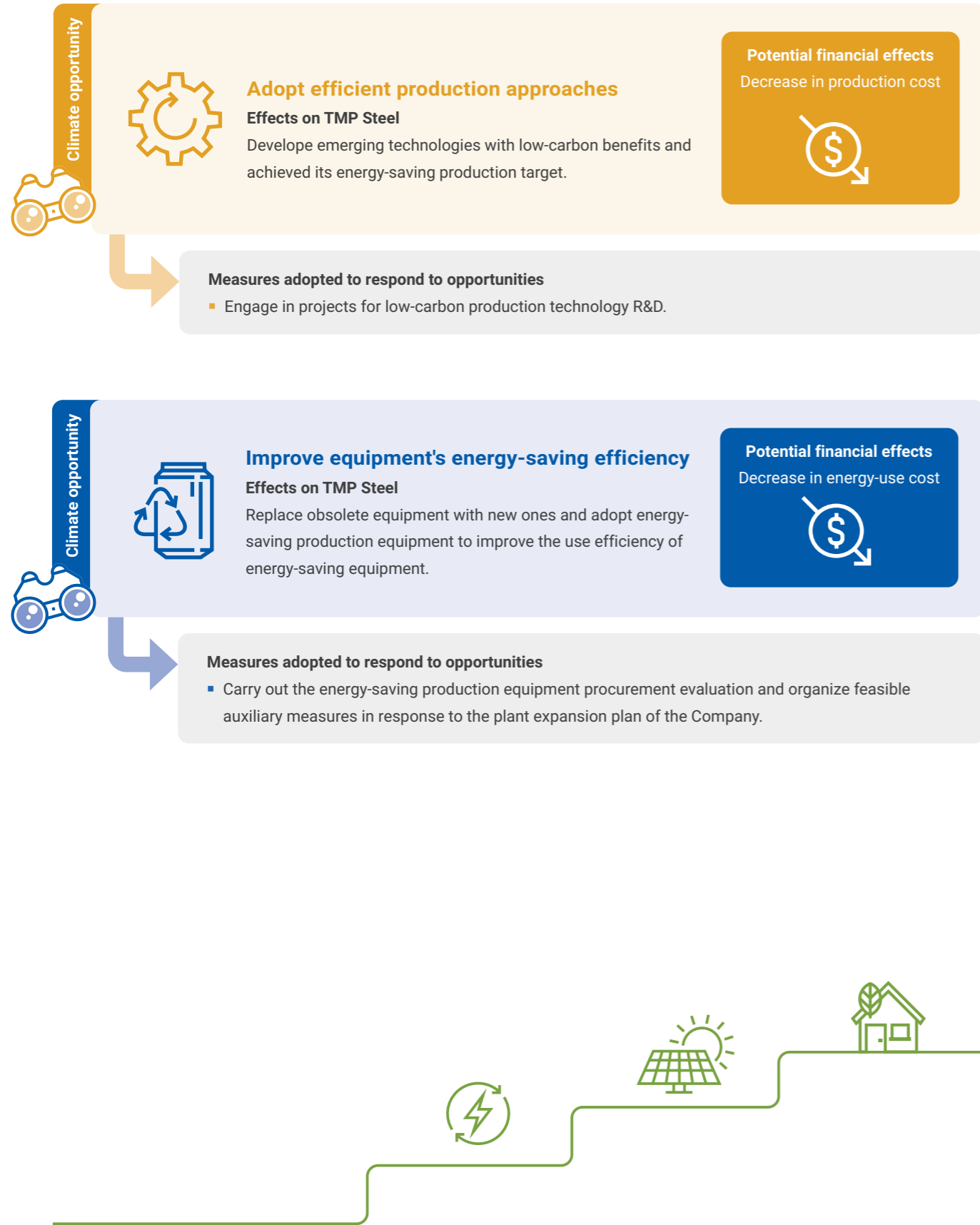
Results of climate risk identification





Results of climate opportunity identification





3.2 Energy and GHG emissions

3.2.1 Energy

The energy consumed by the business locations of TMP Steel is majorly purchased power, and the consumption of indirect energy accounts for approximately 15.36% of the total energy consumption of the Company; the indirect energy consumed includes diesel and petrol. In 2022, due to the increase in the

production capacity of plants, the energy consumption of the Company was approximately 7,830GJ, representing an increase of 3,047GJ as compared to 2021, and the energy intensity was 0.036GJ/ton.

Non-renewable energy	2020	2021	2022	Description
Purchased power	637.31	830.10	2,618.78	<ul style="list-style-type: none"> In 2021, the consumption of petrol at Changbin Plant increased as compared to last year due to additional sales personnel and the addition of company cars. Also, at the end of 2021, because of the newly purchased transportation vehicles, diesel consumption increased significantly.
Petrol	16.45	128.82	209.77	
Diesel	No record	12.74	348.43	<ul style="list-style-type: none"> In the future, the increase in resident and commercial office constructions nationwide will significantly drive the processing and transportation requirements for rebars. Therefore, the old Changbin Plant moved to Changhua Coastal Industrial Park on September 20, 2021 and restarted production. The production capacity increased after the move of the plant, resulting in the power consumption in 2022 being significantly higher than in 2021.
Energy intensity	0.014	0.021	0.043	
Purchased power	1,677.85	1,895.99	2,035.89	<ul style="list-style-type: none"> In February 2020, Taoyuan Plant rented an additional forklift. After the termination in August 2021, there was only one forklift; therefore, diesel consumption dropped significantly.
Petrol	141.46	130.55	105.45	
Diesel	116.80	2.99	2.89	<ul style="list-style-type: none"> In 2021, the petrol consumption of Taoyuan Plant was due to the use of two internal company cars. In July 2021, the Taoyuan Plant moved to the new site, and the production capacity increased; therefore, the power consumption increased accordingly.
Energy intensity	0.021	0.021	0.022	
Purchased power	1,274.35	1,714.36	1,972.58	<ul style="list-style-type: none"> In the three years, the production capacity of the Tainan Plant increased significantly. Therefore, the power showed a stable increasing trend from 2020 to 2022. The Company plans to establish a new plant in Xinshi, Tainan and purchase new equipment in response to the targets of energy-saving and carbon dioxide reduction.
Petrol	35.99	333.96	176.00	
Diesel	97.05 (Note)	467.89	359.78	
Energy intensity	0.003	0.018	0.056	

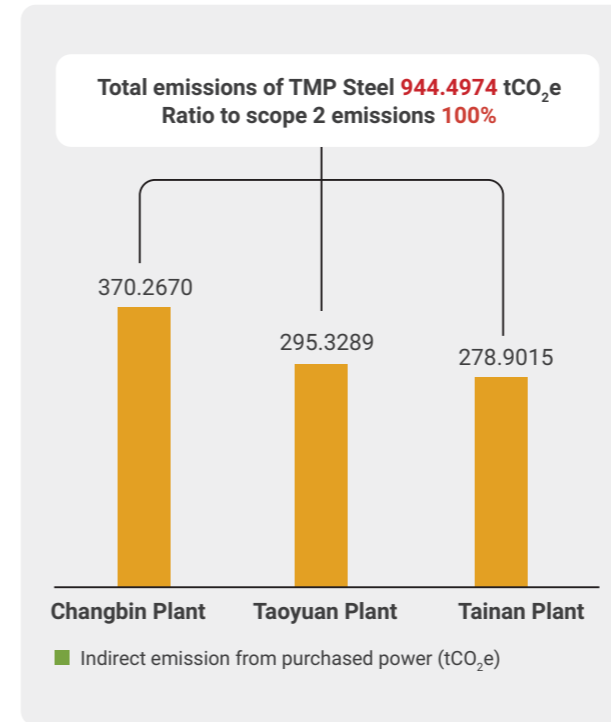
(Note) The record is not comprehensive. As the data calculations were insufficient for partial months, the Company was unable to calculate the full volume.

Energy-saving measures

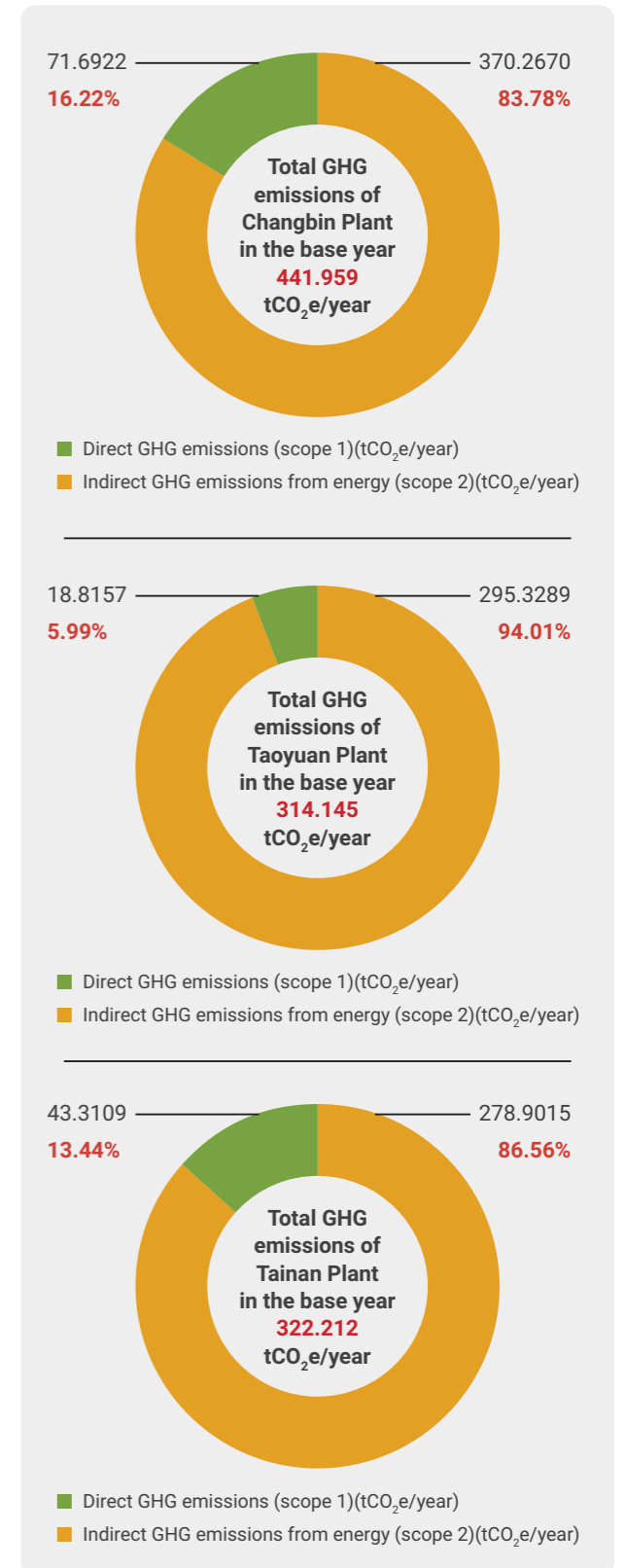
Plant	Lighting equipment	<ul style="list-style-type: none"> Adopt LED energy-saving lights Examine the reduction of the use of lights in all plants Adopt detection lights for partial area Adopt timed lights for partial area
	A/C equipment	<ul style="list-style-type: none"> Inverter central A/C water chiller unit with an indoor temperature setting of 26°C Centralized office hours to reduce the energy consumption of A/C Set up a centralized air supply station for the air compressor and adopt the inverter air compressor of the Sullair brand
Office	Office equipment	<ul style="list-style-type: none"> Purchase office equipment with energy-saving label Use papers two times for copying Designate professional companies to recycle all the toner cartridges
	Measure promotion	<ul style="list-style-type: none"> Promote to walk within the distance of two floors up/down Use environmental tableware and cups Garbage classification for recycling Regular maintenance of company cars Turn off the power of idle facilities Cooperate with the energy-saving control of the office building Continue to promote the electronic document management system

3.2.2 GHG emissions

According to the "Greenhouse Gas Protocol - Corporate Standard", the quantitative GHG emissions category of the Company in 2022 includes CO₂, CH₄, N₂O, NF₃, SF₆, and other appropriate GHG groups (HFCs, PFCs). In 2022, the total GHG emissions were 1078.316 tCO₂e, and the total scope 1 GHG emissions were 133.8188 tCO₂e.



The procedures of TMP Steel are majorly cutting; therefore, there is no production of CFCs. At present, all three plants have no emission of NO_x, SO_x, or other material gas.



(Note) The calculation of the GHG emissions of TMP Steel adopts the "emission coefficient method." The formula is the annual GHG emissions = annual activity data x emission coefficient x GWP.

3.3 Waste management

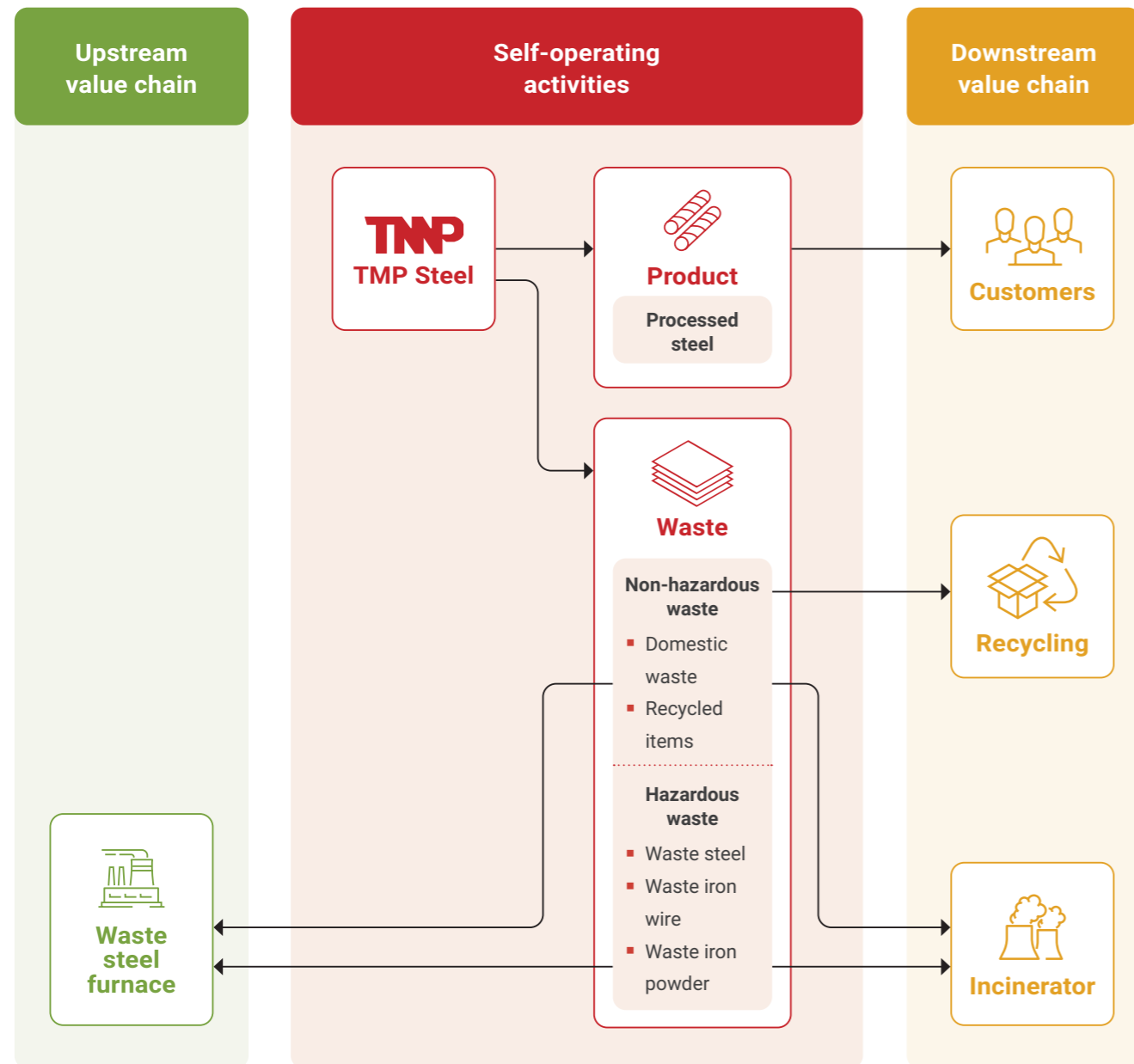
TMP Steel carries out waste reduction via incineration and recycling. In 2022, the waste of TMP Steel's production locations is primarily waste rebars, accounting for approximately 41.33% of all hazardous waste of its three plants.

In 2020, 2021, and 2022, the total waste processing volume was 557.05 tons, 723.43 tons, and 674.26 tons, respectively. The major hazardous waste was waste iron generated from

rebar production, with categories of waste rebars, waste iron wire, and waste iron powder. The category of non-hazardous waste is domestic waste and recycled items.

After recycling hazardous waste, TMP Steel sells it to companies within the iron and steel industry that use electric furnace procedures for smelting. For non-hazardous waste, the plants contact local environmental companies for recycling and clearing after incineration.

Waste management process



Waste items related to our operating activities

Domestic waste	Recycled items	Waste rebar	Waste iron powder	Waste iron wire
Source Personnel activities	Source Personnel activities	Source Rebar production procedures	Source Rebar production procedures	Source Rebar production procedures
Description Domestic waste	Description Recycled items	Description Waste iron that cannot be utilized	Description Recycled iron powder that is oxidated on the surface	Description Waste iron wires that cannot be utilized

Hazard	Category	Processed volume (ton)			Processing method
		2020	2021	2022	
Non-hazardous waste	Domestic waste	4.8	6	10.6	Incinerated (non-energy recyclable)
	Waste rebar	203.53	203.53	171.53	Recycled
	Waste iron wire	70.65	70.65	117.62	Recycled
Hazardous waste	Waste iron powder	No record	3.72	50.49	Recycled
	Domestic waste	21.6	21.6	21.6	Incinerated (non-energy recyclable)
	Recycled items	2.7	2.7	2.7	Recycled
Non-hazardous waste	Waste rebar	53.46	28.43	17.02	Recycled
	Waste iron wire	13.68	52.34	78.98	Recycled
	Waste iron powder	12.5	31.4	59.4	Recycled
Non-hazardous waste	Domestic waste	2.2	2.7	1.8	Incinerated (non-energy recyclable)
	Waste rebar	94.83	213.53	75.72	Recycled
	Waste iron wire	77.1	86.83	68.6	Recycled

3.4 Water Stewardship

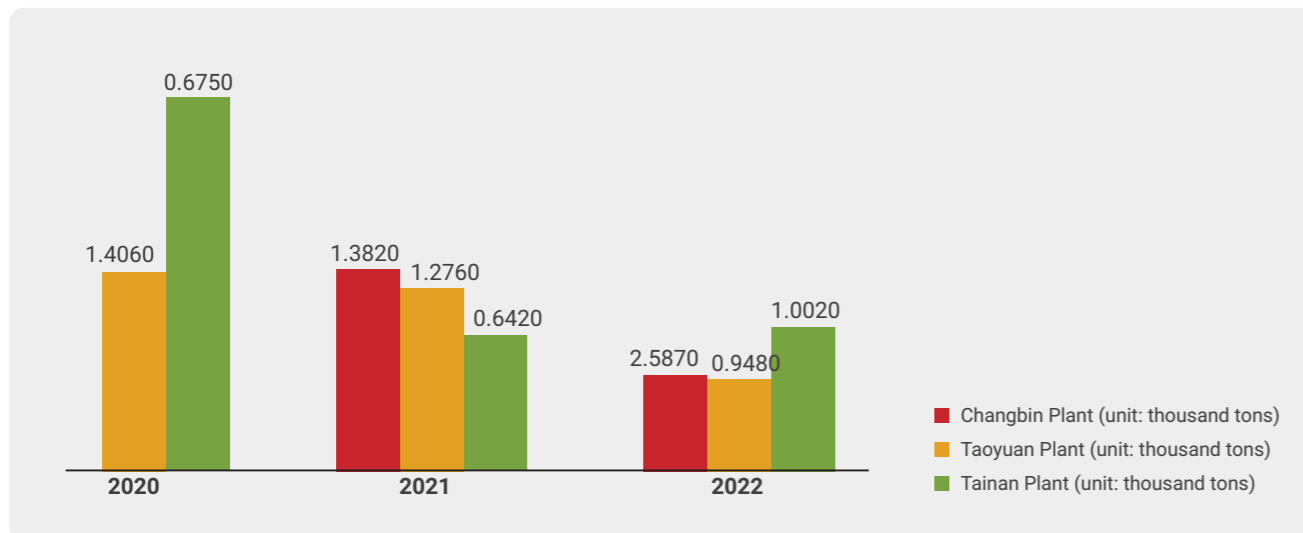
TMP Steel adopts the water risk assessment tools of the World Resources Institute (WRI) to identify the water resource pressure and water risks of plants. Water used by the Changbin Plant and Tainan Plant is from the Liyutan Reservoir, and water used by the Taoyuan Plant is from the Shimen Reservoir. The identification result was mid-to-low risks, and they are not within the high-risk region of water resources and have no significant consumption impact on water sources. The major water withdrawal of TMP Steel is provided by a third party (Taiwan Water Corporation), and water is primarily used in production procedures and for domestic use by employees. The total water withdrawal in 2021 was 3.3 thousand tons, and 4.5370 thousand tons in 2022, representing an increase of 37.48% from 2021.

Water pollution control measures

TMP Steel attaches attention to water pollution that may be caused by product manufacturing and processing. It is deeply aware of the severity of water pollution and has been promoting water pollution control measures in plants. The existing measures include:

- (1) Reinforce the repair and maintenance of equipment and ensure the completeness of equipment; reduce air leakage, water leakage, or liquid leakage due to inappropriate operations during the course of storage and transportation.
- (2) Improve employee training and enhance the awareness of accident prevention.

■ The water withdrawal of three plants in 2021 and 2022



(Note) There is no record in Changbin Plant in 2020.

Chapter 4

Product innovation



4.1 Product quality and safety

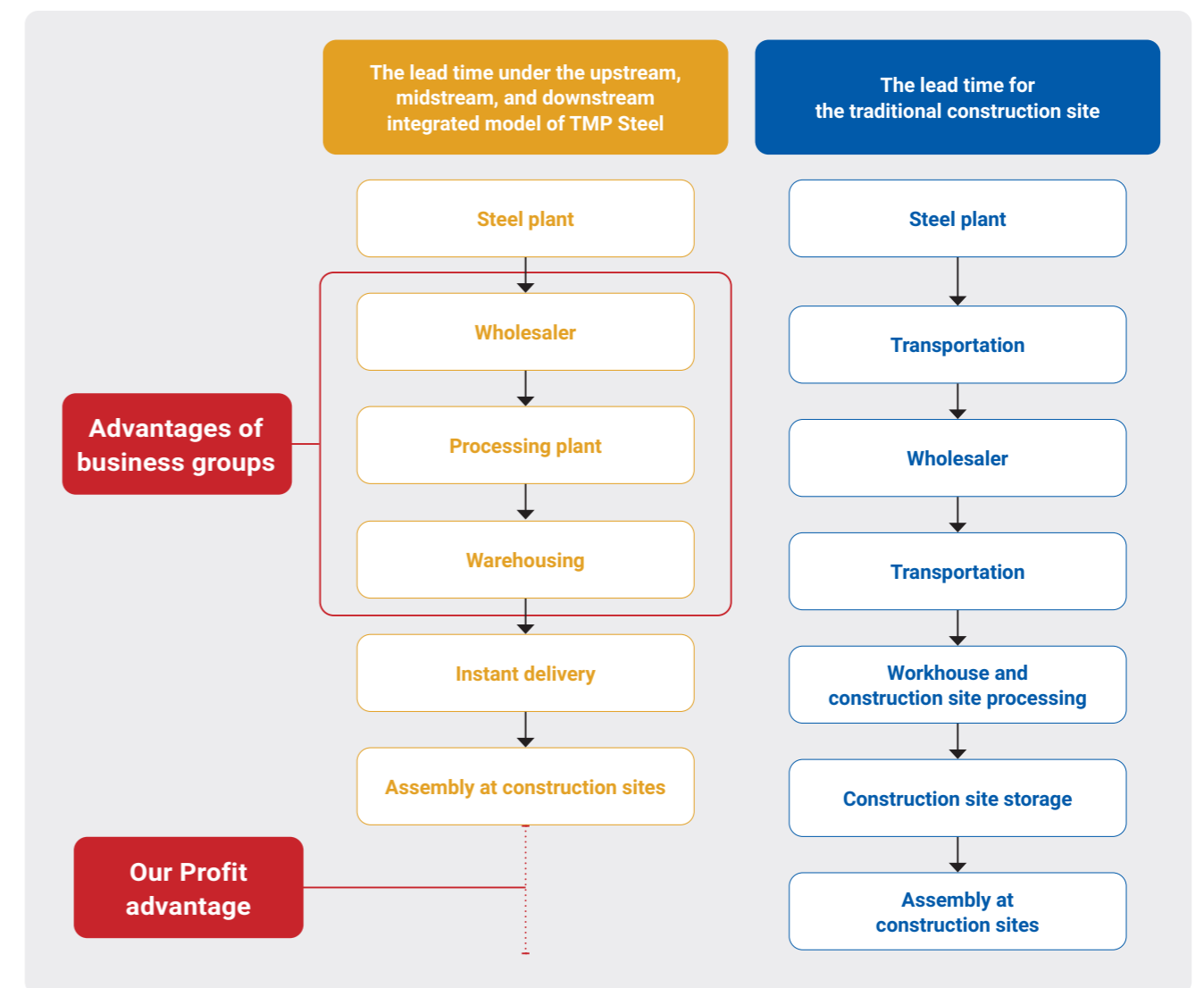
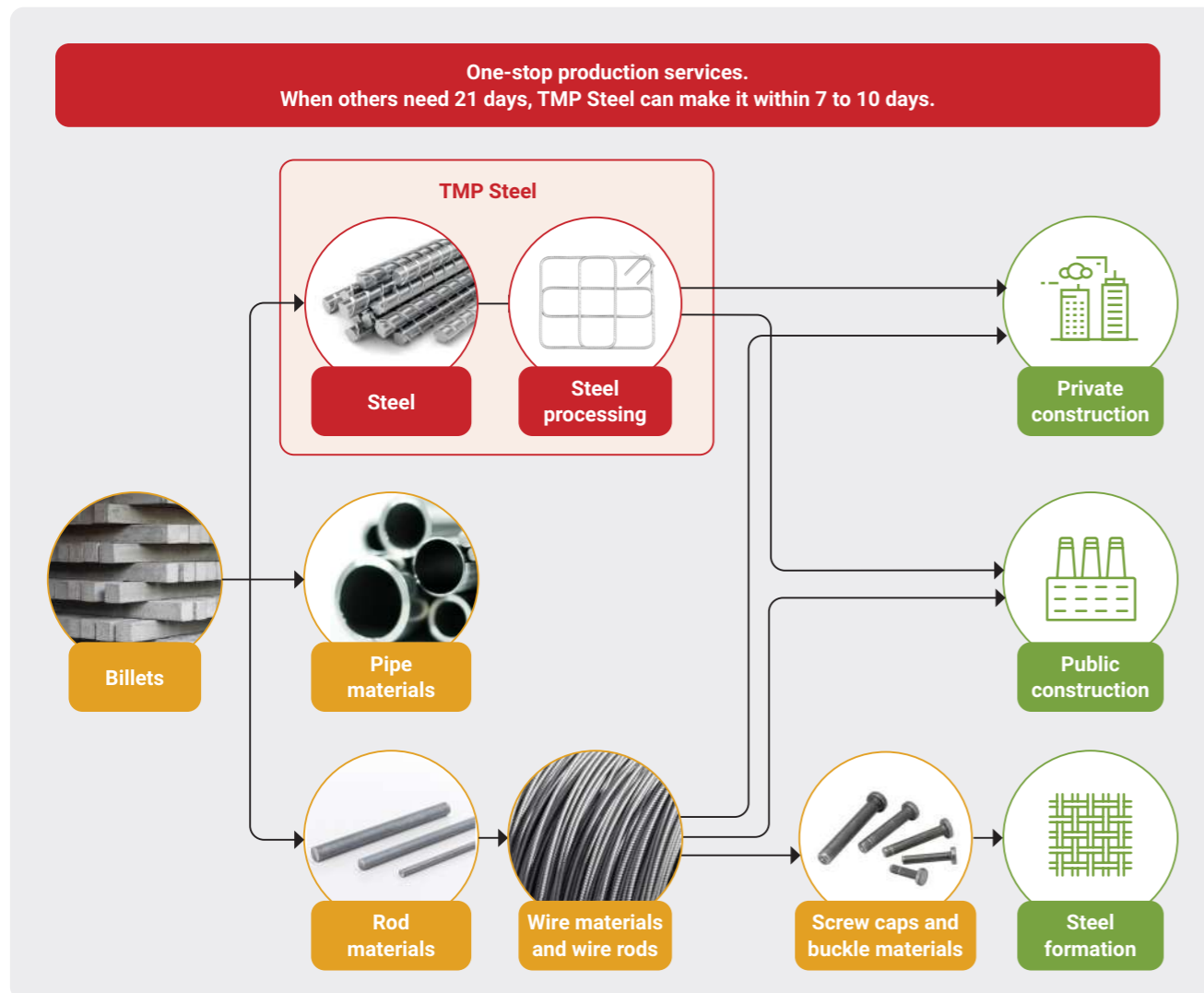
Taiwan is on the Circum-Pacific Seismic Zone and has frequent earthquakes, so high quality and well-designed building materials are indispensable. Consequently, providing safe and favorable building materials to society is what TMP Steel has long been adhering to. Under the prospect of "seek continual innovations and become a trust-worthy steel

enterprise," we commit to providing premium building steel and actively building healthy cooperating relationships with major domestic construction companies while continuing to improve the quality of existing products in the hope of satisfying every customer needs.

4.1.1 Industry value chain and manufacturing and processing procedures


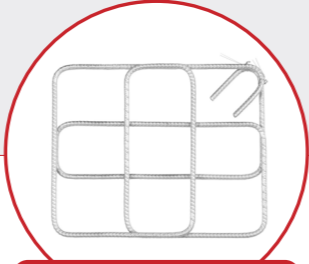
Upstream suppliers of TMP Steel engage in electric furnace smelting, with waste steel as a major raw material. The production method is to use the high temperature generated from the high voltage power supply system to melt waste rebars and finally produce billets. TMP Steel belongs to the midstream and engages in steel manufacturing and processing by using billets, and provides the completed rebars to construction sites. The downstream is majorly in

the Taiwanese market. Rebars processed by the Company is mostly used in building and public construction fields. Different from traditional steel plants, TMP Steel leverages the advantages of its business groups within the Taiwan Steel Group and adopts an upstream, midstream, and downstream integrated model to achieve production and delivery efficiency that is higher than companies within the industry.

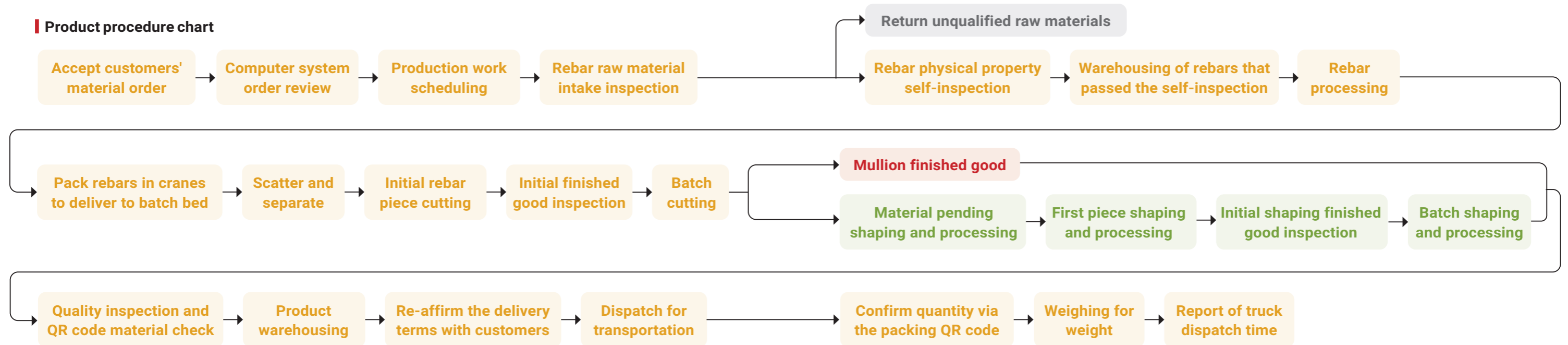


4.1.2 Product introduction and manufacturing and processing procedures

At the current stage, the major products of TMP Steel are rebars and processed steel materials, and all products comply with the national standards of CNS560 "Steel bars for concrete reinforcement."

	 Rebar	 Rebar processing
Product description	<ul style="list-style-type: none"> Rebars refer to building materials used in RC and prestressed concrete, which are majorly used in buildings, plants, public constructions, and other building projects. 	<ul style="list-style-type: none"> We have professional processing services (i.e., rebar cutting, bending, processing, and shaping), and we process rebars to the size required when customers procure the materials.
Product specification	<ul style="list-style-type: none"> National standards: CNS560 Steel material: SD280/SD280W/SD420W/SD490W/SD550W Diameter: D10~D36 	<ul style="list-style-type: none"> Carry out processing according to customers' demand. Adopt automated processing with minimum standard deviation.

Product procedure chart



4.1.3 Product responsibility and safety

Product responsibility

TMP Steel values the safety of its products. When importing raw materials to plants, we obtained the non-radiative certification and quality certificate issued by the supplier based on the production batch number. The procurement department is responsible for the raw material procurement, and the QC personnel from the Plant Affairs Department will carry out sample inspections for acceptance; furthermore, intake quality meetings are regularly held each year. During the processing procedures, QC personnel carry out sample inspections of raw materials for control to ensure that all products entering into procedures are free of radiation and comply with national standards. Over the years, all employees understood and recognized the concept of quality first and deemed seeking premium quality as their responsibility.

Products of the Company are controlled based on relevant standards, and the ingredients, mechanical properties, and radiation test all comply with the national standards. As of 2022, TMP Steel had no violation of regulations related to product health and safety, product information and labeling regulations, and regulations related to marketing and broadcasting.

Product safety evaluation

To minimize products' impacts on safety and health, TMP Steel will monitor whether suppliers regularly carry out product evaluations to ensure that the products are free of hazardous substances when selecting suppliers. We also require suppliers to ensure that the product content and ingredients are free of substances that generate environmental or social impacts and that the information on the source of product ingredients complies with the regulatory standards according to the requirements of rebars for RC under CNS 560:A2006, national standards issued by the Republic of China on April 12, 2018, and expect suppliers to obtain ISO 9001 and certifications approved by the Atomic Energy Council, Executive Yuan. According to the agreements in the sales contract, a third party shall be engaged to perform an inspection of product quality according to the specifications in CNS 560. The procedure can evaluate whether the rebars produced by the plant achieved the strength requirements and whether they are non-radiative rebars so as to care for customers' health and safety.

For details related to other suppliers, please refer to the description in [chapter 2.4](#).

Chapter 5

Happy workplace



Personnel are valuable assets of TMP Steel. We are deeply convinced that caring for employees is one of the crucial missions of the Company. By providing comprehensive remuneration and welfare to employees, promising to care for all employees' physical and mental health, and establishing talent training and internal training systems, we hope to create

a diverse, inclusive, and friendly workplace for employees to take delight in work. More importantly, while enhancing employee cohesion, it is beneficial for talent retention and attracting more outstanding talents to join us, and, in turn, achieving positive circulation and growth.

Performance highlight in 2022



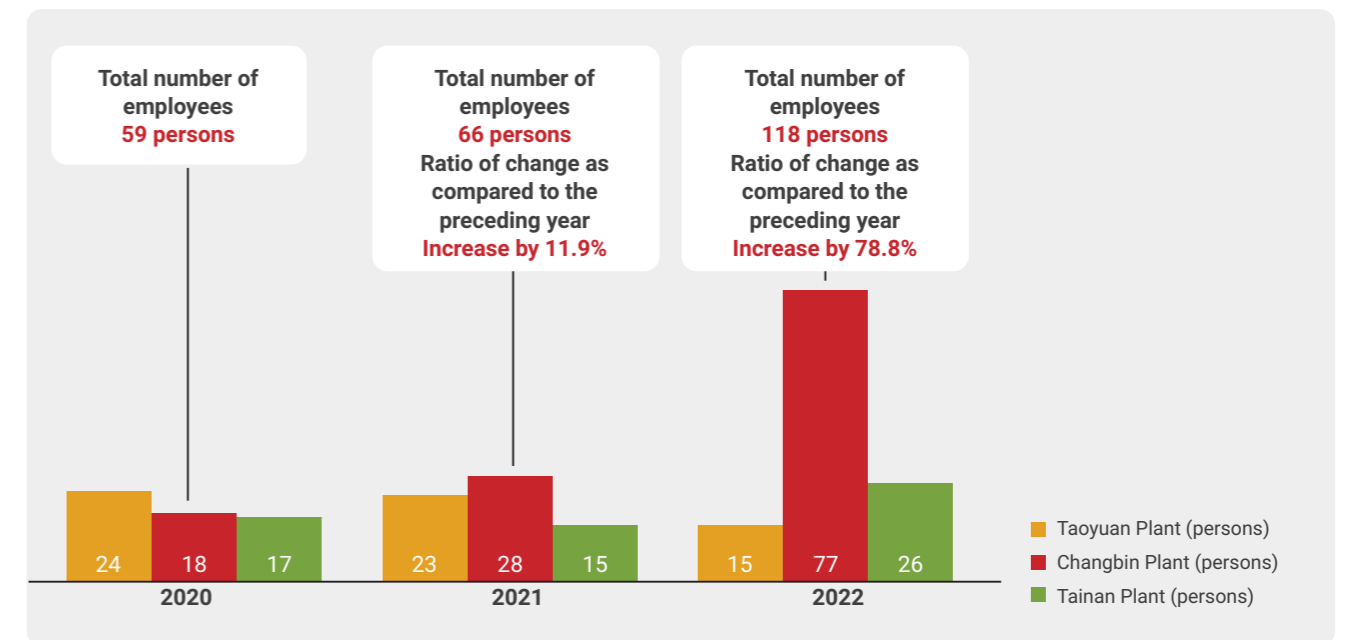
5.1 Labor structure

5.1.1 Employee distribution

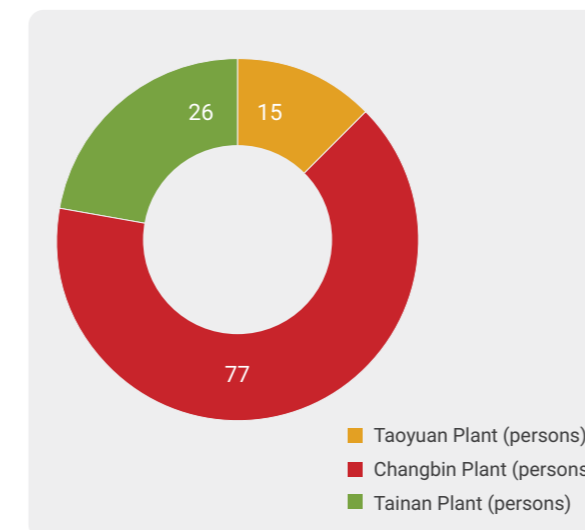
In the recent three years, TMP Steel expanded the scale of its employee recruitment due to the growing business annually to create more employment opportunities. Meanwhile, it hopes to allow employees to specialize their job scope and improve work efficiency through labor expansion, and in turn, improve employees' professional technical capacity.

In March 2023, the Company organized the groundbreaking ceremony of the Changbin Plant II at Changhua Coastal Industrial Park. It is expected that it will be beneficial for expanding the processing capacity and bringing more work opportunities for local communities after the new plant is completed.

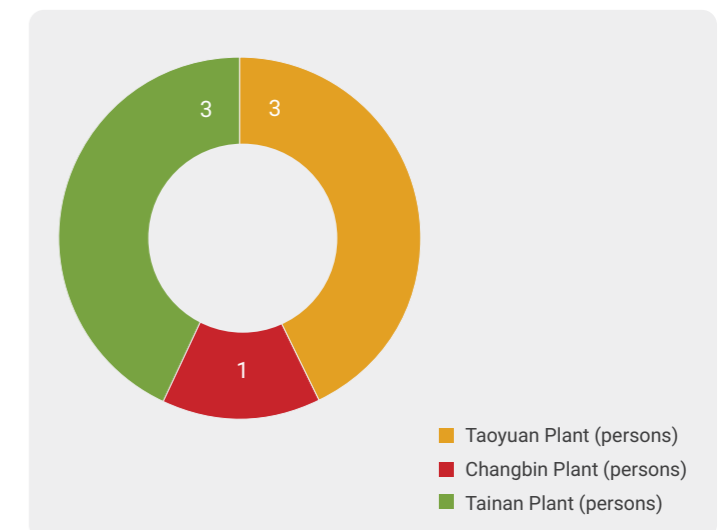
Number of employees from 2020 to 2022 - by Work Location



Regional distribution of employees in 2022



Local senior management hired - by Work Location



(Note) Senior supervisors are supervisors with a job level above I (i.e., deputy section chief, section chief, assistant vice president, senior assistant vice president, Vice President, Senior Vice President, President, and Chairman).
 Local means that the domicile is the same as the work location.
 The abovementioned statistics are acquired from the human resources system, and there is no numerical assumption.

5.1.2 Employee structure

The feature of the iron and steel industry is more male employees in general. However, TMP Steel emphasizes gender equality and commits to creating workplace of gender friendliness. The ratio of female management is 75%, representing that the Company attaches great attention to allowing female workers to exert and contribute their expertise appropriately at the workplace.

In addition, employees under 30 years old account for 23.7%; they are the young generation full of potential and enthusiasm that injects energy and creativity into the Company and promotes the continual innovation. Employees from 30 to 50 years old are the major workforce of the Company, accounting for approximately 70.4% of all employees, and they have accumulated diverse practical experience and techniques in different aspects. Employees over 50 years old account

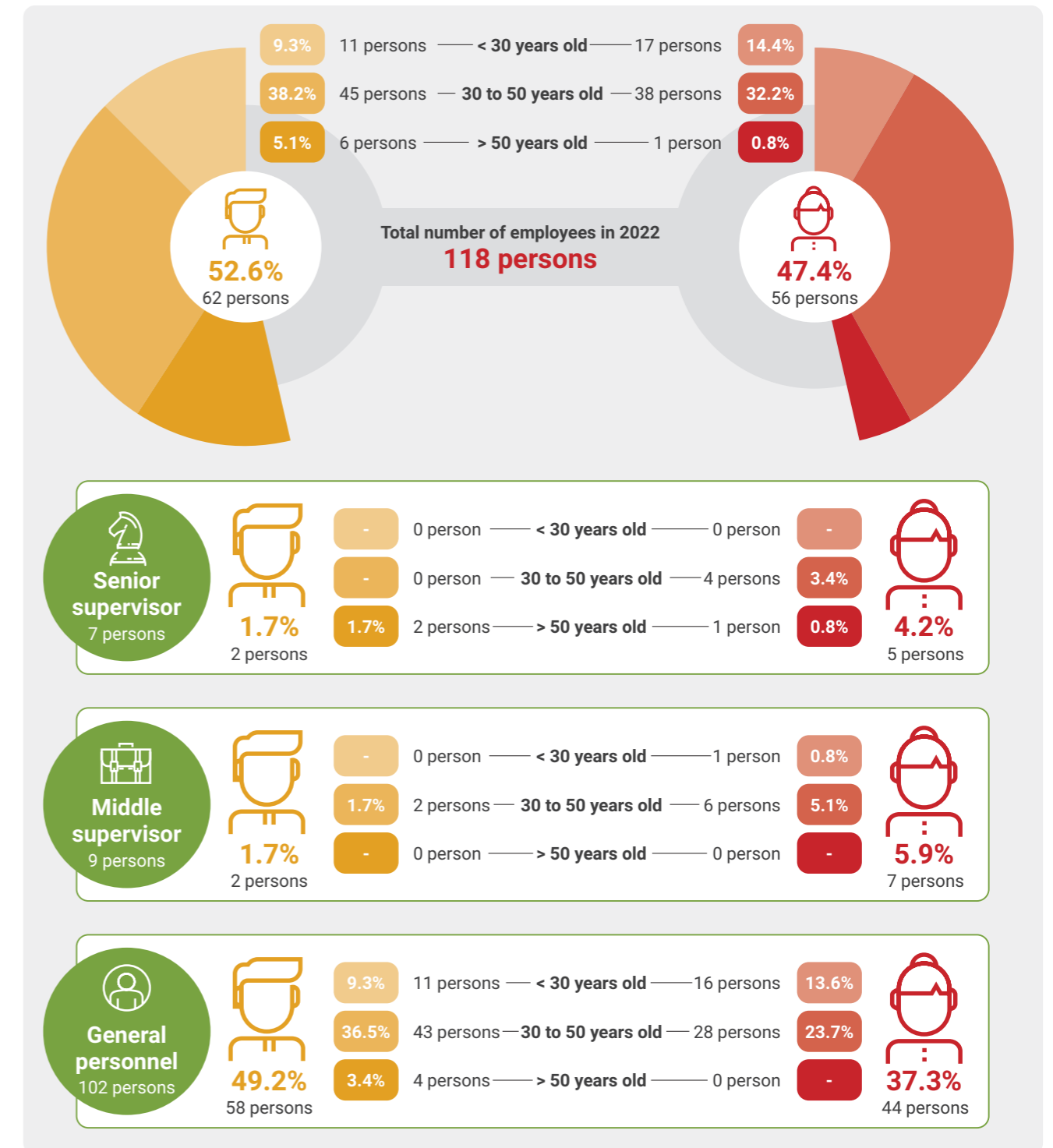
for 5.9% of all employees, and the Company relies on their extensive social experience, comprehensive thinking, and management capacity to accompany the Company to grow.

Workers who are not employees of TMP Steel in 2022 were contractors residing in the Company's plants that are responsible for partial processing engineering projects. Furthermore, there are also six security personnel assigned by the property company responsible for access control, vehicle entrance/exit instructions, plant patrol inspections, anti-theft operations, theft handling work, and other safety maintenance work.

(Note) Workers who are not employees are those who perform work for the organization but are not in an employment relationship with the organization.



Distribution of employees by gender, age and duty in 2022



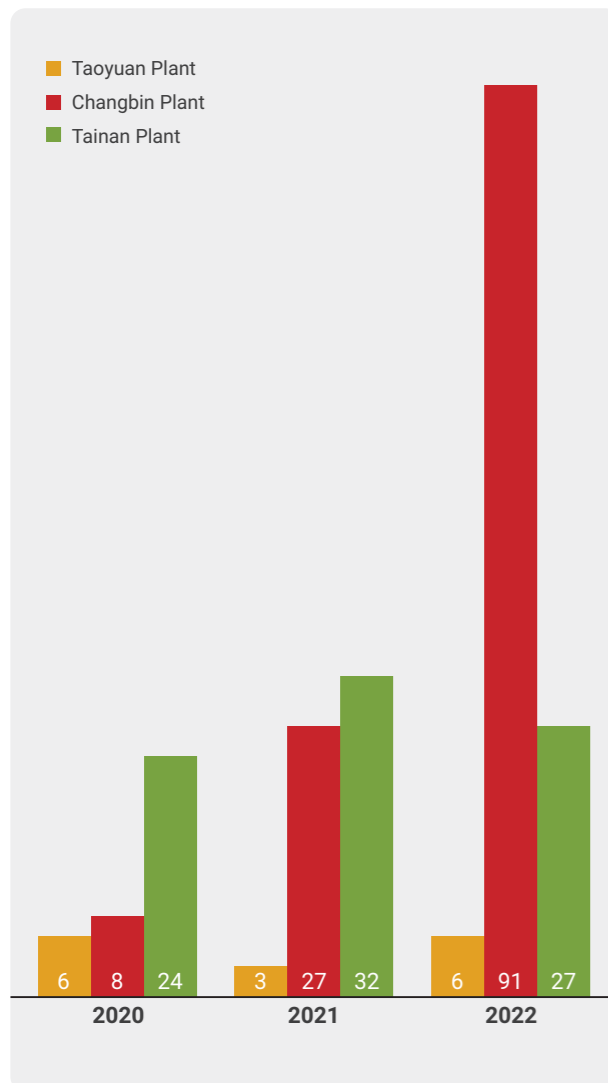
(Note) Senior supervisors are supervisors with a job level above I (i.e., deputy section chief, section chief, assistant vice president, senior assistant vice president, Vice President, Senior Vice President, President, and Chairman). Middle supervisors are supervisors with a job level from G to H (i.e., director, senior director, assistant manager, manager, senior managers, and deputy section chief). General personnel are personnel with no management responsibility. The abovementioned statistics are acquired from the human resources system, and there is no numerical assumption.

5.1.3 Personnel turnover

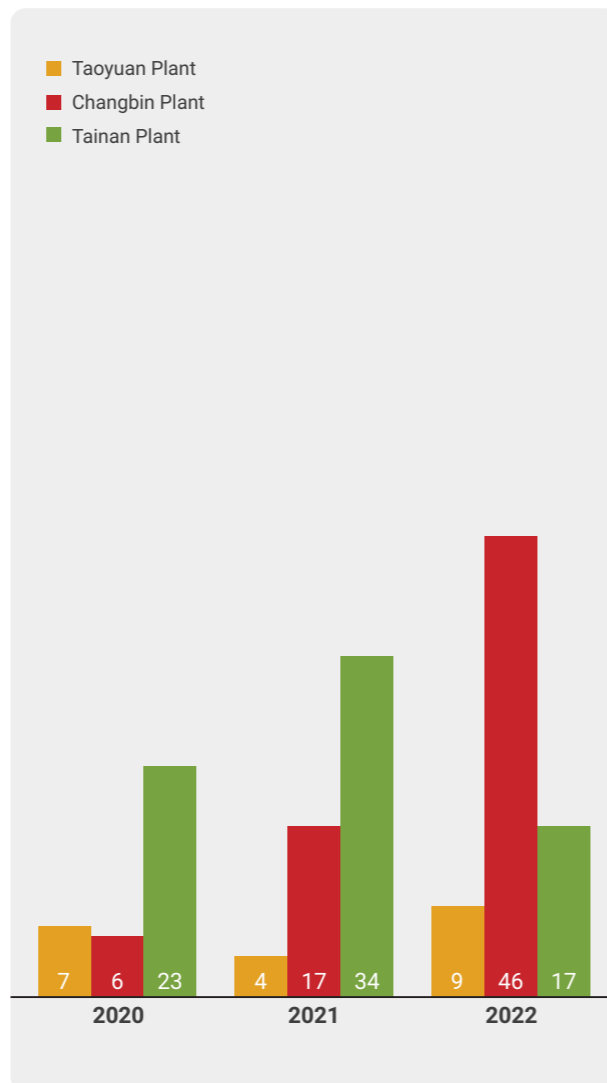
To actively retain outstanding talents, TMP Steel created a healthy communication platform to gather the cohesion of the Company and focused on the appropriate allocation of employees. It observes employees' work conditions via the performance evaluation system each year and makes adequate adjustments. When any personnel proposes a resignation, it will also explore the opportunities for retention or transfer and concurrently confirm the intention of the employee regarding returning to TMP Steel for work in the future and respect employees' choices.

In 2022, the total number of new employees was 124 persons, representing an increase of one time as compared to 2021, primarily due to the mass recruitment of employees in 2022 resulting from the newly established Changbin Plant in Changhua in September 2021. As the Changbin Plant was initially built, labor changes were frequent, which also affected the number of employees who resigned in 2022, representing an increase of approximately 30.9% as compared to 2021.

Number of new employees from 2020 to 2022 – by Work Location



Number of employee turnover from 2020 to 2022 – by Work Location



Total number and ratio of new employees in 2022

Work Location	Taoyuan Plant		Changbin Plant		Tainan Plant		Total			
	Male	Female	Male	Female	Male	Female	Male	Female		
Below 30 years old	Number of persons		-	-	6	11	3	7	9	18
	Ratio		-	-	4.8%	8.9%	2.4%	5.7%	7.2%	14.6%
30 to 50 years old	Number of persons		5	1	50	21	8	8	63	30
	Ratio		4%	0.8%	40.3%	16.9%	6.5%	6.5%	50.8%	24.2%
Over 50 years old	Number of persons		-	-	3	-	1	-	4	-
	Ratio		-	-	2.4%	-	0.8%	-	3.2%	-
Total	Number of persons		6		91		27		124	
	Ratio		4.8%		73.4%		21.8		100%	

(Note) Changbin Plant was newly built in Changhua in September 2021; therefore, the employee turnover in Changbin Plant in 2022 was higher.
Ratio of new employees= Number of new employees by gender, work location, and age/total employees

Total number and ratio of employee turnover in 2022

Work Location	Taoyuan Plant		Changbin Plant		Tainan Plant		Total			
	Male	Female	Male	Female	Male	Female	Male	Female		
Below 30 years old	Number of persons		-	1	3	4	1	1	4	6
	Ratio		-	1.4%	4.2%	5.5%	1.4%	1.4%	5.5%	8.3%
30 to 50 years old	Number of persons		1	4	22	15	6	5	29	24
	Ratio		1.4%	5.5%	30.6%	20.8%	8.3%	6.9%	40.3%	33.2%
Over 50 years old	Number of persons		-	3	2	-	4	-	6	3
	Ratio		-	4.2%	2.8%	-	5.6%	-	8.4%	4.2%
Total	Number of persons		9		46		17		72	
	Ratio		12.5%		63.9%		23.6%		100%	

(Note) Changbin Plant was newly built in Changhua in September 2021; therefore, the labor turnover in Changbin Plant in 2022 was higher.
Ratio of resigned employees: Number of resigned employees by gender, work location, and age/total employees

5.1.4 Human rights policy

TMP Steel strictly adhered to local regulations of its business locations, complied with the "International Bill of Human Rights," "ILO - Declaration of Fundamental Principles and Rights at Work," "the UN Global Compact," and other human

rights standards internationally recognized, and adopted actions consistent with the "Responsible Business Alliance" to treat and respect employees with dignity.

Provide safe and healthy workplace

Execution measure

- Establish safe and health workplace to prevent the occurrence of accidents and protect employees' safety.

Actual management achievement

- Increase the occupational safety and health training hours on a yearly basis according to the operating scale and the increasing trend of employees. In 2022, **88** hours of relevant training were provided to employees in total.

Ban illegal discrimination and ensure the equality of work opportunities

Execution measure

- The Company does not engage in any differential treatment or any form of discrimination due to race, level, language, thinking, religion, party, origin, place of birth, gender orientation, age, marital status, appearance, facial appearance, physical and mental disability, stereoscope, blood type, or membership of labor union and respects the diversification of the workplace.

Actual management achievement

- There was **no** discrimination case that occurred in 2022.

No child labor

Execution measure

- No child labor.

Actual management achievement

- As of December 31, 2022, there was **no** child labor.



Assist employees in maintaining physical and mental health and work-life balance

Execution measure

- Provide welfare matters and regularly organize company trips and activities of the Employee Welfare Committee to assist employees in improving their physical and mental health.

Actual management achievement

- Distribute traveling vouchers and hold employee gatherings **twice** a year.

Create an environment that is found of communication and establish an open management model

Execution measure

- Establish diverse communication channels and employee opinion mailboxes.
- Organize labor-management meetings to commit to harmonious labor-capital relationships.

Actual management achievement

- In 2022, there was **no** employee opinion mailbox communication handling case.
- In 2022, **two** labor-management meetings were held, and the major discussion topics were employee recruitment methods and the re-election of labor representatives.

No forced labor

Execution measure

- If it is necessary for employees to extend their working hours beyond their normal working time, the extension shall be subject to the consent of employees.

Actual management achievement

- In 2022, there was no material complaint or dispute related to overtime work.

5.2 Occupational safety and health

TMP Steel deems employees' safety the first priority, strictly complies with occupational safety and health management regulations, and has established its Occupational Safety and Health Office to be responsible for the promotion, supervision, and improvement recommendations of occupational safety and health matters. Besides, dedicated personnel carries out patrol inspection on-site on a daily basis. Apart from implementing management systems for personnel safety, equipment, and environment, the Company also ensures that work safety is more favorable than the standards required by regulations. Training and audits are performed from time to time to track and improve safety and health and environmental topics in the hope of ultimately achieving accident prevention, improvement in the safety awareness of employees, and zero occupational disaster.



Major protective measures

- 01** An **access monitoring system** is established and connected to the security company. The "Access Control Rules" and "Employee ID Standards" were established to maintain the access safety and management of employees.
- 02** "**Labor Safety and Health Work Rules**" were established to specify equipment maintenance and inspection, work safety and health standards, training, first-aid and rescue, and accident reporting.
- 03** Purchase **group accident insurance** for employees.
- 04** **No smoking** at the workplace and regularly **perform environmental sanitization**.
- 05** **Wearing safety helmets** and **safety boots** is required stringently for entering the workplace.
- 06** Plants have pandemic control measures in place, such as contact tracing, temperature taking, hand sanitization, and banning food delivery personnel from entering.
- 07** Focus on environmental health and provide safe and comfortable workplace for employees.

5.2.1 Occupational accident prevention and handling

In 2023, TMP Steel has planned to establish the written rules and systems for the abovementioned operations. Apart from identifying production risks in advance, the Company has also carried out risk level assessment and risk control. If any accident occurs, it also plans to report to the senior management by way of internal formal documentation to

control occupational safety via corrective and effective methods so as to achieve the target of zero occupational disaster.

(Note) Occupational accidents refer to events that may possibly or substantially cause injuries or diseases (occur due to work or during the course of work).

Accident prevention procedures



(Note) From 2023, the Company implemented zoned and graded management against operating tools. Operating personnel are required to visit the specific area to grab the tools they require, and they shall also return after use to minimize injuries of employees due to such tools.

5.2.2 Occupational safety performance

During the production of the iron and steel industry, employees may be exposed to workplace of high temperature, high noise, and dust; therefore, TMP Steel adds relevant inspection items for the health inspections of employees each year to regularly track employees' body conditions.

In 2022, there was one employee's fingers being snapped due to a mistake in operating a machine. The employee returned to work after resting for 42 working days. Apart from the abovementioned circumstances, there was no general occupational injury accident in 2020 and 2021. TMP Steel will continue to adopt improvement measures for occupational safety, implement Labor Safety and Health Working Rules to minimize work-related injuries, and strive to achieve the target of zero work-related injury.

- There was no work-related ill health of employees and contractors from 2020 to 2022.
- There was no high-consequence work-related injury or fatality as a result of work-related injury; of employees and contracts from 2020 to 2022.

Historical work-related injuries category

Category/year	2020	2021	2022
Snapped	-	-	1
Cut	-	-	-
Item dropped	-	-	-
Traffic accident	-	-	-
Total	-	-	1

Historical occupational safety performance

Item/year	2020	2021	2022
Number of hours worked	113,988	152,030	230,144
Number of fatalities as a result of work-related injury	-	-	-
Ratio of fatalities as a result of work-related injury	-	-	-
Number of high-consequence work-related injuries (excluding fatalities)	-	-	-
Ratio of high-consequence work-related injuries (excluding fatalities)	-	-	-
Number of recordable work-related injury	-	-	1
Ratio of recordable work-related injuries	-	-	0.87

Note: The data is including all full-time employees of TMP Steel(excluding workers who are not employees of TMP Steel).
 Ratio of fatalities as a result of work-related injury = (Number of Fatalities as a result of work-related injury/number of hours worked) * 200,000.
 High-consequence work-related injuries: Refer to injuries of workers that cannot or are hard to recover to the health status before such injuries (excluding fatalities).
 Ratio of high-consequence work-related injuries = (Number of high-consequence work-related injuries (excluding fatalities)/number of hours worked) * 200,000.
 Ratio of recordable work-related injuries = (Number of recordable work-related injuries/number of hours worked) * 200,000.
 A rate based on 200,000 hours worked indicates the number of work-related injuries per 100 full-time workers over a one-year timeframe, based on the assumption that one full-time worker works 2,000 hours per year. For example, a rate of 1.0 means that, on average, there is one work-related injury for every group of 100 full-time workers over a one-year timeframe.

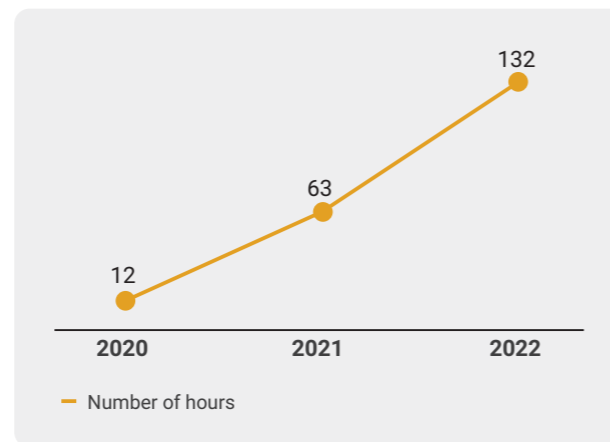
5.2.3 Occupational safety and health training

To effectively reduce occupational disasters, TMP Steel performs occupational safety and health training for employees, organizes different training based on the nature and work location of workers, and provides 16 hours of training to contractors to improve the occupational safety awareness of contractors and prevent the occurrence of negative occupational safety impacts. Tests and Q&As are performed after workers have completed training courses, and relevant external training certificates shall be obtained to evaluate the effectiveness of training.

With the growth in the operating scale of the Company, we have learned that employees recognizing with occupational safety and health knowledge is the first line of defense to maintain the occupational safety and health of the workplace. TMP Steel actively organizes the occupational safety notice during the course of work for all locations and customizes training items required by employees. Meanwhile, particular training items have regular retaining systems to ensure that employees possess relevant knowledge and skills suitable for the on-site operating procedures.

In 2022, the number of participants and hours of occupational safety and health grew by 1,400% and 109% from 2021, exhibiting the determination and investment achievements of the Company in committing to optimizing occupational safety and health training.

Total training hours of employees from 2020 to 2022



Number of participants and hours - by training course

	Training course	Number of participants	Hours	Location	Type
2022	Type A business supervisor educational training (retraining)	1	6	External	General training
	Equipment educational training and occupational safety promotion	30	30	Internal	General training
	Work safety promotion	19	19	Internal	General training
	Warehouse personnel educational training	12	12	Internal	General training
	Forklift operator in-service training	1	18	External	Special training
	Forklift operator in-service training (retraining)	1	3	External	Special training
	New employee occupational safety educational training	44	44	Internal	General training
	Total		108	132	
2021	Type A occupational safety and health supervisor safety lecture	1	42	External	General training
	Safety and health in-service educational training	3	9	External	General training
	Acetylene retraining	1	3	External	Special training
	Crane retraining	1	3	External	Special training
	Oxygen deficiency retraining	1	6	External	Special training
Total		7	63		
2020	Fire control manager lecture – beginner class	1	12	External	Special training
Total		1	12		

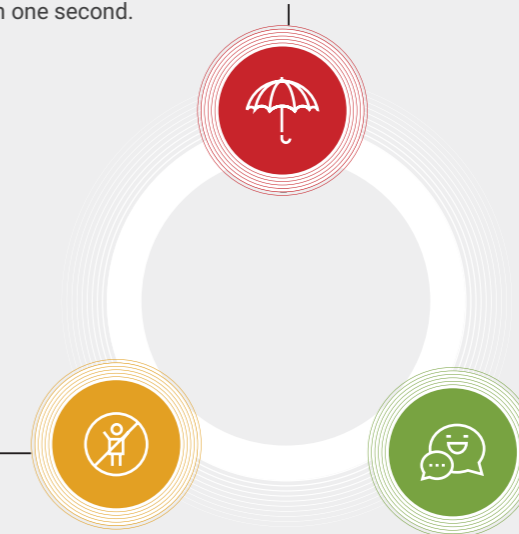
5.2.4 Health Promotion

TMP Steel deems employees its valuable assets and attaches great attention to the physical and mental health of employees. Apart from Physical examinations, it also arranges seminars on health issues from time to time to keep employees aware of their health at all times.

Comprehensive Health Management provided by TMP Steel in 2022

Physical examinations

- The Company implements general health inspections and special operation health inspections each year. However, due to the effects of COVID-19, the inspections in 2022 were delayed to March 2023. A total of **86** persons (**13**, **54**, and **19** persons from the Taoyuan Plant, Changbin Plant, and Tainan Plant, respectively) participated in general health inspections. As compared to the results in 2021 (20 persons), the number of employees who participated in the inspections in 2022 increased to **4.3** times.
- The Company arranged special operation inspections, and a total of **33** persons participated. Considering that the special operations of the Company's production lines include noise operation and dust operations; therefore, the Company organized additional in-depth hearing inspections and lump function inspections (hearing inspection: test about the pure tone of seven voice frequencies and establish a hearing map; lump function inspection; test lung's capacity and the maximum expiratory volume in one second).







Health consultation services

- The Company contracted medical personnel to provide health consultation, health inspection report consultation, pressure evaluation, and other services once a month; in addition, provided printed literature about health care to improve health knowledge and ability.
- In 2022, the health instruction management for **ten** employees with abnormal health inspection results and **two** first-aid medicine and tool establishment management checks were completed, and **two** health newspapers were published each month to provide health knowledge to workers.

Seminars on Health Issues

- The Company arranges seminars on Health Issues from time to time to help employees establish the concept of self-management of health and improve employees' health awareness and cohesion.
- According to the statistics of the top ten reasons for the death of citizens by the Ministry of Health and Welfare, brain and cardiovascular disease is ranked second to fourth. The Company encourages employees who are 30 to 50 years old to prevent cardiovascular diseases early. In 2022, the Company arranged **a** seminar on the topic of a healthy diet for brain and cardiovascular diseases, and there were **11** participants.

Apart from the abovementioned measures, the Company also established relevant plans to protect employees' physical and mental health according to the specifications of the Ministry of Labor and substantially executed relevant key actions in the hope of comprehensively fulfilling its responsibilities to take care of employees.

	Key action	Execution achievement in 2022
	Prevention of ergonomic hazard Prevent muscle and bone injuries due to environments and procedures.	<ul style="list-style-type: none"> Completed the analysis of the NMQ of 20 persons. Provided muscle and bone stretching health education for six persons.
	Prevention plan for diseases resulting from abnormal workload Avoid brain and cardiovascular diseases due to abnormal workload.	<ul style="list-style-type: none"> The questionnaire completion rate for the overwork survey was 65%. Provided health consultation to seven employees who have a higher workload.
	Prevention plan for illegal infringement during duty execution Prevent illegal infringement of body or mind due to others' acts.	<ul style="list-style-type: none"> Provide printed literature about illegal infringement prevention health education. There was no illegal infringement in 2022.
	Maternal health protection plan Ensure the physical and mental health of female employees who are pregnant, gave birth, and feeding.	<ul style="list-style-type: none"> Completed childbearing age maternity identification and hazard evaluation for one person. Executed maternal health interviews and work adaptivity arrangement recommendations for two persons.

The abovementioned health services are promoted in the Company's group or via e-mails, and such services cover all employees. If participants provide any information involving personal privacy, TMP will not use or disclose it without any authorization to maintain the confidentiality of employees' information. TMP also ensures that employees participating in the health services provided by the Company will not have any adverse or favorable treatment at work, and employees can participate with ease.

5.2.5 COVID-19 countermeasures

To prevent employees and contractors from being infected with COVID-19 viruses at the workplace, the Company actively cooperated with the pandemic control measures and requirements under the policy.

Pandemic control practices

- 01  Announce pandemic development and promote pandemic control protection notice from time to time.
- 02  Personnel health monitoring and reporting: Include daily temperature taking before entering, abnormal temperature reporting and follow-up, and pandemic reporting measures.
- 03  Clean and sanitize environments from time to time.
- 04  Take turns in going to offices.
- 05  An employee shall immediately notify its supervisor and administration personnel if there is any physical discomfort, and the Company will provide a quick screening.
- 06  The Company provides quick screening to employees for long vacations for employees to have pandemic control tests.
- 07  Remind employees to have vaccination and provide vaccination leave. From 2021 to 2022, a total of 21 applied for the vaccination leave.
- 08  Text employees who are diagnosed with the pandemic to check about their body conditions.
- 09  Provided Chinese medicine to employees who were diagnosed with the pandemic. A total of 18 persons collected in 2022.
- 10  Change physical meetings to video conferences to minimize the physical contact frequency.

5.3 Talent development and cultivation

5.3.1 Talent development educational training

To inspire employees' potential and improve their professional capacity, TMP Steel organizes relevant training courses based on employees' functions in different departments to improve their professional capacity and overall literacy and improve employees' competitiveness in the employment market.

In 2022, we further added sustainable development-related courses in the hope of allowing employees to work at appropriate positions through the comprehensive educational training system so as to enrich the Company's human resources.

At present, the Company does not provide any transition plan for employees who are about to retire or resign.

Talent development cultivation courses in 2022

Category	Course	Number of participants	Hours
Continuing education for chief of corporate governance	Corporate merger development trends and case exploration from the perspective of directors and supervisors (I) (II)		6
	Sustainable Development Roadmap industrial topic promotion session	1	2
	Corporate management mindset from CSR to ESG		3
	Insider trading prevention and countermeasures		3
Continuing education for acting chief accountant	Continuing educational class for chief auditors of listed companies	1	12
Sustainability manager	Corporate sustainability manager certificate training class	2	160
	New employee training for appointed internal auditors initially of enterprises	1	18
Continuing education for internal auditors	New employee training for acting internal auditor	1	18
	Forklift operation	1	18
Occupational safety	Forklift operation retraining	1	3
	Type A occupational safety and health supervisor retraining	1	6
	Equipment educational training and occupational safety promotion	30	30
	Storage personnel educational training	12	12
	Work safety promotion	19	19
	Total		

(Note) Hours = Number of participants * hours of courses

Talent development cultivation courses in 2021

Category	Course	Number of participants	Hours
Continuing education for chief of corporate governance	Equity promotion session for insiders of listed companies		3
	Analysis of avoiding incidental insider trading and case sharing	1	3
	ESG new economy		3
Continuing Education for chief accountant	Untrue financial statements vs. legal responsibilities of chief of finance and accounting		3
	Accounting treatment and disclosures of financial instruments	1	3
	Corporate target management and work performance improvement approaches		6
Continuing education for acting chief accountant	Exploration of legal responsibilities of insider trading	1	3
	Legal responsibilities of insider equity trading and matter of notice		3
Continuing education for acting chief accountant/ acting internal auditor/ internal auditor	Excel VBA application seminar – scope treatment	3	18
Educational training for acting internal accountant	Case analysis for the Labor Incident Act and countermeasures of enterprises	2	12
Occupational safety	Type A occupational safety and health supervisor safety lecture	1	42
	Safety and health in-service educational training	3	9
	Acetylene retraining		3
	Crane retraining	1	3
	Oxygen deficiency retraining		6
Total			120

(Note) Hours = Number of participants * hours of courses

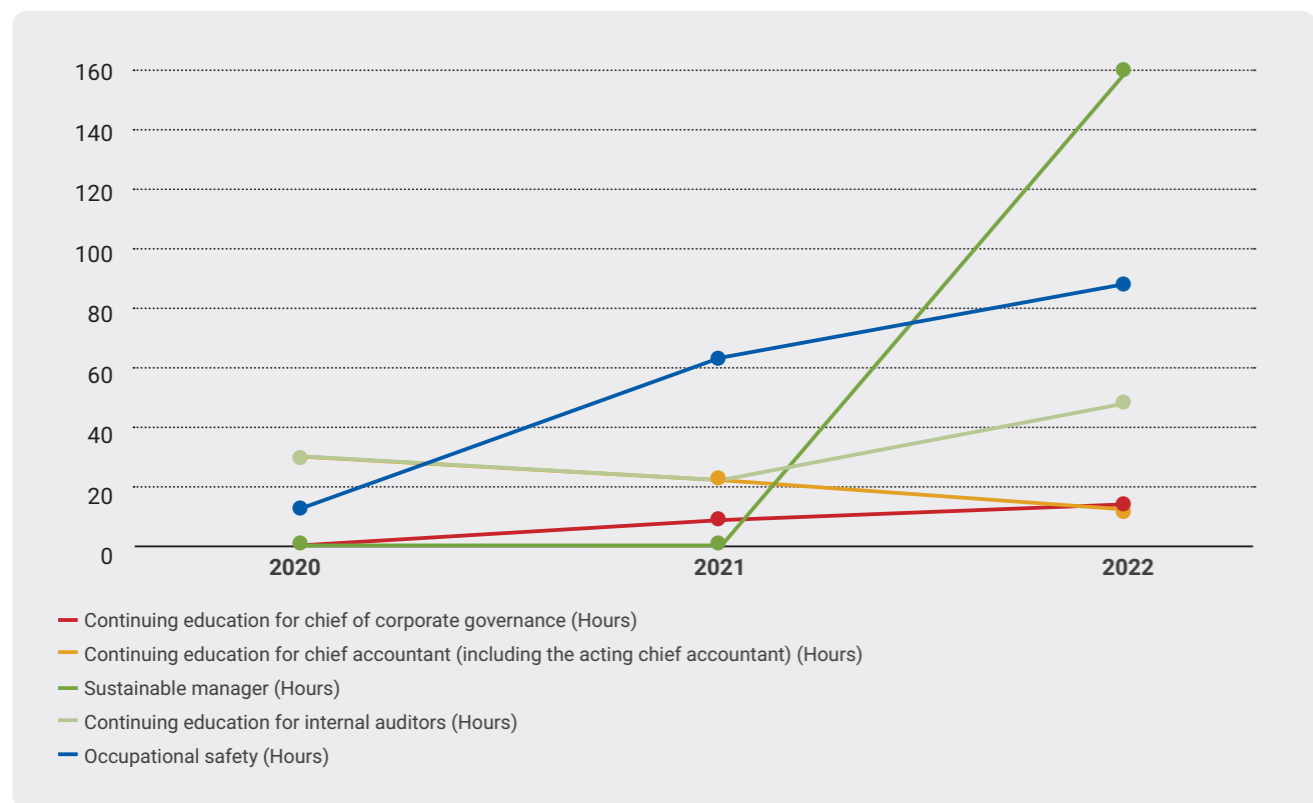


Talent development cultivation courses in 2020

Category	Course	Number of participants	Hours
Continuing education for chief accountant	Exploration of legal responsibilities of insider trading	1	3
	Exchange currency risk management and accounting treatment		3
Continuing education for acting chief accountant	Property transfer theoretical practices	1	3
	Exploration of legal responsibilities of insider trading		3
Continuing education for acting chief accountant/ acting internal auditor/ internal auditor	Use functions in Excel	4	24
Educational training for internal auditors	How to use "RPA" to improve internal control functions	2	6
	New employee training for acting internal auditor	1	18
Occupational safety	Fire control manager lecture - beginner class	1	12
Total			72

(Note) Hours = Number of participants * hours of courses

Historical changes in talent development and cultivation courses



5.3.2 Average hours of training of employees

TMP Steel increases the width of courses on a yearly basis and increases the total training personnel and total training hours. In 2022, employees' educational training hours increased by 158% as compared to 2021, and the number of participants increased 5.9 times as compared to 2021.

Year	Duty	Gender	Number of persons	Training hours	Average training hours
2022	Senior supervisor	Male	-	-	-
		Female	1	14	14
	Middle supervisor	Male	-	-	-
		Female	3	190	63.33
	General personnel	Male	60	67	1.12
		Female	5	39	7.80
Total			69	310	4.49
2021	Senior supervisor	Male	-	-	-
		Female	1	12	12
	Middle supervisor	Male	1	42	42
		Female	1	9	9
	General personnel	Male	4	21	5.25
		Female	3	36	12
Total			10	120	12
2020	Senior supervisor	Male	-	-	-
		Female	1	12	12
	Middle supervisor	Male	-	-	-
		Female	-	-	-
	General personnel	Male	-	-	-
		Female	5	60	12
Total			6	72	12

5.3.3 Performance evaluation

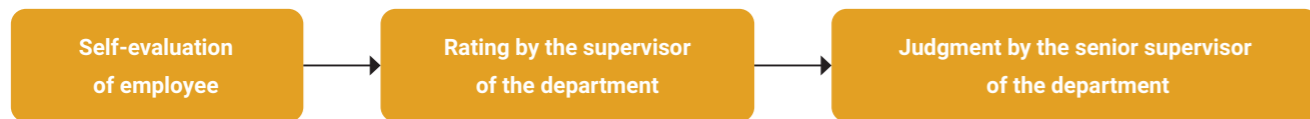
TMP Steel regularly performs performance evaluations each year.

In 2022, the performance evaluation was implemented in November, and seven middle and senior supervisors and 19 foreign workers were not included in the scope of the annual performance evaluation. In addition, as the probation evaluation system applies to 35 new employees who have joined the Company for less than three months upon the implementation of the annual performance evaluation, they were not included in the scope of the annual performance evaluation. Therefore, apart from the abovementioned personnel, the Company has implemented the annual performance evaluation for all employees. It believes that self-evaluation and supervisor rating can achieve the target of employees' self-reflection and stimulating their growth, achieve the effective communication of work performance and achievement between the senior and junior levels and form a positive circulation with a corporate culture of encouraging and supporting others. Through the system, the

Company hopes to achieve the long-term target of optimizing TMP Steel's function management and talent development.

In response to the performance evaluation system, the Company has established its "Regulations for Performance Bonuses" by adopting the achievement of annual operating profit as the target to facilitate the departments to achieve the annual business targets of the Company and reward employees.

Apart from the annual performance evaluation, TMP Steel excluded 19 foreign workers among 124 new employees in total from the probation period evaluation in 2022, and the probation period evaluation was implemented for the remaining 105 new employees three months after they joined the Company. The evaluation item included working attitude, group spirit, morality and behavior, learning will, work knowledge and ability, response ability, temper, creativity, and work performance.



Performance evaluation rating items



Number of persons participated in the regular performance evaluation in 2022

Work Location	Number of participants			
	Gender		Duty	
	Male	Female	Middle supervisor	General personnel
Taoyuan Plant	4	9	4	9
Changbin Plant	12	19	7	24
Tainan Plant	6	7	4	9
Total				57
Evaluation rate				100%

(Note) Middle supervisors are supervisors with a job level from G to H (i.e., director, senior director, assistant manager, manager, senior managers, and deputy section chief).

General personnel are personnel with no management responsibility.

Evaluation ratio = total participants of the evaluation / (total employees - senior supervisors - new employees who joined the Company for less than three months) = 57 / (118 - 7 - 19 - 35)

Number of persons participated in the probation period evaluation in 2022

Employee category	Gender	Number of participants
Senior supervisor	Male	1
	Female	1
Middle supervisor	Male	7
	Female	1
General personnel	Male	48
	Female	47
Total	105	
Probation period evaluation ratio	100%	

(Note) Senior supervisors are supervisors with a job level above I (i.e., deputy section chief, section chief, assistant vice president, senior assistant vice president, Vice President, Senior Vice President, President, and Chairman).

Middle supervisors are supervisors with a job level from G to H (i.e., director, senior director, assistant manager, manager, senior managers, and deputy section chief).

General personnel are personnel with no management responsibility.

Evaluation ratio = Total participants of the evaluation / total new employees (excluding foreign workers) = 105 / (124 - 19)

5.4 Employee remuneration and welfare

5.4.1 Premium remuneration system

To align with the long-term operation and development of the Company and care for the living standards of employees, the Company examines the remuneration conditions and the remuneration standards within the industry each year to determine employment salaries based on the position held after joining the Company, academic background, relevant work experience and seniority, and skills, adjusts salaries subsequent based on work performance, continues to optimize the competitiveness of remuneration, and attracts outstanding talents to join. In 2022, the overall salary adjustment ratio was 2.59%, which is more favorable than the overall salary adjustment ratio in Taiwan of 3.1%. In addition, the Company strictly observes relevant labor laws and regulations, and the basic salary is more favorable than the basic wage stated in the Labor Standard Act in principle.

Summarizing the statistics of the average and medium salaries of full-time employees who are not supervisors in the most recent three years, it is found that the scale of the number of full-time employees increases alongside the expansion of the Company's operating scale. As compared to 2020, the number of full-time employees who are not supervisors increased by 31.48%, primarily due to the newly recruited employees so as to adjust the workload of employees on the production lines of plants. Observing the information on the average and medium salaries of full-time employees who are not supervisors in the most recent three years, both have grown stably alongside the expansion of the operating scale and the stable growth in profit, exhibiting the Company's employee-oriented business target and spirit and the obligation and social responsibility to care for and give back to employees while growing.

Ratio of standard salary of base level personnel to minimum salary in Taiwan in the most recent three years by work location and gender

Work Location	Gender	2020			2021			2022		
		Basic salary of base-level employees	Local minimum salary standard	Ratio	Basic salary of base-level employees	Local minimum salary standard	Ratio	Basic salary of base-level employees	Local minimum salary standard	Ratio
Taoyuan Plant	Male	30,000		126%	34,750		145%	38,100		151%
	Female	26,000		109%	30,800		128%	33,300		132%
Changbin Plant	Male	26,000	23,800	109%	28,450	24,000	119%	33,300	25,250	132%
	Female	25,000		105%	26,950		119%	31,500		125%
Tainan Plant	Male	27,000		113%	30,400		112%	30,300		120%
	Female	30,500		128%	30,000		127%	30,300		120%

Average and medium salary of full-time employees who are not supervisors in the most recent three years






Item	2020	2021	2022
Number of full-time employees who are not supervisors	54	49	71
Total salary of full-time employees who are not supervisors (NT\$000')	35,016	31,574	47,913
"Average salary" of full-time employees who are not supervisors (NT\$000')	648	644	675
"Salary medium" of full-time employees who are not supervisors (NT\$000')	482	635	634

5.4.2 Comprehensive welfare system

TMP Steel established its Employee Welfare Committee on March 22, 1989, and it has been established for over 33 years so far. Each year, the Company appropriates employee

welfare benefits based on total operating income, regularly organizes company trips, and establishes the annual leave system.

Employee Welfare Provided by the Company in 2022

Welfare	Description
 Insurance	<ul style="list-style-type: none"> Labor insurance National Health Insurance Labor pension Employees' group insurance
 Gift money and gifts on three material Chinese festivals/Labor Day	<ul style="list-style-type: none"> Vouchers Healthcare gift boxes
Gift money for Chinese New Year	<ul style="list-style-type: none"> Vouchers
Marriage allowance	<ul style="list-style-type: none"> Employees and their children
 Nursery allowance	<ul style="list-style-type: none"> Distributed in cash
Bereavement payment	<ul style="list-style-type: none"> Employees Spouse, parents, and children
New house allowance	<ul style="list-style-type: none"> Distributed in cash
Travel allowance	<ul style="list-style-type: none"> Distribute travel vouchers
Birthday gift money	<ul style="list-style-type: none"> Distributed in cash
 Family day	<ul style="list-style-type: none"> Organize each year and invite employees of TMP and their family members to join
Employee gathering	<ul style="list-style-type: none"> Subsidies are provided twice a year for employee gatherings
Coffee	<ul style="list-style-type: none"> Purchase coffee beans and coffee machines
Life allowance	<ul style="list-style-type: none"> Mobile phone bill allowance Parking space leasing allowance
Health inspection	<ul style="list-style-type: none"> Execute each year <ul style="list-style-type: none"> General health inspection Special operation health inspection
 Health consultation	<ul style="list-style-type: none"> Once a month <ul style="list-style-type: none"> Provides health consultation Health inspection report consultation Pressure evaluation and other services In 2022, the health instruction management for a total of 10 persons with abnormal health check results was completed.
Health consultation	<ul style="list-style-type: none"> Distribute consolation money based on individual cases

5.4.3 Employee communication

Even though TMP Steel has not established a labor union, it attaches great attention to employees' wishes and opinions. Therefore, labor representatives are elected by all employees to participate in labor-management meetings for mutual communication to coordinate labor-capital relations and facilitate labor-capital cooperation. In 2022, a total of two labor-management meetings were held; there were two labor representatives and two capital representatives attended.

Starting in 2023, TMP Steel hopes to have more recommendations and feedback from employees. Therefore, it planned to improve the employee communication frequency and scope. It is estimated to regularly convene one labor-management meeting each quarter with five labor representatives and five capital representatives in the hope of achieving the target of pooling the wisdom and efforts of the crowd and seeking advice from all sides.

In addition, the Company has set up employee opinion mailboxes in all plants to collect employees' opinions via employee opinion mailbox, distributes employee satisfaction questionnaires for surveys to acquire employees' true opinions via different channels, and create a healthy, comfortable, and happy workplace by adopting creating positive workplace environments as the basic principle.

In 2022, a total of 90 persons completed the employee satisfaction questionnaires, and the completion rate was 76.3%. Questions in the questionnaires cover "work satisfaction," "workplace environment," "remuneration and welfare," and "learning and development" aspects. In particular, "learning and development" and "workplace environment" were rated the top and second in the results of employee satisfaction, representing that the Company values talent cultivation, aims to create workplace environments suitable for learning and growth, and employees also grant their high recognition.

TMP Steel also announces employee welfare matters, information on the Employee Welfare Committee, material operating news of the Company, and educational training courses from time to time via internal e-mails or the Company's LINE group to allow employees to grasp the first-hand information at all times.

Considering the operating status and scale of the Company, there was no material labor-capital dispute with a loss amount exceeding NT\$0.2 million from 2020 to 2022.



Employee recruitment regulations of plants

Response of the company

- Carried out talent recruitment on online job banks and employment platforms to supplement labor shortage.



Re-election of labor representatives

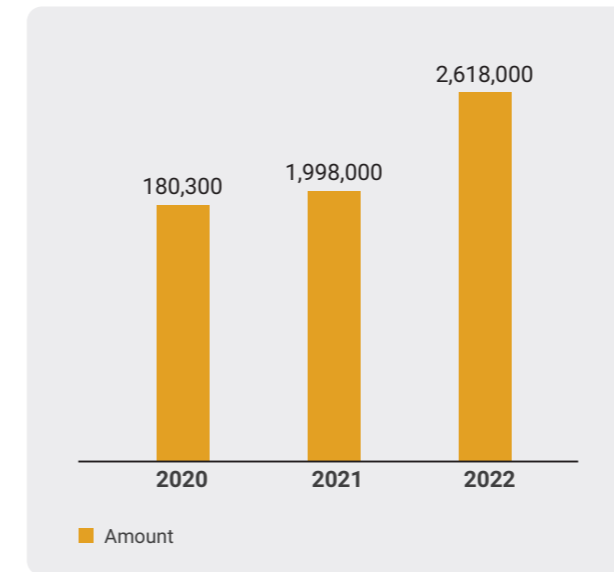
Response of the company

- Elected five labor representatives by way of online voting.

5.4.4 Pension system

For the details of the pension system that TMP Steel plans to offer to all employed employees, please refer to the description in [2.2 Pension system](#).

Pension expenses paid from 2020 to 2022



5.4.5 Parental leave

According to the requirements of the Gender Equality Act, employees who have joined the Company for six months can submit the application for parental leave without pay. In 2022, the number of persons who applied for parental leave without pay was one person, and the reinstatement rate was 100%. The high reinstatement rate shows that TMP Steel has successfully created a workplace where employees are not worrying about being dismissed due to giving birth or nursing and fulfills its corporate social responsibility.

Item	2021	2022
Total number of employees entitled to parental leaves (A)	1	3
Total number of employees who took parental leaves during the year (B)	1	1
Total number of employees to be reinstated after parental leaves during the year (C)	-	1
Total number of employees who were reinstated after taking parental leaves during the year (D)	-	1
Application rate for parental leave without pay $\frac{B}{A}$	100%	33%
Reinstatement rate $\frac{D}{C}$	NA	100%
Retention rate	NA	NA

(Note) In 2021 and 2022, employees entitled to parental leaves were females.

Calculation of the number of persons who are entitled to parental leaves: Calculated based on the number of employees who applied for maternity leave and paternity leave from 2021 to 2022. Retention rate refers to the ratio of the total number of employees who are still in service after 12 months from the reinstatement after the parental leaves to the total number of employees who are reinstated after the parental leaves.

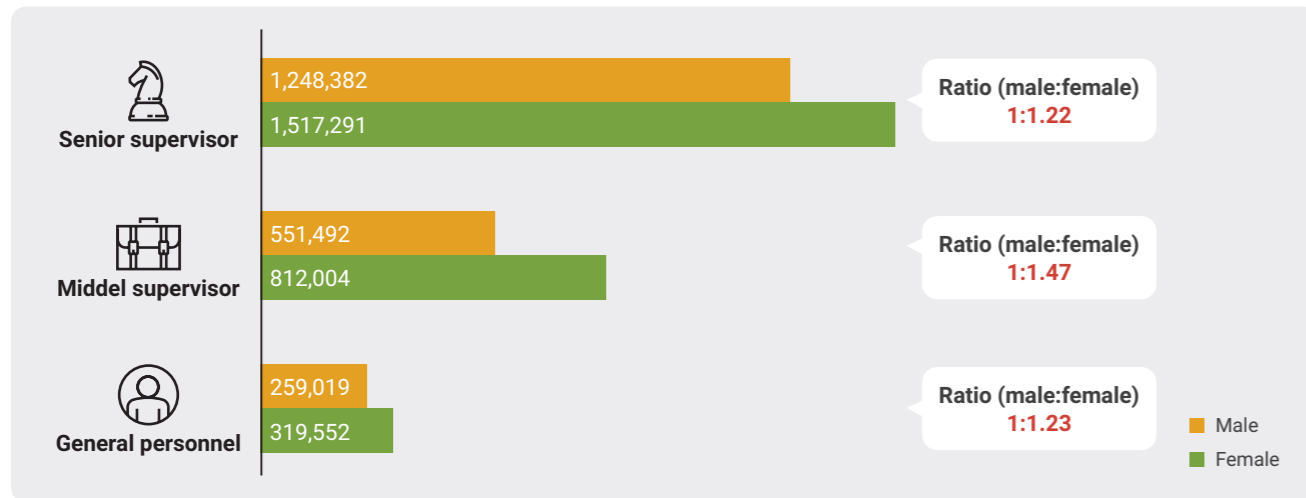


5.5 Employee diversification and equal opportunities

5.5.1 The Same salary is offered to both males and females for the same position for equal opportunities

TMP Steel attaches attention to the sustainability and development of females in the workplace. Therefore, it puts females in important positions regarding personnel recruitment as compared to other companies within the industry (please see 4.1.2 Employee structure for details) and reflects in the remuneration and welfare. In general, the average salary of female employees of all levels at all locations is higher than that of the male employees, representing TMP Steel values the effects of females in the workplace.

Average salary ratio table of male and female employees by employee category in 2022 (total of all locations)



(Note) As the salary standard between the plants is equivalent; therefore, a summarized disclosure is made by adopting Taiwan as the material business location.

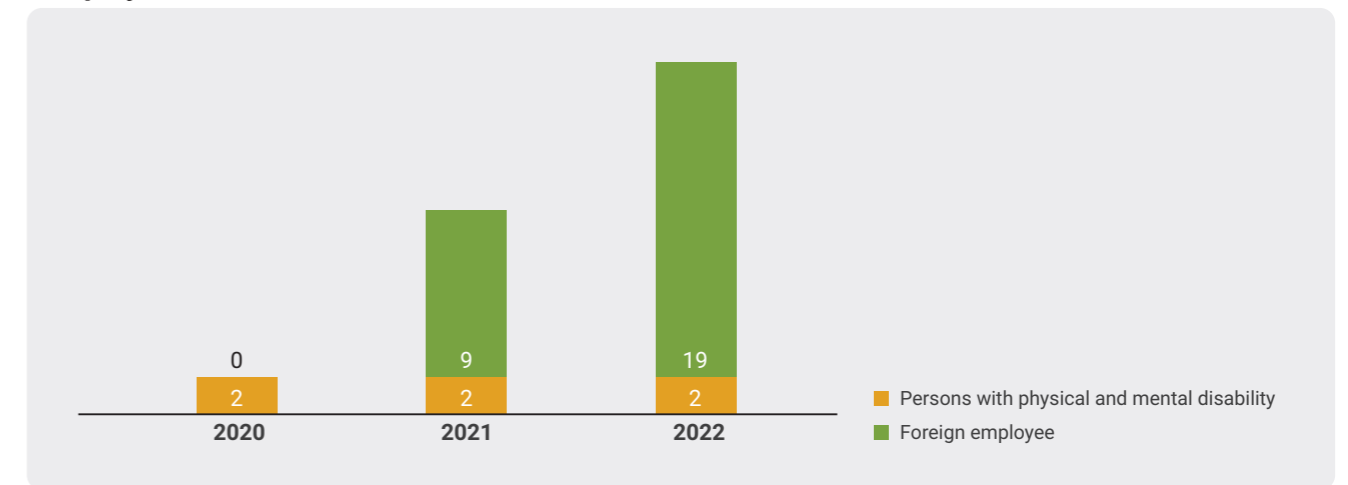
5.5.2 Diverse employment and co-prosperity

There are two employees with physical and mental disabilities among the employees of TMP Steel. Apart from providing them with comprehensive talent development cultivation plans and remuneration and welfare equivalent to general employees, the Company also has disability parking spaces, barrier-free slopes, disability washrooms, and other friendly spaces. It is believed that they can exert their expertise and create value within the big family of TMP Steel.

Due to the growing operating scale, the employment of foreign employees has been increasing on a yearly basis. In 2022, a total of 19 foreign employees were hired. Nine and ten employees are from Vietnam and Indonesia, respectively, and their major work category is production line operator. The Company ensures that foreign employees joined TMP Steel based on their free will and were not illegally forced or enslaved to creditors.

Year	2020	2021	2022	
Employees with physical and mental disabilities	Number of persons	2	2	2
	Ratio to all employees	3.4%	3.0%	1.7%
Foreign employees	Number of persons	0	9	19
	Ratio to all employees	0%	13.6%	16.1%

Employment status from 2020 to 2022



Chapter 6

Social welfare



6.1 Community relationship and public welfare activities –

Apart from focusing on product quality, environment maintenance, and employees' well-being, TMP Steel also actively participates in social welfare to make contributions to society and help people who need assistance. Apart from cash donations, TMP Steel also participated in charitable bazaar activities and charitable marathons to achieve the effect of caring for society by different means and encouraged employees to participate.

To promote sports activities and facilitate the development of professional basketball teams and the Chinese Professional Baseball League, the Board has approved the resolution for the donations of NT\$2 million and NT\$1 million to Tainan TSG GhostHawks and TSG Hawks, respectively, under Taiwan Steel Group in December 2022.

Public welfare activities participated in 2022

Theme	Education	Education	Scholarship	Scholarship for the disadvantaged
Target	Chia-Pan Foundation	School for the hearing impaired	Chia-Pan Foundation	Taiwan Fund for Children and Families
Content	Public welfare marathon	Charitable bazaar	Cash donation of NT\$30,000	Cash donation of NT\$15,000
Benefit	Funding disadvantaged students for education	Lunch expenses for the graduation trip totaled NT\$6,320	Funding the poor	Funding the poor



Appendix

GRI Content Index



General disclosures

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