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# **Key Performance in 2023**

TMP Steel achieved many sustainability performance goals in 2023, demonstrating our progress towards sustainability goals and our response to various stakeholders.



### **Environment & Product**

### **Annual Achievements**

- **Completed** the greenhouse gas inventory and external assurance for 2023.
- ✓ 100% of products were radiation-free, compliant with national standards in 2023.
- Products did not violate any regulations or voluntary guidelines in 2023.
- Rebar products fully complied with CNS 560 regulations.
- Annual production in 2023 was 244,067 tons, an increase of 11.94% compared to 2022.



### **Social**

### **Annual Achievements**

- Held 26 occupational safety meetings in 2023, prioritizing occupational safety issues as a key management focus.
- The number of employee education and training hours in 2023 was increased six times compared with the previous year, and the number of trainees was increased by 12.17% compared with the previous year.
- The average salary of female employees was higher than that of male employees across all locations.
- The basic salary of junior employees was approximately 14%~37% higher than the local minimum wage.



### Governance

### **Annual Achievements**

- ✓ Ranked in the top 6-20%

  of listed companies in

  the corporate governance

  evaluation for three consecutive

  years (8th~10th).
- The ratio of female Directors to all Directors reached 44%
- Operating income in 2023 exceeded NT\$7.8 billion, representing a growth of 18% compared to the preceding year.
- Earnings per share in 2023 was NT\$4.02, representing a growth of 21% compared to the preceding year.
- The amount of loss caused by material cybersecurity events was nil.
- There was **no** internal/external whistleblowing letter or legal case related to the ethical corporate management of the Company.

About Business Overview and Corporate Environmental Product Happy Social this Report Sustainable Governance Governance Environmental Product Happy Social Welfare Appendix Sustainable Governance Governance Governance Governance Finding From the Report Sustainable Governance Governance Governance Governance Governance Finding From the Report Sustainable Governance Governance Finding From the Report Sustainable Governance Governance Finding From the Report Sustainable Governance Finding From the Report Sustainable Governance Governance Finding From the Report Sustainable Governance Finding From the Report Sustainable Governance Finding From the Report Sustainable Governance Finding From the Report Finding From the Repor



**External Verification** 

### **About this Report**

The sustainability report issued by TMP Steel Corporation (stock code: 6248; the "TMP Steel" or the "Company") complies with the GRI Standards issued by the Global Reporting Initiative (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," the United Nations Sustainable Development Goals (SDGs), the Task Force on Climate-related Financial Disclosures (TCFD) framework, and other domestic and foreign standards and specifications. Through the issuance of this report, we aim to enable the public and stakeholders to understand TMP Steel's short-term, mid-term, and long-term goals, investments, and achievements in promoting sustainable development. This report also serves as a crucial channel for the Company to communicate non-financial information.

For the index of GRI content in this 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. is not included, primarily considering that the subsidiary was just founded and has not commenced formal large-scale operations. Additionally, TMP Steel is the major operating entity of the Group, accounting for 100% of the Group's production capacity, and the number of employees also accounts for 100% of the Group's employees. Therefore, TMP Steel is sufficiently representative in terms of the Group's sustainability performance.

The report discloses the data on the economic, environmental, and social performance of the Company in 2023 (from January 1 to December 31, 2023). To ensure the completeness and comparability of data, some performance data is traced back to December 31, 2021.

### **Data Source and Management, Assurance of the Report**

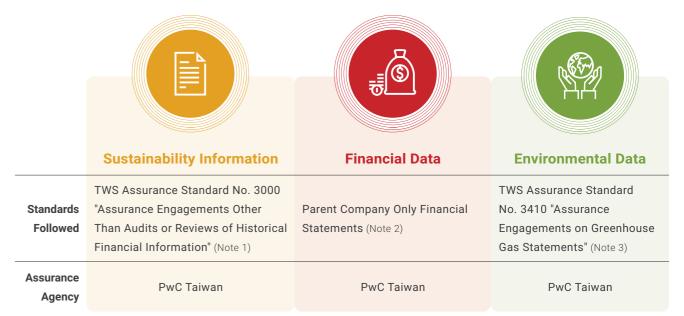
The data used in the report was collected and provided by responsible departments. After the overall planning by the Management Department, the data was compiled and subsequently edited and amended. After the completion of the first draft, it was submitted to the supervisors of departments, the Vice President, President, and the Chairman for review to ensure the authenticity and completeness of the content of the sustainability report. It was reviewed and confirmed by the Corporate Governance and Sustainability Committee and finally submitted to the Board of Directors before publication.





Website

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#### Note:

- PwC Taiwan performed limited assurance on the selected key performance indicators in accordance with TWS Assurance Standard No. 3000
   "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information." The limited assurance report is attached in the appendices of this report.
- 2. The financial data disclosed in the report is derived from the parent company only financial statements audited by the CPAs according to International Financial Reporting Standards (IFRS). The auditing and attestation agency is PwC Taiwan, and the data is presented in New Taiwan Dollars (NTD).
- 3. PwC Taiwan performed limited assurance on the greenhouse gas statements prepared in accordance with the GHG Protocol, in compliance with ROC Assurance Standard No. 3410 "Assurance Engagements on Greenhouse Gas Statements." The limited assurance report is attached in the appendices of this report.

### **Date of Publication**

TMP Steel 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 August 2024

Next issuance date: Expected to be issued in August 2025

### **Contact Information**

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.

Address: No. 3, Jingjian 11th Rd., Lugang Township, Changhua County 505, Taiwan (R.O.C.)

Tel.: (04) 753-0578

E-mail: tmp@tmpco.com.tw

Contact: Management Department - ESG report editor's team





**Business Overview and** Sustainable Governance

**Business Overview and** Sustainable Governance

Our Chairman

TMP Steel

and engagement

Material topic analysis

### 1.1 Letter from Our Chairman

2023 was a year of challenges and achievements for TMP Steel. Benefiting from robust demand for steel bars in Taiwan's construction industry and continuous improvement in steel product trading performance, consolidated revenue and profits grew against the backdrop of a sluggish steel market, delivering substantial returns on investment to our shareholders. While pursuing outstanding operational performance, we remain committed to formulating and implementing policies in environmental, social, and governance (ESG) domains. We steadfastly address societal and environmental changes, recognizing that corporate success is not solely measured by financial performance but also by our commitment to environmental stewardship, societal contribution, and employee wellbeing.

From a corporate governance perspective, TMP Steel has established robust corporate governance and risk management mechanisms. Oversight by governance bodies and effective management ensures the protection of shareholder and stakeholder rights, enhancing the company's sustainable value. In the 10th Corporate Governance Evaluation, TMP Steel consistently ranked in the top 6% to 20% of listed companies for three consecutive years, with increasing governance scores, affirming our efforts in corporate governance.

The company is also dedicated to social responsibility. We strive to provide a secure and fulfilling work environment for our employees by enhancing occupational safety and health management systems, offering competitive compensation and benefits, organizing various vocational training programs, conducting employee health check-ups, and fostering open communication channels to listen to employee voices and needs. We believe that by prioritizing our people, fulfilling our corporate responsibility to care for employees, and safeguarding their physical and mental well-being, we can enhance employee engagement and collectively build TMP Steel into a competitive and sustainable organization.

Recognizing the steel industry's significant carbon footprint, TMP Steel is progressively enhancing its environmental sustainability efforts. We completed the inventory and Assurance of greenhouse gas

emissions for 2023 and continue to disclose under the TCFD framework to assess and manage climaterelated risks and opportunities. Going forward, we will develop feasible emission reduction plans based on these assessments to achieve our goals of low-carbon production.

Looking ahead, to meet customer demands, TMP Steel plans to establish new steel processing plants in Tainan Xinshi Industrial Park and Changhua Coastal Industrial Park. This initiative aims to strengthen our steel product supply chain and comprehensively meet the demand for building steel materials. Beyond the challenge of sustaining revenue growth, we aim to outline a comprehensive corporate ESG blueprint to embed sustainable development deeply into our corporate culture. Through these initiatives, we aim for steady progress toward our corporate sustainability goals, fostering strong partnerships with stakeholders, and achieving our business objective of "customer satisfaction, employee well-being, and shareholder pride."



TMP Steel

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### 1.2 About TMP Steel

TMP Steel Corporation was founded in 1984 and listed on the OTC in 2003. Its primary business activities include wholesale distribution of hardware and building materials, as well as manufacturing, processing, and trading of components. We specialize in providing comprehensive prefabricated rebar solutions tailored to custom specifications.

Under the guidance of experienced management professionals and supported by a strategic alliance with Taiwan Steel Group (Note), TMP Steel adheres to a business philosophy characterized by "innovation, excellence, speed, and practicality." Over the years, we have cultivated strong partnerships with rebar wholesalers in central and southern Taiwan, as well as major domestic construction firms, establishing ourselves as a primary supplier of rebar to numerous customers. TMP Steel actively expands its product applications and enhances market share in alignment with future market trends.

All steel products sold by TMP Steel meet certified product standard specifications. Our vision is to "pursue continuous innovation and become a trusted steel enterprise." We are committed to operational excellence through a spirit of innovation and diligence. In addition to our core steel business, we are dedicated to assisting upstream and downstream industries in upgrading, thereby enhancing the overall international competitiveness of the sector.

Looking ahead, TMP Steel will uphold its principles of prudent management to maximize customer value and become a leading brand in professional and reliable building steel materials.

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).





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### Milestone of TMP Steel

### 1984

Established in Xindian, Taipei, specializing in

the production and sales of exchange power supply units, inductors, exchange electronic transformers, and other coil components.

### 2003

Listed on the OTC for trading on September

### 2010

Renamed to "TMP International Corporation."

### **2013**

Added the "Hardware and Building Materials Division," focusing on rebar and coil elements, planning for the development of rebar forming and processing, and direct delivery services to construction sites.

### 2016

Changed the name from "TMP International Corporation" to "TMP Steel Corporation."

### 2018

Established the Taoyuan Plant in June

### **2021**

In March, the Board appointed a Chief Corporate Governance Officer as the most senior executive for corporate governance matters.

In September, the Changhua Changbin Plant was newly established.

### 2022

Established the "Corporate Governance and Sustainable Development Committee."

### 2023

Established the "Corporate Governance and Sustainable Development Committee."

### 1.2.1 Business Locations and Value Chain

TMP Steel has deep roots in Taiwan, operating in areas including the Changbin Plant, Guanxi Plant (Note), and Tainan Plant. The company positions itself as a nationwide supply channel, establishing advantageous channels for steel products in northern, central, and southern Taiwan, with ample steel product storage space. We collaborate with major rebar manufacturers to solve the issue of incomplete rebar product sizes and meet customer demands promptly.

Our main suppliers engage in the manufacturing and trading of steel materials such as rebars, billets, angle bars, flat bars, and straight bar steel. They operate electric arc furnaces and specialized rebar rolling equipment and systems in northern, central, and southern Taiwan, ensuring high-quality, safe, and compliant rebar sources. Construction firms constitute a major customer base, with demand for rebars at construction sites across Taiwan. In 2023, TMP Steel closely collaborated with over a hundred construction firms.

The rebar industry is Taiwan's largest producer of single steel products, primarily serving the domestic market for use in building and public engineering sectors.

Our product applications in building projects span across northern, central, and southern Taiwan, including landmark government projects such as the Danshui Light Rail Transit, West Coast Expressway, Keelung Shanhai City Connection Reformation Project, and Railway Green

Note: The Guanxi Plant mentioned will be established in January 2024, reflecting information collected in the 2023 sustainability report regarding the Taoyuan Plant from January to April 2023 and the Yingge Plant from April to December 2023.

### Our product application





















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control systems.

in domestic

and foreign

sustainable

development-

consultation.

related rules and

provide necessary

TMP Steel

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Material topic analysis

### 1.3 Sustainable governance

### 1.3.1 Sustainable development promoting organization

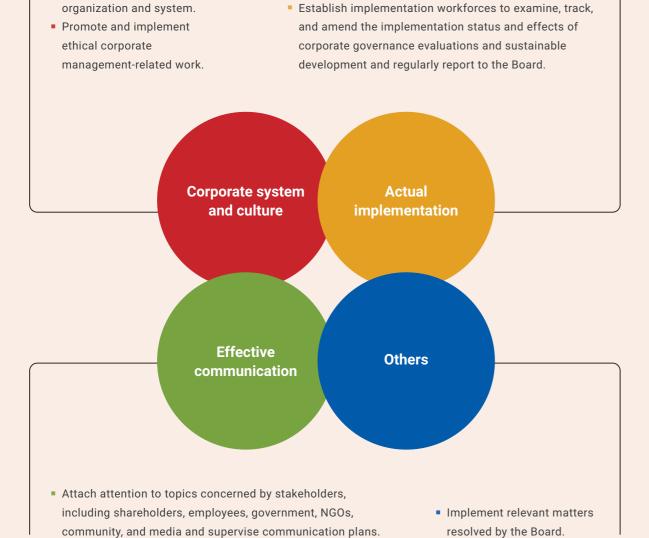
In 2022, the Board resolved to establish the "Corporate Governance and Sustainable Development Committee" as the ESG management center of TMP Steel. The committee comprises three independent directors and operates through five crossdepartmental functional teams: Verification, Corporate Governance, Product Responsibility, Employee Relations, and Social Welfare. The head of corporate governance assigns department heads to oversee the responsibilities and execution plans of each team, managing various business operations and annual projects to integrate sustainable development actions into daily company operations. Quarterly, the committee submits work plans and implementation reports, proposing optimization or improvement plans for the following year. According to the committee's organizational regulations, it convenes at least twice annually. In 2023, it held two meetings and reported to the Board of Directors.

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

Promote and strengthen corporate governance organization and system.

14

 Promote and develop corporate social responsibility policies and sustainable operation matters.



**Board of Directors Corporate Governance and Sustainable Development Committee Product Employee** Social Corporate Investigation responsibility relationship welfare governance team team team team team Formulate GHG Assist the Board Consider the Propose the Evaluate the inventory and and managers in sustainable human rights effects of investigation inspecting and development of policy or corporate statement of the plans. reviewing the products and operations on the implementation services and Company. community and Implement project work. of sustainable plan for product Regularly examine hire local laborers Improve operating development. optimization the actual validity appropriately procedures and Track changes strategies. of the human to improve the

Ensure product

and service quality

product labeling to

protect the health

and safety of

consumers.

and implement

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community's

recognition.

Participate in

to community development

and community

education to

facilitate the development of

the community.

activities related

rights policy or

Establish effective

statement.

career ability

development

training plans

and establish

reasonable

measures.

and implement

employee welfare

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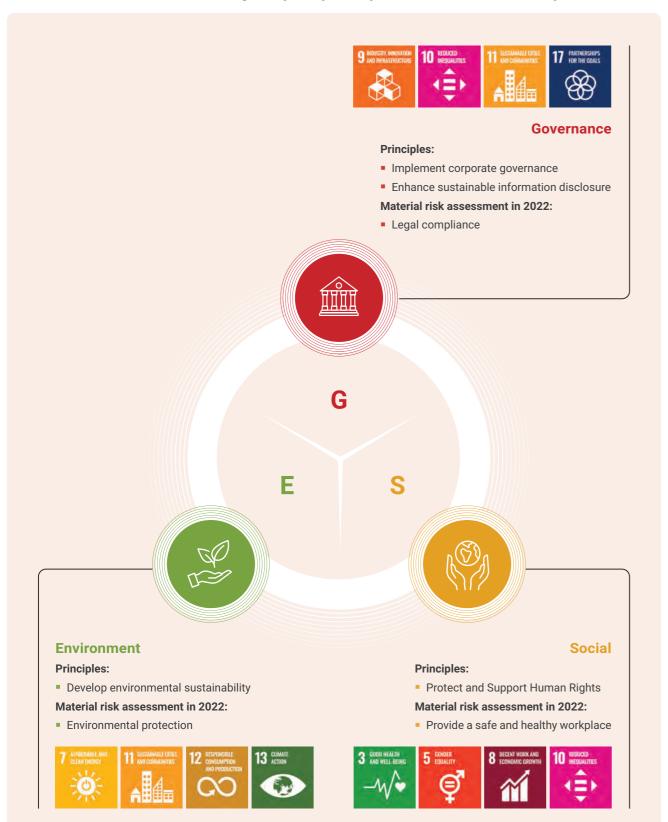
Our Chairman TMP Steel

Sustainable and engagement governance

Stakeholder communication Material topic

### 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.

Stakeholder	Issues of concern	Responses	Results	Corresponding Chapters
Government	<ul><li>Corporate    Governance</li><li>Legal    Compliance</li></ul>	<ul> <li>Participate in a total of over 7 policy or regulation promotion sessions and training courses.</li> <li>Cooperate with the competent authorities in labor inspections, financial report review and verification</li> <li>Participate in the Corporate Governance Evaluation</li> </ul>	<ul> <li>The Directors are in training courses for a total of 78 hours.</li> <li>Have real-time updates and understanding of laws and regulations and administration rules and assist the Company in implementing relevant policies.</li> <li>Ranked top 6% to 20% in 9th Corporate Governance Evaluation among TPEx companies</li> </ul>	• Ch 2 Corporate Governance
<u>○</u> Employees	<ul> <li>Remuneration and Benefits</li> <li>Talent Development and Cultivation</li> <li>Diversity and Equal Opportunity</li> <li>Product Quality and Safety</li> <li>Legal Compliance</li> </ul>	<ul> <li>Announced over 20         employee welfare, material         operating news, and         training messages.</li> <li>Medical staff visit 4 times         a year.</li> <li>4 health promotion         lectures, 1 stress relief SPA         experience course, and 1         factory safety promotion         by a police officer.</li> <li>Distributed employee         satisfaction questionnaires         once.</li> <li>Convene 4 labor-         management meetings.</li> </ul>	<ul> <li>Strengthen internal communications, gather employees' cohesion, and deliver the corporate development prospect.</li> <li>Have medical personnel in place to provide onsite health consultation, health inspection report consultation, and pressure evaluation.</li> <li>Arrange a seminar on the topic of a brain and cardiovascular healthcare health improvement to improve employees' health awareness.</li> <li>For details on the employee satisfaction questionnaires, please refer to 5.3 Talent Development and Cultivation.</li> <li>For details of major topics discussed in labor-management meetings, please refer to 5.4.3 Employee Communication.</li> </ul>	<ul> <li>Ch 2     Corporate     Governance</li> <li>Ch 5     Happy     Workplace</li> </ul>

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Our Chairman

Stakeholder Issues of concern

Economic

Legal

Risk

Shareholders

/investor

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**Customers** 

Suppliers/ Contractors Performance

Compliance

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Management

Occupational

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and Safety

management

Occupational

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**Product Quality** 

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Governance

Management

Compliance

Health

Risk

Legal

Occupational

Health

Risk

Waste

Health

Corporate

About TMP Steel Sustainable governance

Responses

announcements in Chinese

and English, and a total of

over 100 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

Convened 2 investor

MOPS in total.

conference.

meeting.

corporate website and

Convened 1 shareholders'

Updated its website from

and technologies of its

Had business meetings

beneficial to responding to

customers' requirements.

Updated the corporate

signing commitment

and environmental

letters on safety, health

protection reaches 90%.

educational training for a

Organized contractor

total of 76 hours.

website from time to time.

The proportion of suppliers

the latest products

corporate website.

from time to time

time to time and disclosed

Published 42 material information and 20

Stakeholder communication and engagement

Results

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

operating information to assist

investors in understanding the

to make appropriate decisions.

It was announced on the official

leased the groundbreaking for

the second factory in Changhua

Coastal Industrial Park, MOEA.

It responded to customer needs

immediately, delivered products,

and provided services on time.

The content of the educational

safety awareness.

training courses for contractors is

primarily improving occupational

website that the company

operating status of the Company

corporate governance.

Provide open and adequate

Material topic analysis

Corresponding

Chapters

Ch 2

Ch 5

Ch 2

Ch 3

Ch 4

Ch 5

Ch 2

Ch 4

Ch 5

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Product

innovation

workplace

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Product

innovation

workplace

Corporate

governance

Corporate

governance

Environmental

management

Happy

workplace

Corporate

governance

Stakeholder	Issues of concern	Responses	Results	Corresponding Chapters
Community	<ul> <li>Air Pollution         Control</li> <li>Water         Stewardship</li> <li>Waste         Management</li> <li>GHG Emissions</li> <li>Energy</li> </ul>	Meet and visit from time to time to establish good interaction.	<ul> <li>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.</li> <li>Organized an ESG mountain         cleaning event at the Tengshan         Trail in Changhua County,         assisting the community in         clearing artificial waste from the         mountains, fostering positive         interactions between the         community and the company,         with a total of 18 participants.</li> <li>Participated in the Mid-Autumn         Festival gathering for members         of the Changbin Industrial         Park, dining and singing with         neighboring businesses to         enhance camaraderie and         mutual recognition among local         enterprises.</li> </ul>	• Ch 3 Environmental management
Media	<ul> <li>Legal         Compliance</li> <li>Product Quality         and Safety</li> <li>Supply chain         and traceability         management</li> <li>Corporate         Governance</li> <li>Risk         Management</li> </ul>	<ul> <li>Updated the corporate website from time to time.</li> <li>Had over 100 press releases.</li> <li>Convened 2 investor conference.</li> </ul>	<ul> <li>Published the latest ESG development and performance of the Company on the corporate website.</li> <li>Communicated the financial performance, operating status, and profitability analysis of the Company.</li> </ul>	<ul> <li>Ch 2         Corporate         governance     </li> <li>Ch 4         Product         innovation     </li> </ul>
	Management			

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Stakeholder communica and engagement

Material topic analysis

### 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.

The Corporate Governance and Sustainable Development Committee reviewed the major themes identified in 2022. There were no major changes in the company's operations in 2023. Therefore, the major themes in 2022 will be continued as the reference basis for information disclosure in this year's TMP Steel Sustainability Report. The company's board of directors and the corporate governance and sustainable development committee determine the basis for TMP Steel future sustainable development strategy and planning of sustainable development implementation projects.



### **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.

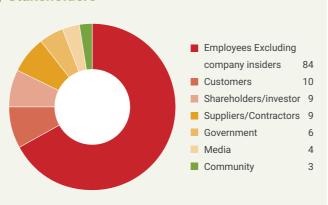
Performed a composite evaluation of the positive/negative occurrence probability and the scale of positive/negative effects of issues to conclude the level of impact of issues.



### **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. Employees Excluding company insiders (84), Customers (10), Shareholders/investor (9), Suppliers/Contractors (9), Government (6), Media (4),

Community (3).





### **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.



### **Define material topic boundaries**

Material topics are defined based on an analysis using the value chain as a boundary analysis element. Moving forward, efforts will be ongoing to enhance management and disclose pertinent information in the sustainability report.

### 1.5.2 Level of impact of material topics

In 2022, our sustainability team identified 16 sustainability issues, ranked by their impact severity, and selected the top 5 issues with the highest positive or negative impacts. These were further consolidated based on relevance, resulting in 4 major topics. Additionally, based on external survey results regarding stakeholder priorities, 3 additional major topics were identified, prioritized by stakeholders' level of concern and alignment with company strategic development. Therefore, a total of 7 major topics were identified in 2022. For 2023, after assessing and finding no significant changes from the 2022 results, these 7 major topics have been retained for the current year.



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Letter from About Sustainable Stakeholder communication Our Chairman TMP Steel governance and engagement Material topic analysis

Letter from<br/>Our ChairmanAbout<br/>TMP SteelSustainable<br/>governanceStakeholder communication<br/>and engagementMaterial topic<br/>analysis

### 1.5.3 Material topics and value chain in 2023

			lı	Impact boundary					
	Motorial			Ext		rternal		Corre	Corre GRI S
Aspect	Material Impact on operations topic	Impact on operations	Internal	Supplier	Investor	Customer	Community	Corresponding Chapter	Corresponding GRI Standards
Corporate governance/	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.	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	<b>(</b>	Ch 2 Corporate Governance	GRI 2: General Disclosures 2021
economy	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.	$\checkmark$	$\checkmark$	$\checkmark$	$\bigcirc$		Ch 2 Corporate Governance	GRI 2: General Disclosures 2021
	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.	$\checkmark$	$\checkmark$		$\checkmark$		Ch 3 Environmental management	GRI 302: Energy GRI 305: Emissions
Environment	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.	<b>⊘</b>	$\bigcirc$		$\bigcirc$	$\bigcirc$	Ch 3 Environmental management	GRI 306: Waste

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		Material			External			:	Corres Ch	Corres GRI St
,	Aspect	topic	Impact on operations	Internal	Supplier	Investor	Customer	Community	Corresponding Chapter	Corresponding GRI Standards
[0		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.	$\bigcirc$	$\bigcirc$	$\bigcirc$			<u>Ch 5</u> <u>Happy</u> workplace	GRI 403: Occupational Health and Safety
Soci	ociety/	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.	$\checkmark$					<u>Ch 5</u> <u>Happy</u> workplace	GRI 404: Training and Education
Pro	oduct	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.	$\bigcirc$	$\bigcirc$		$\bigcirc$		Ch 4 Product innovation	GRI 416: Customer Health and Safety



2.1.1 Governance Structure

Corporate

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Risk

Corporate governance performance

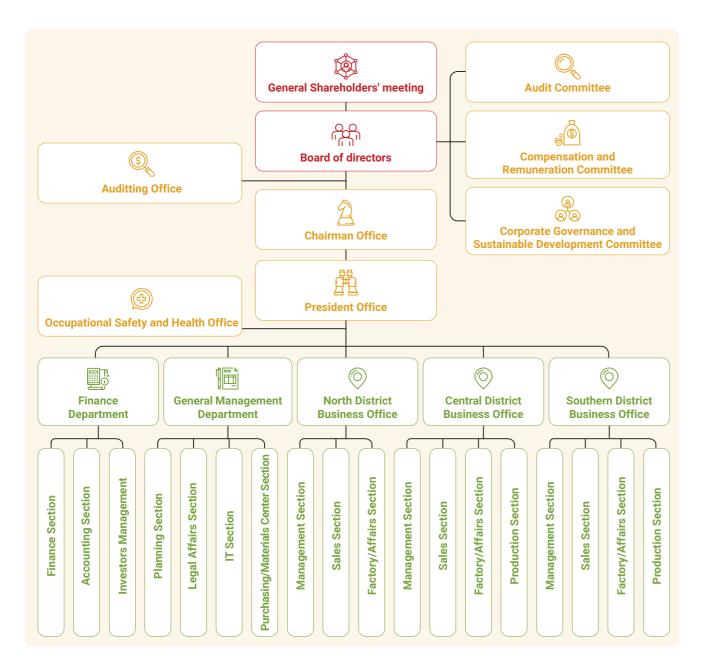
Risk

### 2.1 Corporate governance





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.



### 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



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.

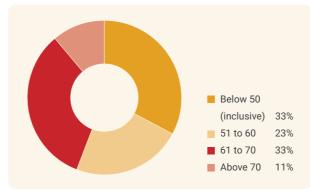
The Company has been actively promoting gender equality for years. In the past seven years, there was a female Chairman elected, and the ratio of female Directors has remained above 40% for years, higher than the average ratio of female Directors of listed companies in Taiwan (Note).

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 16.54% from 2017 to 2023.

### Directors' professional knowledge and talents



### Age distribution of directors





### Ratio of female Directors to all Directors



Corporate Governance

Corporate governance performance

Risk

Corporate governance

performance

Risk

### 2.1.4 Functional committee

28

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



#### Composition **Functions** Implementation status 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 Organized 2 times meetings in 2023. corporate social responsibility The attendance rate of Directors was through purposeful, systematic, and 50~100% organized approaches. Main review content: Established on Establish an execution team and Completed the Preparation of Corporate October 28, 2022 assign supervisors from relevant Sustainability Report as 2022. and composed of Governance departments to manage the job ■ Formulate the company's 2023 three Independent and scope of different teams and greenhouse gas inventory and Directors. Sustainable execute the operating plans. assurance schedule plan. Regularly report the work plan ■ Formulate the company's 2023 Development and execution results to the sustainability report preparation and Committee Board with respect to corporate assurance schedule plan. governance evaluations, sustainable development implementation status, and the examination, follow-up, and amendment to achievements.

### 2.1.5 The Directors and Senior Managements' Professionalism and Continuing Education

In 2023, 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 78 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 2021 to 2023, 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 2023 annual report for the shareholders' meeting.

Corporate

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Risk performance

### 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.

performance

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 23, 2024, and the evaluation results in 2023 were excellent, and the operations were smooth.

#### The external assessment of the Board of Directors

In 2023, TMP Steel commissioned the Taiwan Investor Relations Institute, a non-profit organization, to conduct an evaluation of the effectiveness, including performance, of TMP Steel's board of directors. The institute and its executing experts have no prior business relationships with TMP Steel and operate independently.

The evaluation period was from October 1, 2022 to September 30, 2023

The evaluation process includes three methods: documents provided by TMP Steel, self-evaluation questionnaires, and onsite interviews, and a performance evaluation report is issued based on the evaluation results.

The Taiwan Investor Relations Institute issued a board of directors effectiveness evaluation report on November 23, 2023

The results of the previously disclosed external evaluation were reported to the board of directors on February 23, 2024.

Assessment contents and projects: Board composition and professional development, board decision-making quality, board operation effectiveness, internal control and risk management, and the board's participation in corporate social responsibility from five major aspects to review the company's board of directors operations.

### 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

TMP Steeel 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.

### 2.1.9 Key Performance in Corporate Governance Implementation



Note: As of December 31, 2023, there were 4 female directors; starting from January 16, 2024, there are 3 female directors.

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### 2.2 Economic performance

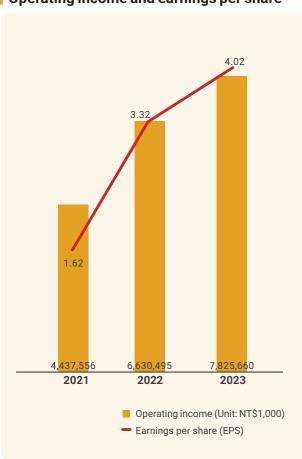
### 2.2.1 Financial Performance

In 2023, the operating income of the Company broke through NT\$7.8 billion and reached a historical new height (representing a growth of 18.03% as compared to 2022). Earnings per share (EPS) was NT\$4.02 (representing a growth of 21.08% as compared to 2022). The excellent financial performance exhibited a stable business plan and disciplinary capital management. The growth momentum in revenue was sustained by steady demand in the construction industry for rebar used in commercial buildings, new factory constructions, and government-driven public infrastructure projects and urban renewal initiatives. Despite a challenging steel market, our performance continued to grow, setting historical records in consolidated revenue, gross profit, pre-tax income, and net income attributable to the parent company.

TMP Steel distributed cash dividends in the past 5 years. Due to the booming profit in the current year, to give back to the longterm 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.

The Changbin Plant 2 covers an area of approximately 9,000 ping, with a total investment of about 750 million NTD for building construction and machinery equipment procurement. It is expected to be completed in the third quarter of 2024, with production of new products such as stirrups and welded wire mesh starting by the end of the year. This will enhance product sales and services for the construction and public engineering sectors with higher quality and comprehensive offerings. With the continued manifestation of increased production capacity benefits, the company's operations are poised for further growth.

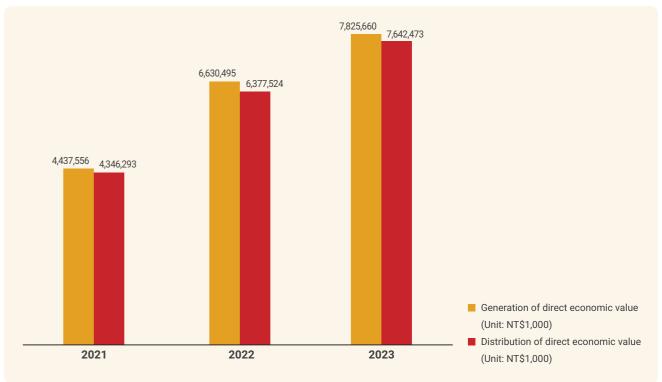
### Operating income and earnings per share





Note: Primarily industry development interest subsidies from the government.

### Historical economic value generated and distributed by the Company

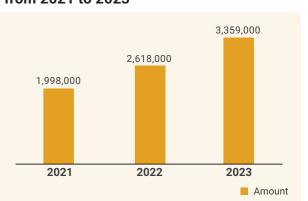


### 2.2.2 Pensions

### Defined benefit plan

Effective July 1, 2005, TMP Steel has established a defined contribution pension plan under the Labour Pension 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' pension accounts at the Bureau of Labour Insurance. The benefits accrued are paid monthly or in a lump sum upon the termination of employment.

### Pension expenses paid by TMP Steel from 2021 to 2023



### **Defined contribution plan**

TMP Steel has a defined benefit pension plan by the Labour Standards Act, covering all regular employees' service years before 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 an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with the Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. The Company has had 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 labor pension reserve until February 2023 as approved by the Taipei City Government, Bureau of Labour. The labor retirement reserve fund was settled on June 26, 2023.

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Risk

management

### 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
い/ 骨 Hazardous risk	Climate change risks	The risk management team leads the functional supervisors of departments to carry out climate change risk analysis and formulate necessary countermeasures.	<ul> <li>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.</li> </ul>
	Occupational disaster risks	The Occupational Safety and Health Office is responsible for planning, supervising, and promoting occupational safety and health management work.	<ul> <li>Continue to manage the reasons for the occurrence of occupational injuries and subsequent improvement measures.</li> </ul>

	Risk item	Management method	Validity evaluation
Operating risks	Cybersecurity risks	Regularly engage a professional team to assist in the execution of the evaluation each year.	The Company engages external contractors to manage its cybersecurity, which is described as follows:  PC maintenance of plants: 1 time  Firewall maintenance of plants: 1 time  Network products of plants: 1 time  Physical virtualization mainframe maintenance of the HQ: 1 time  General server maintenance: 1 time  Other information-related maintenance: 1 time  Reinforcement of employees: educational promotion 1 time, for a total of 57 persons.
	Market risks	<ul> <li>Explore the order-taking and shipping status during meetings and carry out market analysis.</li> </ul>	<ul> <li>Regularly organize supervisor meetings each week.</li> <li>Regularly organize sales meetings each week.</li> </ul>
	Production scheduling risks	Explore the production status of the Company at meetings.	<ul> <li>Regularly organize supervisor meetings each week.</li> </ul>
	Financing risks	<ul> <li>Explore the financing status and bank limit usage of the Company at meetings.</li> </ul>	<ul> <li>Regularly organize supervisor meetings each week.</li> </ul>
Financial risks	Credit risks	<ul> <li>Explore the recovery status of amounts due from customers at meetings.</li> </ul>	<ul> <li>Regularly organize supervisor meetings each week.</li> </ul>
Strategic risks	Business strategy risks	<ul> <li>Collect, compile, analyze, study, and determine information on the price increase/decrease of domestic/foreign raw materials and effectively formulate future strategic directions.</li> </ul>	<ul> <li>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.</li> </ul>
Compliance risks	Legal compliance risk	<ul> <li>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.</li> </ul>	<ul> <li>Regularly organize supervisor meetings each week.</li> </ul>
	Contract risks	The Legal Affairs Section was established, and there is a review system in place for sales contracts and other material contracts.	<ul> <li>The Legal Affairs Section assists in reviewing contract terms and provides professional recommendations.</li> </ul>

Corporate Corporate Governance Governance

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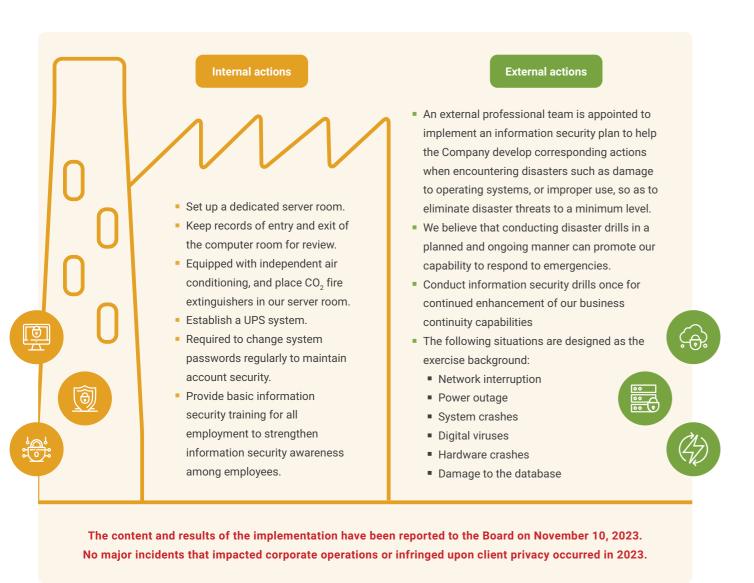
welfare

### 2.3.2 Information Security Management

### Information Security Management Structure Implementation

TMP Steel's information security policy is led by the IT Section under the Management Department. The audit office is the audit unit for information security supervision. When deficiencies are found in the audit, the inspected unit is required to propose relevant improvement plans and submit them to the board of directors. The improvement results are regularly tracked to ensure Reduced internal information security risks.

### **Information Security Management Measures**



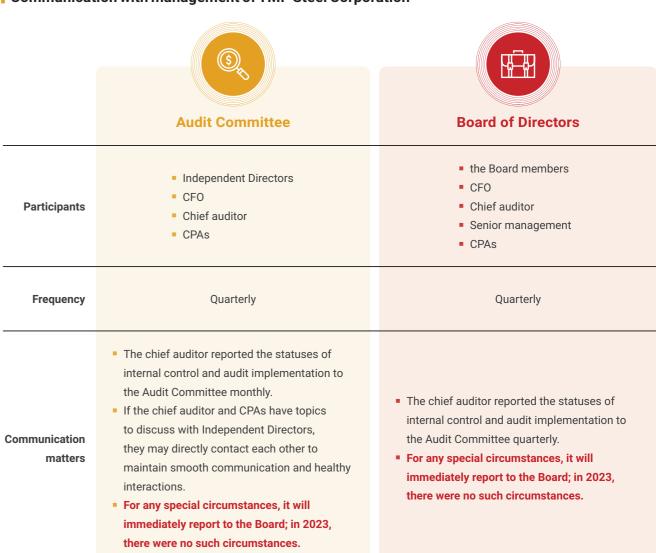
### 2.3.3 Business Integrity

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 November 10, 2023.

### 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



governance

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### 2.4 Legal compliance



Punishment imposed by TWSE:

None of the single events is material punishment or material loss in 2023.

Risk

management

- There is no violation of Ethical Corporate Management Best Practice Principles, Corporate Governance Best Practice Principles, the Rules on the Scope of Responsibilities of Independent Directors, and Sustainable Development Best Practice Principles, etc.
- Infringement of customers' privacy and data leakage:
   None of the single events is material punishment or material loss in 2023.
- Violation of occupational safety and labor rights:
   None of the single events is material punishment or material loss in 2023.

Note: The standard for material fines or losses in a single incident is the same as the company's major news announcement, which is more than NTD 1 million.

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.

### 2.4.1 Prevention and whistleblower Procedures

### **Prevention Procedures**

TMP Steel has established an integrity policy and guidelines, providing colleagues with integrity codes to follow, along with educational training and presentations. Evaluation metrics have been developed to ensure that directors, management, and employees consistently integrate integrity into daily operations. The guidelines cover professional ethics, legal compliance, employee relations, gifts and entertainment, customer privacy, intellectual property rights, discrimination, bribery, conflicts of interest, and protection of company assets and reputation, all of which must be strictly adhered to by all personnel.

#### Guidelines/Code Goals Performance The management department actively promotes integrity policy training, providing **Ethical Corporate** Integrity management briefings on integrity management issues **Management Best** executives and employees to all directors, managers, and employees **Practice Principles/** share responsibility to for educational purposes. This includes **Procedures** promote the importance operational procedures and behavioral for Ethical of adhering to integrity guidelines for integrity management, as well Management and principles and guide as instructions on reporting illegal (including **Guidelines for** employees in practicing corrupt) and unethical behaviors by internal Conduct integrity. and external personnel. A total of 57 times

were conducted.

#### Guidelines/Code Goals Performance Maintain market fairness The company conducts annual education and and prevent insider trading outreach on "Prevention of Insider Trading to avoid specific investors Management Measures," "Internal Handling **Procedures for** gaining unfair advantages, Procedures for Significant Information," and the Prevention of related regulations for directors, managers, thereby preventing **Insider Trading** unethical and illegal and employees. Newly appointed directors, behavior and ensuring managers, and employees receive timely market fairness and education and training on these topics, with transparency. specific pre-employment training provided by Human Resources for new employees. In October 2023, the company provided Provide employees education and outreach on insider trading and with knowledge and integrity management to current directors, managers, and employees, totaling 57 times. preparedness in handling **Procedures for** In November 2023, the company conducted internal significant **Handling Material** 県 education and briefing sessions for newly information, confidentiality **Inside Information** procedures, public appointed legal representatives and directors, operations, and protocols covering topics such as insider trading, for dealing with violations. short-term trading rights, and internal stock ownership changes, totaling 2 times. Establish robust information system Enhanced education and awareness Information safety security to ensure stability initiatives on information security risk management of software and hardware management for employees: 57 times were measures in both virtual and physical conducted. environments. The company regularly reports intellectual property-related matters to the board of directors at least once a year. The most Implement a trade secret recent report was submitted on November management plan to 10, 2023. educate employees The management department regularly Intellectual on the prohibition of reviews the implementation of computer property rights disclosing any business file confidentiality measures, ensuring confidentialities, management plan that employees have dedicated accounts emphasizing their and access permissions. obligation to maintain New employees are required to sign confidentiality. confidentiality agreements before employment, with the importance of confidentiality explained to them.

Legal

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Corporate governance

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Risk manageme Legal compliance Corporate Economic Risk governance performance management

### **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.





### **Submit complaints**

• If the whistleblowing matter involves general employees, it shall be reported to the supervisor of the department. If the whistleblowing matter involves Directors or senior management, it shall be reported to Independent Directors or the Audit Committee.



### **Complaint investigation**

The dedicated department of the Company and the supervisor or personnel who received the report in the preceding sub-paragraph shall immediately investigate the truth. Legal compliance or other relevant departments shall aid when necessary.



### **Complaint handling**

- If it is proven that the reported personnel truly violated relevant laws and regulations or the ethical corporate management policy and requirements of the Company, the Company shall require the reported personnel to stop such acts and make appropriate disposals. When necessary, the Company may report to the competent authority and transfer the personnel to judicial agencies for detection or claim damage compensation via legal procedures to protect the reputation and interest of the Company.
- Written documents shall be kept for accepting whistleblowing, investigation process, and investigation results for five years and may be kept electronically. Before the expiry of the preservation period, if there is any litigation related to the whistleblowing content, relevant data shall continue to be kept until the end of the litigation.





### Case closure

- If the whistleblowing matter is found true after an investigation, relevant departments of the Company shall be ordered to examine relevant internal control systems and procedures and propose improvement measures to prevent the reoccurrence of such acts.
- The dedicated department of the Company shall report the whistleblowing matters, handling method, and subsequent examination and improvement measures to the Board.



#### Government

Mr. Chen, Management Section
Whistleblowing mail-box:
tmp@tmpco.com.tw



### **Employee**

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



#### Shareholder and investor

Ms. Wang, Investor Management Section
Whistleblowing mail-box:
tmp@tmpco.com.tw



### Customer

Website message board:

https://www.tmpco.com.tw/contact-us.htm



### Others

Whistleblowing line: (04)7530578

Whistleblowing mail-box:

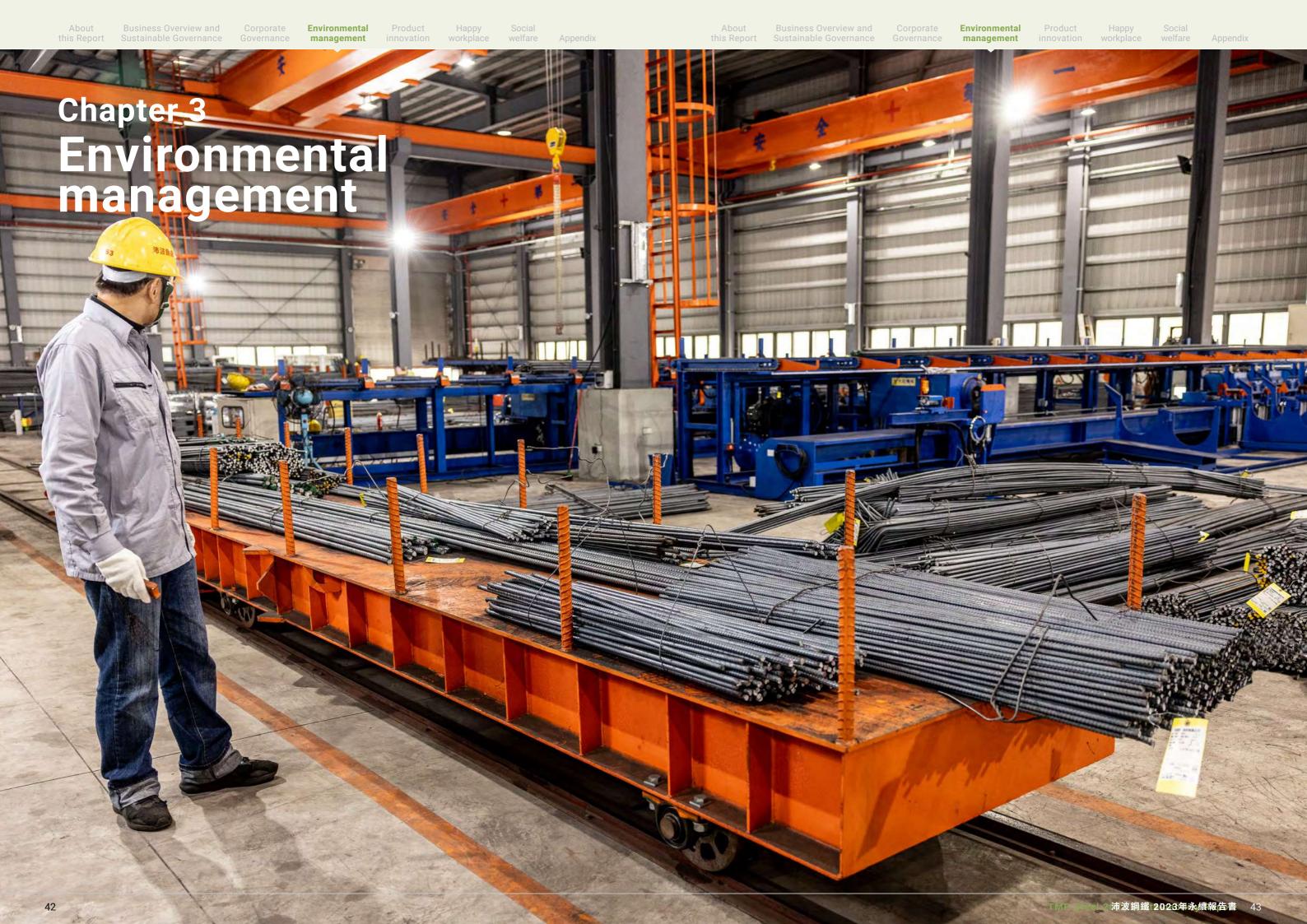
tmp@tmpco.com.tw

In 2023, 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.









Climate change risk management Energy and GHG emissions

Waste managem Water Stewardship Climate change risk management

Energy and GHG emission

Waste management Water

### 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, TMP Steel introduced the TCFD disclosure structure promulgated by the Financial Stability Board (FSB) from 2022 to identify and track material risks and opportunities that may be caused to operations due to climate change to formulate corresponding management measures and implement corporate risk management work.

### 3.1.2 Climate change response strategies

### Results of climate risk identification



# Policy and legal risks GHG restrictions and carbon taxes/ carbon levy

Effects on TMP Steel: "Climate Change Respone Act" of Taiwan, CBAM of the EU, and the "American Clean Energy and Security Act" have stipulated carbon tax imposition systems, and it is possible to pay relevant carbon taxes due to applicable regulations.

Influence Schedule: Short term





Countermeasures for mitigation/ adaptation

- Complete the inventory and assurance of greenhouse gas Scope 1 and Scope 2 emission data for 2023, and fully disclose the relevant data information in the sustainability report.
- The current plan is to formulate a feasible reduction plan based on the inventory and assurance results, to achieve the low-carbon production goal.





## standards of renewable energy.Effects on TMP Steel:

Policy and legal risks

government increased the use

The government required special industries to increase the using standards for renewable energy, including the use of solar power or wind power, and other clean energy; however, the power generation cost of relevant renewable energy is relatively higher.

Influence Schedule: Short term





Countermeasures for mitigation/ adaptation

- Expand the use and install solar power and other renewable energy facilities.
- Set the use target of renewable energy.

### Policy and legal risks

It may be required to adjust or change to suitable suppliers in response to the carbon footprint and low-carbon trends.

Effects on TMP Steel: The Company may have to seek suppliers that comply with the low-carbon standards in the hope of achieving the target of low-carbon transformation.

Influence Schedule: Medium term





Countermeasures for mitigation/ adaptation

- Require suppliers to disclose their GHG emissions and formulate carbon dioxide reduction targets and schedules.
- Introduce the environmental evaluation screening system of suppliers.

# ansition risks



### Technology Risk

Uncertainty in new energy saving/ carbon reduction technologies

Effects on TMP Steel:
 Reliance on capital investments in key technologies for low-carbon production development.

Influence Schedule:
Medium term





Countermeasures for mitigation/ adaptation

 The President appoints the supervisors of relevant departments to engage in projects for low-carbon production technology R&D.

Waste

Climate change risk management Energy and

Waste

Water

Climate change risk management Energy and

Water

### **Technology Risk**

It may be required to change to energy-saving production equipment in response to the lowcarbon trend.

Effects on TMP Steel: The Company may be required to replace existing production equipment and procure production equipment with better efficacy.

Influence Schedule: Long term





Countermeasures for mitigation/ adaptation

• The President appoints the supervisors of relevant departments to carry out the energy-saving production equipment procurement evaluation and organize feasible auxiliary measures in response to the plant expansion plan of the Company.

### **Market Risk**

### Increase in the demand for lowcarbon products

Effects on TMP Steel: In response to the environmental protection trends, customers have increasing demand for low-carbon steel material products.

Influence Schedule: Long term





Countermeasures for mitigation/ adaptation

- The President appoints supervisors of relevant departments to develop and provide low-carbon steel material products to customers.
- Cooperate with major suppliers to jointly formulate carbon dioxide reduction targets and schedules to effectively minimize the carbon footprint of products to align with customers' requirements and low-carbon trends.

### **Acute Risk**

### **Extreme climate impacts** from supply chain upstream to downstream including transportation

Effects on TMP Steel:

The increase in the frequency of typhoons or floods and the increase in the level of effects affecting the suppliers' normal production or delivery and shipping or resulting in operation interruption arising from the inability of plants to produce.

Influence Schedule: Long term

Potential financial effects Decrease in operating income



Countermeasures for mitigation/ adaptation

- Enhance the control of safe inventory days of raw materials.
- Formulate backup measures to separate procurement from suppliers.

### **Acute Risk**

### Increase in the probability of water shortage due to climate change.

■ Effects on TMP Steel:

Regional water shortage and insufficient water supply or water conservation will result in operation interruption arising from the inability of plants to produce.

Influence Schedule: Long term

Potential financial effects Decrease in operating income



Countermeasures for mitigation/ adaptation

- Lengthen the water conservation safety inventory days of plants.
- Formulate a corresponding plan for water truck allocation.
- Set the target of a decrease in water consumption intensity.

Note: The impact period is less than 3 years in the short term; 3 to 10 years in the medium term; and more than 10 years in the long term.

Climate change risk management

Energy and GHG emissions

Waste management Water Stewardship Climate change risk management

Energy and GHG emission

Waste Inagement St

Water Stewardship

### Results of climate opportunity identification

### Release low-carbon products

Effects on TMP Steel:
 Release low-carbon steel material
 products in response to the environmental
 protection trends of customers to bring
 about product sales opportunities.

Influence Schedule: Medium term





Countermeasures for mitigation/ adaptation

- The President appoints supervisors of relevant departments to develop and provide low-carbon steel material products to customers.
- Cooperate with major suppliers to jointly formulate carbon dioxide reduction targets and schedules to effectively minimize the carbon footprint of products to align with customers' requirements and low-carbon trends.



### Use renewable energy

Effects on TMP Steel:
 Install solar power generation units to increase the renewable energy use ratio.

Influence Schedule:
Shot term





Countermeasures for mitigation/ adaptation

- Expand the use and install solar power and other renewable energy facilities.
- Set the use target of renewable energy.



climate opportuni

## Adopt efficient production approaches

Effects on TMP Steel:
 Develope emerging technologies with low-carbon benefits and achieved its energy-saving production target.

Influence Schedule: Long term





Countermeasures for mitigation/ adaptation

 The President appoints supervisors of relevant departments to engage in projects for low-carbon production technology R&D.

ransition risks



# Improve equipment's energy-saving efficiency

Effects on TMP Steel:
 Replace obsolete equipment with new ones and adopt energy-saving production equipment to improve the use efficiency of energy-saving equipment.

Influence Schedule:
 Medium term

Potential financial effects

Decrease in energy-use cost



Countermeasures for mitigation/ adaptation

 The President appoints supervisors of relevant departments to carry out the energysaving production equipment procurement evaluation and organize feasible auxiliary measures in response to the plant expansion plan of the Company.

Note: The impact period is less than 3 years in the short term; 3 to 10 years in the medium term; and more than 10 years in the long term.

Waste

Append

Climate change risk management

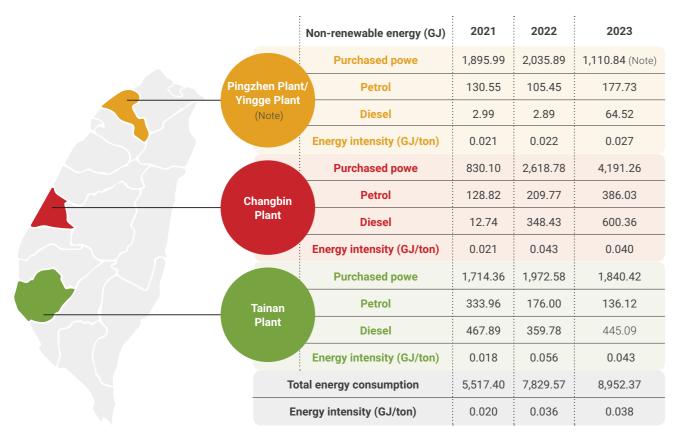
Energy and GHG emissions Waste manageme Water Stewardship Climate change risk management

Energy and GHG emissions Water t Stewards

## 3.2 Energy and GHG emissions

### **3.2.1 Energy**

In 2023, TMP Steel's total energy consumption was 8,952.37 gigajoules (GJ). TMP Steel's primary business involves steel processing, with the main energy consumption arising from purchased electricity for process machinery, accounting for approximately 80% of the total energy consumption. The remaining 20% is attributed to gasoline for company vehicles, and diesel for forklifts and trucks. The annual energy intensity was 0.038 GJ per ton, representing a slight increase of 6% compared to the previous year.



#### Nloto:

- 1. The plant was moved from Pingzhen, Taoyuan to Yingge, New Taipei in April 2023.
- 2. The energy unit conversion coefficient comes from the energy product unit calorific value table of the Energy Bureau of the Ministry of Economic Affairs.
- 3. The energy intensity is output (tons).

In 2023, the production line at Changbin Plant shifted from single-shift to rotating shifts, increasing overall production capacity. Consequently, electricity consumption increased by 60% compared to 2022. Additionally, due to business needs, the number of company vehicles increased from five to eight, leading to higher gasoline demand. The demand for diesel also rose as the number of forklifts increased from two to four to meet production capacity demands. The increase in energy consumption at Changbin Plant was primarily driven by capacity expansion.

Meanwhile, at Taoyuan Plant, relocated to Yingge from Pingzhen, electricity consumption decreased by 45% compared to the previous two years due to the smaller scale of the Yingge facility. However, due to material handling requirements, the plant leased two additional forklifts in 2023, resulting in a twenty-two-fold increase in diesel usage compared to 2022.

In Tainan Plant, increased production capacity led to the purchase of new trucks in 2023, resulting in a 24% increase in diesel usage. Moving forward, TMP Steel plans to annually monitor the consumption trends of various energy types and continue to explore energy-saving initiatives.

### **Energy-saving measures**



### Lighting equipment



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



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 equipment



Purchase office equipment with energy-saving label



Use papers two times for copying



Designate professional companies to recycle all the toner cartridges

### Measure promotion



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



Continue to promote the electronic document management system



Turn off the power of idle facilities



Cooperate with the energy-saving control of the office building

### 3.2.2 GHG emissions

According to the "Greenhouse Gas Protocol - Corporate Standard", the quantitative GHG emissions category of the Company in 2023 includes CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, NF3, SF<sub>6</sub>, and other appropriate GHG groups (HFCs, PFCs). In 2023, the total greenhouse gas emissions (Scope 1 and Scope 2) amounted to 1,127.5121 tons CO<sub>2</sub>e. This includes 147.6227 tons CO2e of direct greenhouse gas emissions (Scope 1) and 979.8894 tons CO2e of energy indirect greenhouse gas emissions (Scope 2).

About Business Overview and Corporate **Environmental** Product Happy Social About Business Overview and Corporate **Environmental** Product Happy Social About Business Overview and Corporate **Environmental** Product Happy Social About Business Overview and Corporate **Environmental** Product Happy Social About Business Overview and Corporate **Environmental** Product Happy Social About Business Overview and Corporate **Environmental** Product Happy Social About Business Overview and Corporate **Environmental** Product Happy Social About Business Overview and Corporate **Environmental** Product Happy Social About Business Overview and Corporate **Environmental** Product Happy Social About Business Overview and Corporate **Environmental** Product Happy Social About Business Overview and Corporate **Environmental** Product Happy Social About Business Overview and Corporate **Environmental** Product Happy Social About Business Overview and Corporate **Environmental** Product Happy Social About Business Overview and Corporate **Environmental** Product Happy Social About Business Overview and Corporate **Environmental** Product Happy Social About Business Overview and Corporate **Environmental** Product Happy Social About Business Overview and Corporate **Environmental** Product Happy Social About Business Overview and Corporate **Environmental** Product Happy Social About Business Overview and Corporate **Environmental** Product Happy Social About Business Overview and Corporate Busines

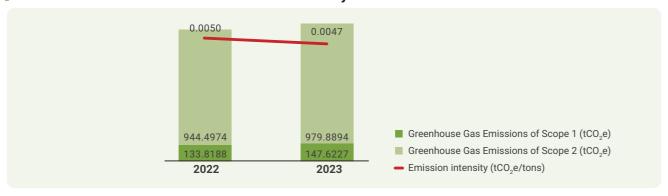
Climate change Energy and Waste Water risk management GHG emissions management Stewardship

	Item	2022		2023		
	Scope 1 (tCO <sub>2</sub> e)	18.8157		22.6227		
Pingzhen/	Scope 2 (tCO <sub>2</sub> e)	295.3289		152.3979		
Yingge Plant (Note)	Scope 1+2 (tCO <sub>2</sub> e)	314.1446		175.0206		
	Emission intensity (Note) (tCO <sub>2</sub> e/tons)	0.0032		0.0034		
	Scope 1 (tCO <sub>2</sub> e) (Note)	71.6922		79.4464		
Changbin	Scope 2 (tCO <sub>2</sub> e) (Note)	370.2670		575.0027		
Plant	Scope 1+2 (tCO <sub>2</sub> e)	441.9592		654.4491		
	Emission intensity (Note) (tCO <sub>2</sub> e/tons)	0.0060		0.0050		
	Scope 1 (tCO <sub>2</sub> e)	43.3109		45.5536		
Tainan	Scope 2 (tCO <sub>2</sub> e)	278.9015		252.4888		
Plant	Scope 1+2 (tCO <sub>2</sub> e)	322.2124		298.0424		
	Emission intensity (Note) (tCO <sub>2</sub> e/tons)	0.0072		0.0053		
	Scope 1 (tCO <sub>2</sub> e)	133.8188	Ratio 12%	147.6227	Ratio 13%	
	Scope 2 (tCO <sub>2</sub> e)	944.4974	Ratio 88%	979.8894	Ratio 87%	
Total	Scope 1+2 (tCO <sub>2</sub> e)	1,078.3162	Ratio 100%	1,127.5121	Ratio 100%	
	Emission intensity (Note) (tCO <sub>2</sub> e/tons)	0.0050		0.0047		

#### Note:

- 1. The calculation of greenhouse gas emissions for 2023 adopts the operational control approach, using the formula: Activity data \* Emission factor \* GWP value (Emission factors referenced from the 2019 EPA Announcement of Greenhouse Gas Emission Factors Table 6.0.4, and GWP values referenced from the IPCC Sixth Assessment Report). Greenhouse gases include CO2, CH4, N2O, HFCs, PFCs, SF6, NF3.
- 2. For electricity, the emission factor used in 2023 is  $0.494 \text{ kgCO}_2\text{e}$  / kWh, based on the 2023 coefficient. Other years follow data from the aforementioned announcement.
- 3. Emission intensity = (Scope 1 + Scope 2 emissions) / Annual production output (tons).
- 4. In April 2023, the plant relocated from Pingzhen, Taoyuan to Yingge, New Taipei City.

### Greenhouse Gas Emissions and Emission Intensity



### 3.3 Waste management

TMP Steel carries out waste reduction via incineration and recycling. In 2023, the waste of TMP Steel's production locations is primarily waste rebars, accounting for approximately 62.59% of all hazardous waste of its three plants.

Climate change

risk management

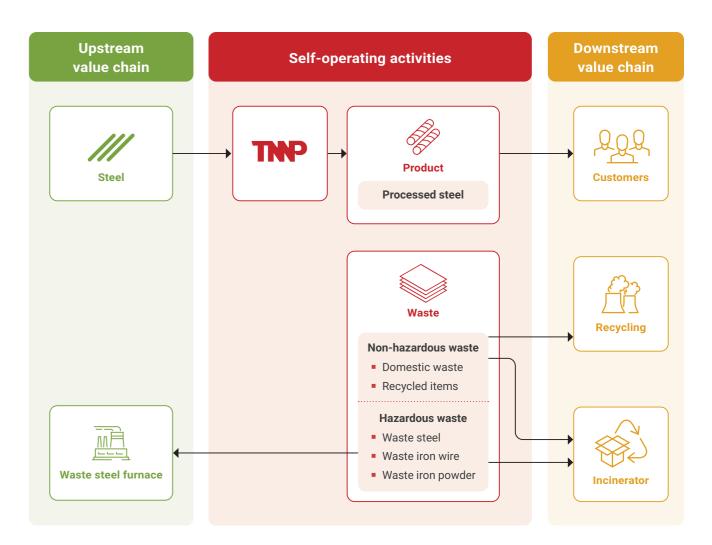
Energy and

GHG emissions management

Waste

Water

In 2023, the total waste processed across all plant areas was 1,072.5 tons. Hazardous waste, generated from rebar processing, primarily includes (1) scrap rebar, (2) scrap iron wire, and (3) iron powder. The hazardous waste is treated through recycling, achieving a 100% recycling rate. Non-hazardous waste mainly consists of domestic waste, which is treated by incineration.



### Descriptions of the waste categories within TMP Steel



Business Overview and Corporate **Environmental** Product

Sustainable Governance Governance management innovation workplace welfare

Business Overview and Corporate **Environmental** Product Happy management innovation workplace welfare

Climate change

Energy and

Waste

Water

Climate change Energy and Waste Water risk management GHG emissions management Stewardship



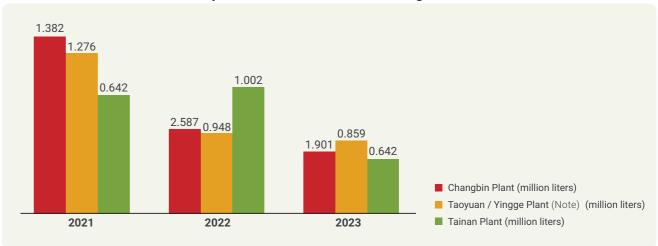
			Processed volume (ton)		ne (ton)	
	Category	item	2021	2022	2023	Processing method
	Non-hazardous	Domestic waste	21.6	21.6	<b>6.34</b> (Note)	Incinerated (non-energy recyclable)
	waste	Recycled items	2.7	2.7		Recycled
Pingzhen/ Yingge Plan (Note)		Waste rebar	28.43	17.02	185.06	Recycled
	Hazardous waste	Waste iron wire	52.34	78.98	35.31	Recycled
		Waste iron powder	31.4	59.4	17.50	Recycled
3	Non-hazardous waste	Domestic waste	6	10.6	10.80	Incinerated (non-energy recyclable)
Changbin		Waste rebar	203.53	171.53	194.60	Recycled
Plant	Hazardous waste	Waste iron wire	70.65	117.62	200.00	Recycled
		Waste iron powder	3.72	50.49	38.30	Recycled
	Non-hazardous waste	Domestic waste	2.7	1.8	5.76	Incinerated (non-energy recyclable)
Tainan Plant	Hazardous	Waste rebar	213.53	75.72	277.31	Recycled
	waste	Waste iron wire	86.83	68.6	101.52	Recycled
	Non-hazardous waste		33.00	36.70	22.90	-
Total	Hazard	ous waste	690.43	639.36	1,049.60	-
	Tota	s waste	723.43	676.06	1,072.50	<u>-</u>

- 1. All waste disposal is handled by qualified waste removal contractors.
- 2. Waste disposal methods are obtained through contracts with subcontractors or waste disposal reports.
- 3. The plant was relocated from Pingzhen, Taoyuan to Yingge, New Taipei in April 2023.
- 4. In 2023, recyclable materials and domestic waste from the Taoyuan/Yingge plant were handled together by the waste disposal contractor, with no separate weighing records.

## 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 2022 was 4.537 million liters, and 3.402 million liters in 2023, representing a decrease of 25.02% from 2022.

### The water withdrawal of three plants is set out in the following table

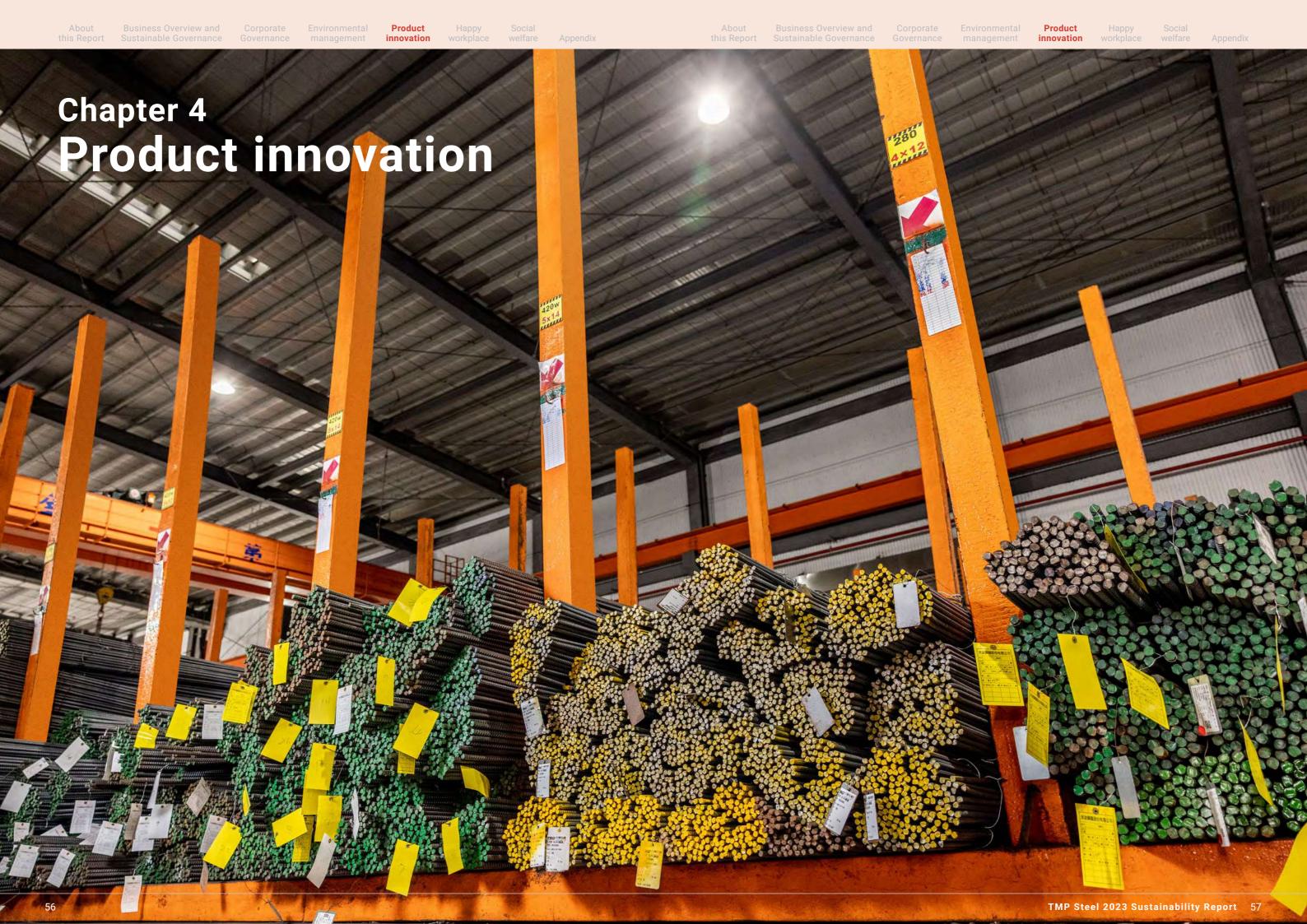


Note: The plant was relocated from Pingzhen, Taoyuan to Yingge, New Taipei in April 2023.

#### 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

- 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.
- Improve employee training and enhance the awareness of accident prevention.



Product quality

and safety

supply chain

Product quality and safety

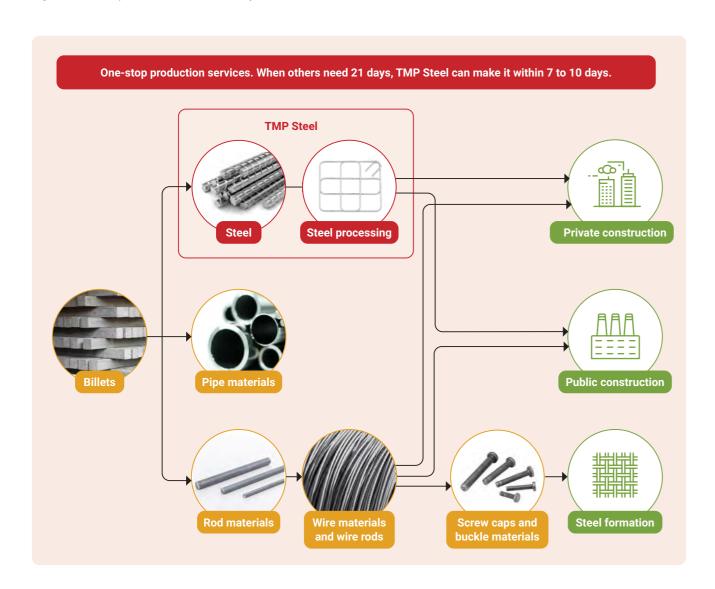
Sustainable supply chain

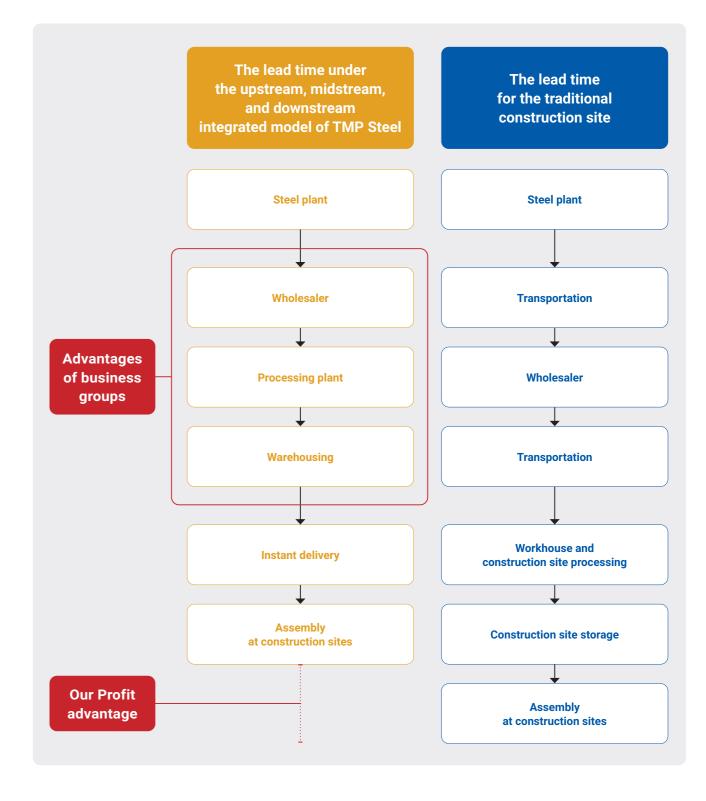
## 4.1 Product quality and safety

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.





Product quality and safety

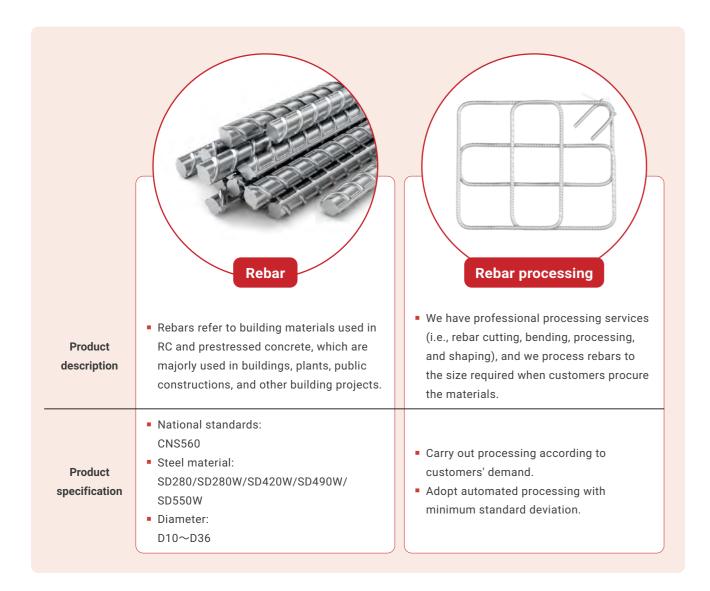
Sustainable supply chain

Product quality and safety

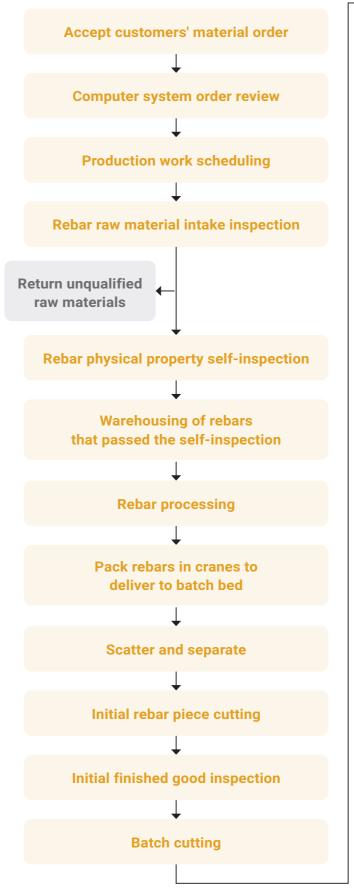
Sustainable supply chain

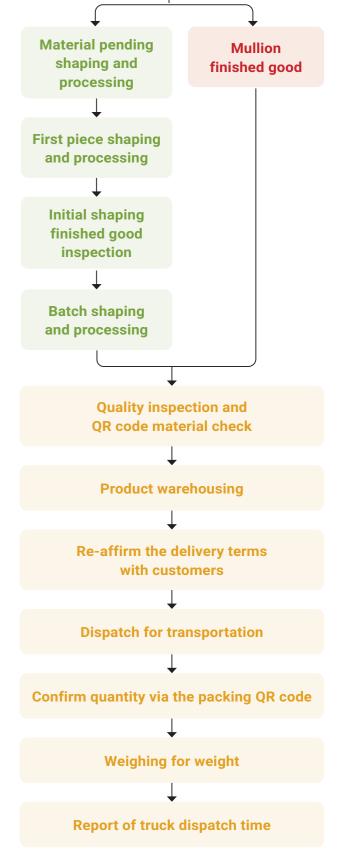
### 4.1.2 Product introduction and manufacturing and processing procedures

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."



### Product procedure chart



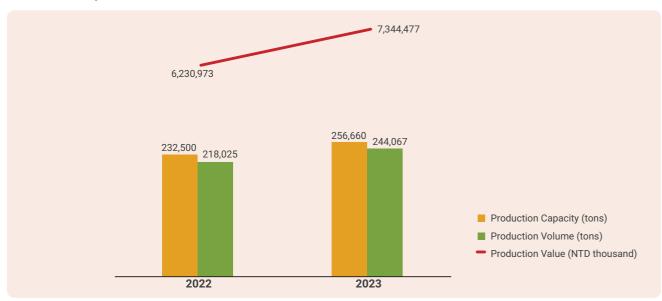


Product innovation

Product innovation

Product quality and safety

### Product Output



### 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 nonradiative 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

and safety

Sustainable supply chain

### 4.2 Sustainable supply chain

Most suppliers and contractors the company currently cooperates with are group members and cooperate with many enterprises.

The partners have been together for many years and have a stable and close relationship. Supplier management measures will be formulated in 2023 to assess suppliers on environmental and social standards. By 2023, suppliers such as processing, transportation, and machinery will be required to sign safety, health, and environmental protection commitments, with the proportion reaching 90%. Processing will be provided in 2023 Transportation Contractor Education conducted a total of 120 person-times and 258 hours of education and training to ensure the occupational safety of employees.

TMP Steel is deeply rooted in Taiwan and is committed to local procurement. The local procurement (Note) ratio reached 74.09% in 2023, establishing a close network with Taiwan's steel industry cluster.

TMP Steel is deeply rooted in Taiwan, and it is committed to localization. The local procurement [note] ratio will reach 74.09% in 2023, establishing a close network with Taiwan's steel industry cluster. 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 2023, the importing ratio from E-Top Metal and E-Sheng Steel accounted for a total of 73%.

TMP Steel 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.

[Note] Local procurement refers to the place of shipment being Taiwan.

### ISO9001 Quality management system certification



roduct quality and safety Sustainable supply chain Product quality Sustainable and safety supply chain

### Rediation detectionoperation approval certification for steel building materials



### Bureau of standard, Metrology and Inspection, MOEA Certificate of the CNS Mark







Corporate

Labor

Occupational structure safety and health and cultivation

Talent development Employees' remuneration and welfare

Employee diversification and equal opportunities

Labor structure safety and health

Occupational

and cultivation

workplace

and welfare

Employees' remuneration Employee diversification

and equal opportunities

### 5.1 Labor structure

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.

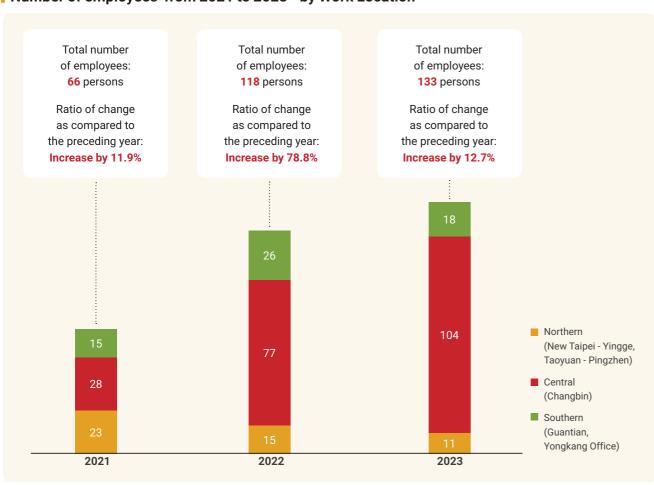
### **5.1.1 Employee distribution**

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.

Changbin Plant II is expected to be completed in the third quarter of 2024 and to start production by the end of the year. This will not only help TMP Steel expand its secondary processing capabilities but also create more job opportunities for the local community.

As of December 31, 2023, the total number of employees reached 133 persons, and employees are all full-time permanent employees, and there was no part-time, temporary employee, or employee with no hour guarantee

### Number of employees from 2021 to 2023 - by Work Location



### Regional distribution number of TMP Steel employees and senior management personnel

			2023			
3			Number of	Local senior management hired - by Work Location in 2023		
			employees	Number of local	Number of Non-local	
	Northern	New Taipei - Yingge, Taoyuan - Pingzhen	11	1	0	
	Central	Changbin	104	0	3	
	Southern	Guantian, Yongkang Office	18	3	0	
	Total	)	133	4	3	

#### Note:

- 1. Senior supervisor: Managers, Vice Presidents, General Managers
- 2. Local means that the domicile is the same as the work location.
- 3. The abovementioned statistics are acquired from the human resources system, and there is no numerical assumption.

### **5.1.2 Employee structure**

In the steel industry, which typically employs more men, as of the end of 2023, female employees at TMP Steel accounted for 37.6% (50 persons), while male employees accounted for 62.4% (83 persons). Among management roles, females comprised 53.8% (14 persons), with males making up 46.2% (12 persons). These figures highlight TMP Steel's commitment to enabling employees to thrive and contribute effectively in the workplace.

In addition, employees under 30 years old account for 21.8%(29 persons); 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 72.2%(96 persons) of all employees, and they have accumulated diverse practical experience and techniques in different aspects. Employees over 50 years old account for 6.0%(8 persons) 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 2023 were contractors residing in the Company's plants that are responsible for partial processing engineering projects. (Note) Furthermore, there are also 6 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.

Labor structure

and cultivation

and welfare

Employee diversification and equal opportunities

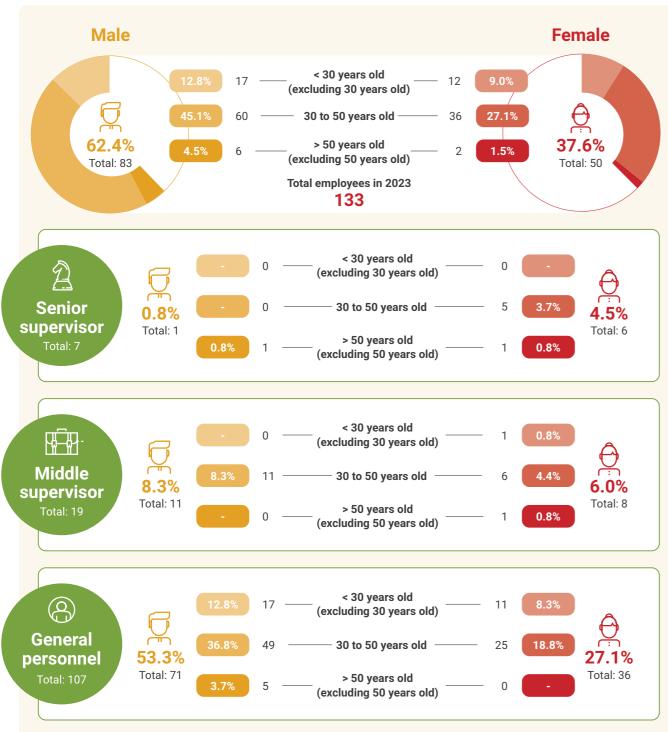
Labor structure

and cultivation

Employee diversification

and equal opportunities

#### Distribution of employees by gender, age and duty in 2023



#### Note:

- 1. Senior supervisors: Managers, Deputy General Managers, General Managers.
- 2. Middle supervisors: Team Leaders, Deputy Section Chiefs, Section Chiefs, Deputy Managers, Deputy Plant Managers, Plant Managers.
- 3. General personnel: Employees without managerial responsibilities.
- 4. The abovementioned statistics are acquired from the human resources system, and there is no numerical assumption.

#### 5.1.3 Personnel turnover

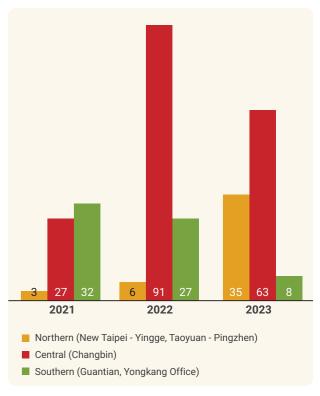
"Talent" is an indispensable key element for the sustainable operation of enterprises. To actively retain outstanding talents, TMP Steel created a healthy communication platform to gather the cohesion of the Company and focused on the appropriate allocation of employees. It observes employees' work conditions 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 2023, TMP Steel recruited a total of 106 new employees, with a new recruitment rate of 79.7%. The number of resignations in 2023 was 91, which represents an increase of approximately 26.4% compared to 2022 (72 persons). This increase is attributed to the relocation of the Taoyuan plant to Yingge in 2023. Following communications, many employees expressed a low willingness to remain, resulting in the higher resignation rate.

#### Number of new employees from 2021 to 2023 – by Work Location

Employees' remuneration

and welfare



#### Total number and ratio of new employees in 2023

		Female		_	Male			
		< 30 years old	31to 50 years old	> 51 years old	< 30 years old	31to 50 years old	> 51 years old	Total
Northern	New Taipei - Yingge, Taoyuan - Pingzhen	2	20	1	-	9	3	35
Southern Guantia Yongkang  Total  Ratio of	Changbin	2	15	-	10	35	1	63
	Guantian, Yongkang Office	-	5	-	2	1	-	8
	Total	4	40	1	12	45	4	106
	Ratio of new employees		90.00%			73.49%		79.70%

- 1. Mid-year resignations are not deducted.
- 2. Ratio of new employees = Number of new employees / total employees in that category at year-end

Labor

Occupational structure safety and health Talent development and cultivation

Employees' remuneration and welfare

Employee diversification and equal opportunities

Labor

Occupational

and cultivation

Employees' remuneration and welfare

Employee diversification and equal opportunities

#### Total number and ratio of employee turnover in 2023

Fortal number and radio of employee tarnover in 2020								
		Female		Male				
		< 30 years old	31to 50 years old	> 51 years old	< 30 years old	31to 50 years old	> 51 years old	Total
Northern	New Taipei - Yingge, Taoyuan - Pingzhen	-	24	-	-	9	6	39
Central  Southern  Total	Changbin	2	15	-	2	18	-	37
	Guantian, Yongkang Office	2	8	-	1	3	1	15
	Total	4	47	-	3	30	7	91
	Ratio of resigned employees		100.00%			48.8%		68.4%

#### Note:

- 1. In 2023, due to the relocation operations of the Taoyuan plant, many employees had low willingness to stay, resulting in an increase in the number of resignations and a higher turnover rate.
- 2. Ratio of resigned employees: Number of resigned employees /total employees in that category at year-end

#### **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.

#### **Execution measure**

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

 Increase the occupational safety and health training hours on a yearly basis

according to the operating scale and the increasing trend of employees. In 2023, **1,682** hours of relevant training were provided to employees in total.

Actual management achievement

■ There was **no** discrimination case that occurred in 2023.

Provide safe and

healthy workplace

Ban illegal discrimination and ensure the equality of work opportunities

- 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.
- No child labor

No child labor.

As of December 31, 2023, there was no child labor.



No forced labor

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.

In 2023, there was no material complaint or dispute related to overtime work.



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

- Establish diverse communication channels and employee opinion mailboxes.
- Organize labor-management meetings to commit to harmonious labor-capital relationships.
- In 2023, there was no employee opinion mailbox communication handling case. In 2023, 4 labor-management meetings
- were held, and the major discussion topics were employee recruitment methods and the re-election of labor representatives.



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

- 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.
- Activities Hosted or Funded by the Employee Welfare Committee in 2023:
- Employee Travel Subsidy Kochi, Japan
- Employee Dinner Subsidy
- Year-end Party
- Mid-Autumn Festival Gifts/Cash
- Dragon Boat Festival Gifts/Cash
- Chinese New Year Gifts/Cash
- Participation in TSG Sports/Cheerleading Activities - 2 Events
- Year-end Party T-Shirts and Gifts

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# 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





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.





"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.





Purchase group accident insurance for employees





No smoking at the workplace and regularly perform environmental sanitization.





Wearing safety helmets and safety boots is required stringently for entering the workplace.





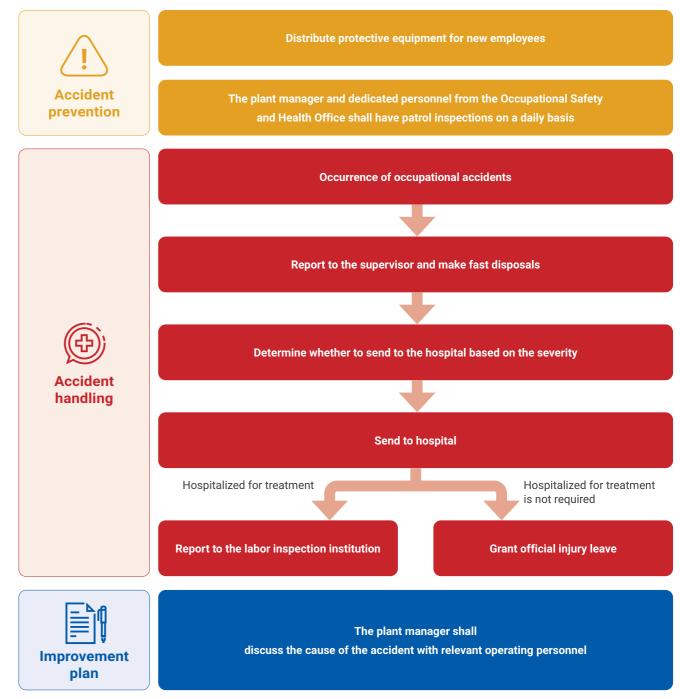
Focus on **environmental health** and provide safe and comfortable workplace for employees.

#### 5.2.1 Occupational accident prevention and handling

In 2023, TMP Steel established the "Accident Investigation and Handling Procedures." 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



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#### **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.

- There was no work-related ill health of employees and contractors from 2021 to 2023.
- There was no high-consequence work-related injury or fatality as a result of work-related injury; of employees and contracts from 2021 to 2023.

In 2023, there were two incidents at TMP Steel where employees' fingers were snapped due to operational errors with machinery. The two employees returned to work after 27 and 97 days of rest. They gradually reintegrated into their duties with adjustments made based on their recovery status and have resumed their pre-injury roles. The company has strengthened education and hazard awareness for all personnel involved in operations. TMP Steel will continue to implement improvement measures for occupational safety, adhering to labor safety and health regulations to reduce the number of occupational injuries and strive towards zero occupational injuries.

#### Occupational injuries in the past three years

	2021	2022	2023
Snapped	-	1	1
Cut	-	-	1
Item dropped	-	-	-
Traffic accident	-	-	-
Total	-	1	2

#### Historical occupational safety performance

		2021	2022	2023
Number of hours worked		152,030	230,144	288,074
Fatalities as a result	Number	-	-	-
of work-related injury	Ratio	-	-	-
High-consequence	Number	-	-	-
work-related injuries (excluding fatalities)	Ratio	-	-	-
Recordable	Number	-	1	2
work-related injury	Ratio	-	0.87	1.39

- 1. The data is including all full-time employees of TMP Steel(excluding workers who are not employees of TMP Steel).
- 2. TMP Steel does not employ non-staff workers.
- 3. 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.
- 4. 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).
- 5. Ratio of high-consequence work-related injuries = (Number of high-consequence workrelated injuries (excluding fatalities)/number of hours worked) \* 200,000.
- 6. Ratio of recordable work-related injuries = (Number of recordable work-related injuries/ number of hours worked) \* 200,000.
- 7. 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 fulltime 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 3 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 onsite operating procedures.

In 2023, TMP Steel had 439 participants and 1,682 hours in occupational safety and health training courses, compared to 108 participants and 132 hours in 2022, representing a threefold and twelvefold increase, respectively.

Exhibiting the determination and investment achievements of the Company in committing to optimizing occupational safety and health training.







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#### 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.

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#### Comprehensive Health Management provided by TMP Steel in 2023

Occupational

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examinations

 The Company implements general health inspections and special operation health inspections each year. In 2023 a total of 85 persons.

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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 four times a year; in addition, provided printed literature about health care to improve health knowledge and ability.
- In 2023, a total of 72 employees with abnormal health check results completed health guidance management, along with 3 employees in maternal pregnancy/postpartum within one year who also received health guidance management. Monthly inspections of emergency medical supplies and equipment were conducted, and health bulletins were periodically released to provide workers with health knowledge.



- 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 2023, we held a themed lecture on "Promoting Nutrition and Health in Daily Life," which had 20 attendees. Another lecture on "Toxin-Free Living for Better Health" had 33 attendees
- To encourage employees to relax their muscles, we organized a flash mob exercise event with 9 participants and a head, shoulder, and neck relaxation SPA experience course with 13 participants.
- We also conducted a road safety awareness lecture, which was attended by 45 people both in-person and online.
- In total, we organized 4 health promotion lectures and 1 relaxation SPA experience course throughout the year, with a total of 120 participants.

#### Number of Participants and Training Hours in Occupational Safety and Health Courses in 2023

Training course	Number of participants	Hours	Location (Internal /External)	Type (General / Special)
General Safety and Health	38	104	Internal	General
Acetylene Operations Refresher Training	1	3	External	Special
Type B Operations Supervisor Initial Training	2	70	External	General
Production Machinery and Equipment	8	24	Internal	Special
Hazardous Chemicals Labeling and General Knowledge Regulations	26	78	Internal	General
Organic Solvent Operations Supervisor Initial Training	1	18	External	Special
Fire Management Personnel Training Initial Training	2	24	External	Special
Fixed Crane Operator Refresher Training	7	21	External	Special
Fixed Crane Operator Initial Training	20	760	External	Special
Mobile Crane Operator Refresher Training	2	6	External	Special
First Aid Personnel Refresher Training	4	12	External	Special
First Aid Personnel Initial Training	2	32	External	Special
Fire and Emergency Response	24	32	Internal	General
Dust Operations Supervisor Refresher Training	1	3	External	Special
Crane Lifting Operations	1	3	Internal	Special
Forklift Operator Refresher Training	4	12	External	Special
Forklift Operator Initial Training	3	54	External	Special
Forklift Operation Essentials	1	3	Internal	Special
Reinforcement Education	279	388	Internal	Special
DRC Double Tie Steel Reinforced Concrete Method	12	24	External	Special
Steel Building Materials Radiation Detection Personnel	1	11	External	Special
Total	439	1,682		

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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.

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▲Health lecture



▲Road safety awareness lecture







▲Exercise Zumba

#### Key action

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#### **Execution achievement in 2023**

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Prevent muscle and bone injuries due to environments and procedures.

- Completed the analysis of the NMQ of 96 persons.
- Provided muscle and bone stretching health education for 6 persons.



Avoid brain and cardiovascular diseases due to abnormal workload.

- The questionnaire completion rate for the overwork survey was 99%.
- Provided health consultation to 5 employees who have a higher workload.



Prevent illegal infringement of body or mind due to others' acts.

- Provide printed literature about illegal infringement prevention health education.
- There was no illegal infringement in 2023.



Ensure the physical and mental health of female employees who are pregnant, gave birth, and feeding.

- Completed childbearing age maternity identification and hazard evaluation for one person.
- Executed maternal health interviews and work adaptivity arrangement recommendations for 3 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.

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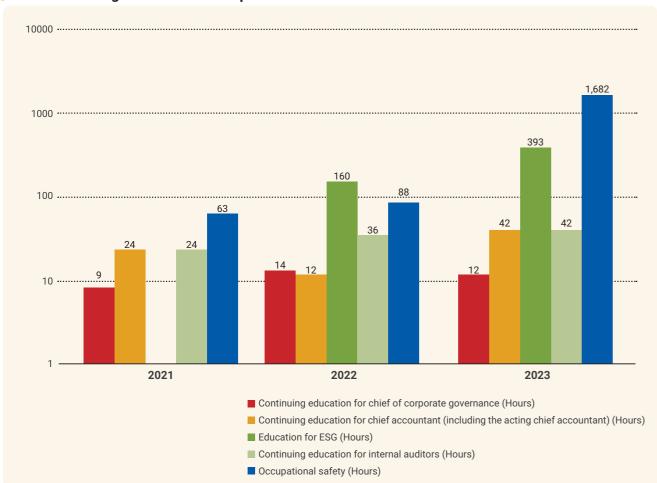
# 5.3 Talent development and cultivation

#### 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 2023, as part of the Group's talent development program, middle-level managers at TMP Steel undertook ESG (Environmental, Social, Governance) professional training courses including 14064-1, 14067-1, and Lead Auditor related programs, obtaining certifications. This initiative aims to enhance the company's educational framework, enabling middle-level managers to lead TMP Steel towards international standards. The goal is to ensure every employee finds suitable roles, thereby enriching the company's human resources.

#### Historical changes in talent development and cultivation courses









#### The talent development and cultivation training courses in 2023

Category	Course	Number of participants	Hours
	Trends and Challenges in Information Security Governance	1	3
Continuing education for chief of corporate governance	Internal Employee Shareholding Advocacy Meeting for OTC and Emerging Companies	1	3
	Net Zero Emissions, Carbon Neutrality, and Corporate Regulatory Compliance	1	3
	Practical Analysis of the New Version of Corporate Governance and Board Performance Evaluation in 2023	1	3
Continuing education for	Continuing Education for Acting Accounting Managers	1	12
acting chief accountant	Initial Training Course for Accounting Managers	1	30
Education for ESG	Insider Trading, Business Integrity, Information Security, Trade Secrets, and Prevention of Harassment	153	237
	Course 14064-1	8	96
	Course 14067-1	5	60
	Practical Aspects of Production Cycle Practices and Auditing Focus	1	6
Continuing education for	Practical Seminar on "Cybersecurity Protection" and "Cloud Security" Auditing Practices	1	6
internal auditors	Manufacturing Material System Audit Course	1	6
	Self-Assessment Practices	1	6
	Pre-employment Training Workshop for Internal Audit Personnel	1	18
Occupational Safety and Health Training		439	1,682
	Total		2,171

Note: Hours = Number of participants \* hours of courses

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#### The talent development and cultivation training courses in 2022

Category	Course	Number of participants	Hours
	Corporate merger development trends and case exploration from the perspective of directors and supervisors (I) (II)		6
Continuing education for chief of corporate governance	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
Continuing education for internal auditors	New employee training for appointed internal auditors initially of enterprises	1	18
internal auditors	New employee training for acting internal auditor	1	18
	Forklift operation	1	18
	Forklift operation retraining	1	3
Occupational cofety	Type A occupational safety and health supervisor retraining	1	6
Occupational safety	Equipment educational training and occupational safety promotion	30	30
	Storage personnel educational training	12	12
	Work safety promotion	19	19
	Total		310

Note: Hours = Number of participants \* hours of courses

#### The talent development and cultivation training courses in 2021

Category	Course	Number of participants	Hours
Continuing education	Equity promotion session for insiders of listed companies		3
for chief of corporate governance	Analysis of avoiding incidental insider trading and case sharing		3
	ESG new economy		3
	Untrue financial statements vs. legal responsibilities of chief of finance and accounting		3
Continuing Education for chief accountant	Accounting treatment and disclosures of financial instruments	1	3
	Corporate target management and work performance improvement approaches		6
	Exploration of legal responsibilities of insider trading		3
Continuing education for acting chief accountant	Legal responsibilities of insider equity trading and matter of notice	1	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
	Type A occupational safety and health supervisor safety lecture	1	42
	Safety and health in-service educational training	3	9
Occupational safety	Acetylene retraining		3
	Crane retraining	1	3
	Oxygen deficiency retraining		6
	Total		120

Note: Hours = Number of participants \* hours of courses

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#### **5.3.2** Average hours of training of employees

TMP Steel increases the width of courses yearly and increases the total training personnel and total training hours. In 2023, employees' educational training hours increased 6 times as compared to 2022, and the number of participants increased 1.17 times.

				Average training hours
Senior sup	Male	1	11	11.00
Sellior sup	Female	6	111	18.50
Middle ou	Male	11	440	44.00
Middle sup	Female	8	151	18.88
General pe	Male	71	1,119	15.76
General pe	Female	36	339	9.42
	Total	133	2,171	16.32
Senior sup	Male	2	-	-
Senior sup	Female	5	14	2.80
Middle su	Male	2	-	-
2022	Female	7	190	27.14
General pe	Male	58	67	1.16
Gerierar pe	Female	44	39	0.89
	Total	118	310	2.63
Senior sup	Male	3	-	-
Sellior sup	Female	4	12	3.00
Middle sup	Male	4	42	10.50
2021	Female	7	9	1.29
General pe	Male	20	21	1.05
Gerierai pe	Female	28	36	1.29
	Total	66	120	1.82

#### **5.3.3 Performance evaluation**

TMP Steel regularly performs performance evaluations each year.

In 2023, the performance evaluation was implemented in December, and 5 middle and senior supervisors, 1 person who resigned on December 31st, and 37 foreign workers were not included in the scope of the annual performance evaluation. In addition, as the probation evaluation system applies to 16 new employees who have joined the Company for less than 6 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 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.



#### Performance evaluation rating items



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# 5.4 Employees' remuneration and welfare

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### Number of persons participated in the regular performance evaluation in 2023

#### **Number of participants Work Location** Gender Duty Male **Female** Middle supervisor General personnel Yingge/Taoyuan Plant 4 2 **Changbin Plant** 29 25 17 37 Tainan Plant 6 9 4 11 Total 74 100% **Evaluation rate**

#### Note:

- 1. Middle supervisors: Team Leaders, Deputy Section Chiefs, Section Chiefs, Deputy Managers, Deputy Plant Managers, Plant Managers.
- 2. General personnel: Employees without managerial responsibilities.
- 3. Evaluation ratio = total participants of the evaluation/(total employees senior supervisors - new employees who joined the Company for less than six months) = 74/(133-59)
- 4. The plant relocated from Pingzhen, Taoyuan to Yingge, New Taipei City in

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 assessment criteria include work attitude, teamwork, ethics, willingness to learn, job knowledge, responsiveness, temperament, creativity, and job performance.

#### Number of persons participated in the probation period evaluation in 2023

Employee category	Gender	Number of participants
Senior	Male	0
supervisor	Female	2
П—П Middle	Male	3
supervisor	Female	3
General	Male	17
personnel	Female	11
Total		36
Probation period evaluation ratio		100%

#### Note:

- 1. Senior supervisor: Managers, Vice Presidents, General Managers.
- 2. 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).
- 3. Middle supervisors: Team Leaders, Deputy Section Chiefs, Section Chiefs, Deputy Managers, Deputy Plant Managers, Plant Managers.
- 4. General personnel: Employees without managerial responsibilities.

#### 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 2022, the number of full-time employees who are not supervisors increased by 56.34%, 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 arowina.

#### Ratio of standard salary of base level personnel to minimum salary in Taiwanin by work location and gender in 2021~2023

2023		
Ratio		
137%		
122%		
118%		
114%		
122%		
114%		
***************************************		

Note: The plant relocated from Pingzhen, Taoyuan to Yingge, New Taipei City in April 2023.

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

Item	2021	2022	2023
Number of full-time employees who are not supervisors	49	71	111
Total salary of full-time employees who are not supervisors (NT\$000')	31,574	47,913	75,223
"Average salary" of full-time employees who are not supervisors (NT\$000')	644	675	678
"Salary medium" of full-time employees who are not supervisors (NT\$000')	635	634	603

#### **5.4.2 Comprehensive welfare system**

TMP Steel established its Employee Welfare Committee on March 22, 1989, and it has been established for over 34 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.







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## Employee Welfare Provided by the Company in 2023

Welfare	Description
Insurance	<ul><li>Labor insurance</li><li>National Health Insurance</li><li>Labor pension</li><li>Employees' group insurance</li></ul>
Gift money and gifts on three material Chinese festivals/Labo	<ul><li>Vouchers</li><li>Distributed in cash</li></ul>
Gift money for Chinese New Yea	Vouchers Gifts
Marriage allowance	Employees and their children
Nursery allowance	Distributed in cash
Bereavement payment	<ul><li>Employees</li><li>Spouse, parents, and children</li></ul>
New house allowance	Distributed in cash
Travel allowance	Subsidy based on seniority
Birthday gift money	Distributed in cash
Employee gathering	Subsidies are provided twice a year for employee gatherings
Coffee	Purchase coffee beans and coffee machines
Life allowance	Mobile phone bill allowance
Sports activities	<ul> <li>Participate in TSG sports/cheerleading activities</li> </ul>
Health inspection	<ul><li>Execute each year</li><li>General health inspection</li><li>Special operation health inspection</li></ul>
Health consultation	<ul> <li>4 times a year</li> <li>Provides health consultation</li> <li>Health inspection report consultation</li> <li>Pressure evaluation and other services</li> <li>In 2023, the health instruction management for a total of 72 persons with abnormal health check results was completed.</li> </ul>
Hospitalization consolation mor	ney Distribute consolation money based on individual cases

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#### **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 2023, a total of 4 labor-management meetings were held; there were 5 labor representatives and 3 capital representatives attended.

The main topics discussed at the 2023 labor-management meeting are the formulation of safety and health work codes, employee work rules and labor conditions, etc. There are no major resolutions.

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 2023, a total of 90 persons completed the employee satisfaction questionnaires, and the completion rate was 68%. 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 from 2021 to 2023. (Note)

Note: The single event is material punishment or material loss which is more than NTD 1 million

#### 5.4.4 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 2023, the company had no applications for parental leave without pay, nor were there any employees returning from such leave.

Item		2021	2022	2023
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	B A	100%	33%	-
Reinstatement rate	<u>D</u>	NA	100%	-
Retention rate		NA	NA	NA

Note: The number of employees who were still employed at the end of the year and had applied for maternity or paternity leave within the past three years, calculated based on the year their leave ended. 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

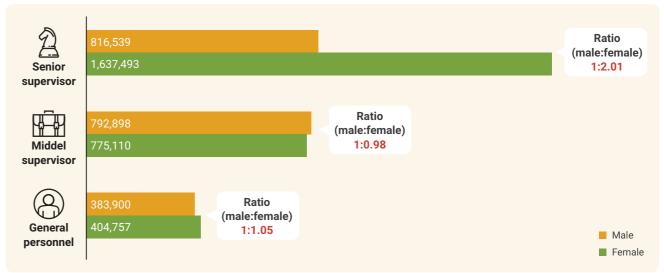
# 5.5 Employee diversification and equal opportunities

and cultivation

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

TMP Steel places a high value on the sustainability and development of its employees in the workplace. Therefore, there is no distinction in personnel employment and compensation based on gender. Compensation and benefits may show slight variations due to the different proportions of men and women in various job attributes, fields, and years of service.

#### Average salary ratio table of male and female employees by employee category in 2023 (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 is one employee 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 2023, a total of 37 foreign employees were hired. 26 and 11 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.







Community relationship and public welfare activities

# 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.

#### Public welfare activities participated in 2023

Theme	Disaster Relief	Scholarship	Environmental
Target	Turkey Disaster Relief	Taiwan Fund for Children and Families	Fujiyama Trail Cleanup
Content	Donated to the Buddhist Tzu Chi Foundation's special account to aid earthquake victims in Turkey in rebuilding their homes	Jing Mao Assistance Scholarship	Travel to Fujiyama Trail and clear garbage from the surrounding environment.
Benefit	Donation Amount: 10,000 NTD	Donation Amount: 10,000 NTD	Enhance local connections and improve team cohesion through employee interaction.





Community relationship and public welfare activities





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# **GRI Index**

#### **Geneal disclosures**

GRI Standard	Disclosure	Chapter	Page	Remarks
	2-1 Organizational details	1.2 About TMP Steel	11	
	2-2 Entities included in the organization's sustainability reporting	About the Report	06	
	2-3 Reporting period, frequency and contact point	About the Report	06	
	2-4 Restatements of information	-	-	
	2-5 External assurance	About the Report	06	
	2-6 Activities, value chain and other business relationships	1.2.1 Business locations and value chain	12	
	2-7 Employees	5.1.2 Employee structure	69	
	2-8 Workers who are not employees	5.1.2 Employee structure	69	
	2-9 Governance structure and composition	2.1 Corporate governance	26	
GRI 2 General Disclosures 2021	2-10 Nomination and selection of the highest governance body	2.1.3 Board selection and diversified composition	27	
	2-11 Chair of the highest governance body	2.1.3 Board selection and diversified composition	27	
	2-12 Role of the highest governance body in overseeing the management of impacts	2.1.4 Functional committees	28	
	2-13 Delegation of responsibility for managing impacts	2.1.4 Functional committees	28	
	2-14 Role of the highest governance body in sustainability reporting	2.1.3 Board selection and diversified composition	27	
	2-15 Conflicts of interest	2.1.6 Recusal for conflicts of interest by the Board	29	
	2-16 Communication of critical concerns	1.5 Material topic analysis	20	
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GRI Standard	Disclosure	Chapter	Page	Remarks
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	2-20 Process to determine remuneration	2.1.8 Remuneration of the Board	30	
	2-21 Annual total compensation ratio	-	-	Not disclosed
	2-22 Statement on sustainable development strategy	1.1 Chairman's message	10	
	2-23 Policy commitments	-	-	
GRI 2	2-24 Embedding policy commitments	-	-	
General Disclosures	2-25 Processes to remediate negative impacts	2.4.1 Prevention and whistleblowing system	38	
2021	2-26 Mechanisms for seeking advice and raising concerns	2.4.1 Prevention and whistleblowing system	38	
	2-27 Compliance with laws and regulations	2.4 Legal compliance	38	
	2-28 Membership associations	-	-	Temporarily no
	2-29 Approach to stakeholder engagement	1.4.1 Stakeholder identification and communication	17	
	2-30 Collective bargaining agreements	5.4.3 Employee communication	92	

#### Material topics

GRI Standards	Disclosure	Chapter	Page	Remarks
	<b>3-1</b> Process to determine material topics	1.5 Material topic analysis	20	
	3-2 List of material topics	1.5.3 Material topics and value chain in 2022	22	
	GRI 3 Material Topics	2.4 Legal compliance	38	
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	3-3 Management of material topics	3.3 Waste management	53	
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## 400 social indicators

GRI Standards	Disclosure	Chapter	Page	Remark
	<b>401-1</b> New employee hires and employee turnover	5.1.3 Personnel turnover	71	
GRI 401 Employment 2016	<b>401-2</b> Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.4.2 Comprehensive welfare system	90	
	401-3 Parental leave	5.4.4 Parental leave	92	
	403-2 Hazard identification, risk assessment, and incident investigation	5.2.1 Occupational accident prevention and handling	75	
	403-3 Occupational health services	5.2.4 Occupational health services and health improvement	79	
GRI 403	<b>403-5</b> Worker training on occupational health and safety	5.2.3 Occupational safety and health training	77	
Occupational Health and Safety	<b>403-6</b> Promotion of worker health	5.2.4 Occupational health services and health improvement	79	
2018	<b>403-7</b> Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.2.3 Occupational safety and health training	77	
	403-9 Work-related injuries	5.2.2 Occupational safety performance	76	
	403-10 Work-related ill health	<b>5.2.2</b> Occupational safety performance	76	
	<b>404-1</b> Average hours of training per year per employee	5.3.2 Average hours of training of employees	86	
GRI 404 Training and Education	<b>404-2</b> Programs for upgrading employee skills and transition assistance programs	5.3.1 Talent development educational training	82	
2016	404-3 Percentage of employees receiving regular performance and career development reviews	5.3.3 Performance evaluation	87	

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#### 200 economic indicators

GRI Standards	Disclosure	Chapter	Page	Remarks
GRI 201	201-1 Direct economic value generated and distributed	2.2.1 Financial performance	32	
Economic Performance	201-3 Defined benefit plan obligations and other retirement plans	2.2.2 Pension system	33	
2016	201-4 Financial assistance received from government	2.2.1 Financial performance	32	
GRI 202 Market	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	5.4.1 Premium_ remuneration system	89	
Presence 2016	202-2 Proportion of senior management hired from the local community	5.1.1 Employee distribution	68	

#### 300 environmental indicators

GRI Standards	Disclosure	Chapter	Page	Remarks
GRI 302	<b>302-1</b> Energy consumption within the organization	<b>3.2.1</b> Energy	50	
Energy 2016	302-3 Energy intensity	3.2.1 Energy	50	
GRI 303	303-1 Interactions with water as a shared resource	3.4 Water Stewardship	55	
Wa-ter and Ef-fluents	303-2 Management of water discharge-related impacts	3.4 Water Stewardship	55	
2018	303-3 Water withdrawal	3.4 Water Stewardship	55	
	<b>305-1</b> Direct (Scope 1) GHG emissions	3.2.2 GHG emissions	51	
001005	305-2 Energy indirect (Scope 2) GHG emissions	3.2.2 GHG emissions	51	
GRI 305 Emissions 2016	<b>305-6</b> Emissions of ozone-depleting substances (ODS)	3.2.2 GHG emissions	51	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.2.2 GHG emissions	51	
GRI 306	306-3 Waste generated	3.3 Waste management	53	
Waste	306-4 Waste diverted from disposal	3.3 Waste management	53	
2020	306-5 Waste directed to disposal	3.3 Waste management	53	

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GRI Standards	Disclosure	Chapter	Page	Remarks
GRI 405	<b>405-1</b> Diversity of governance bodies and employees	5.1.2 Employee structure 5.5.2 Diverse employment and co-prosperity	75 93	
Diversity and Equal Opportunity 2016	<b>405-2</b> Ratio of basic salary and remuneration of women to men	offered to both males and females for the same position for equal opportunities	93	
GRI 413 Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	6.1 Community relationship and public welfare activities	96	
GRI 416 Customer	<b>416-1</b> Assessment of the health and safety impacts of product and service categories	4.1.3 Product responsibility and safety	67	
Health and Safety  2016  416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	4.1.3 Product responsibility and safety	67		
	417-1 Requirements for product and service information and labeling	4.1.3 Product responsibility and safety	67	
GRI 417 Marketing and Labeling	417-2 Incidents of non-compliance concerning product and service information and labeling	4.1.3 Product responsibility and safety	67	
2016	417-3 Incidents of non-compliance concerning marketing communications	4.1.3 Product responsibility and safety	67	

# **Sustainable disclosure indicators**

Index	Disclosure
Total energy consumption, percentage of externally purchased electricity, utilization rate of renewable energy, and consumption of self-generated energy	3.2.1 Energy  The company doesn't use renewable energy and consumption of self-generated energy.
Total energy consumption, percentage of coal, percentage of natural gas, and percentage of renewable fuels	3.2.1 Energy  The company doesn't use renewable energy, and consumption of self-generated energy.
Total water intake and consumption volume	3.4 Water Stewardship
Weight of solid waste generated, percentage of hazardous waste, and percentage of recycling	3.3 Waste management
Explanation of the number of victims of occupational hazards and the ratio	5.2.2 Occupational safety performance
Production volume of key items by product category	4.1.2 Product introduction and manufacturing and processing procedures

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# **TCFD Disclosure Index**

ltem	Implement
Specify the supervision and governance of the Board of Directors and the management on climate-related risks and opportunities.	<ul> <li>The company's board of directors serves as the highest supervision unit for climate change risk governance, responsible for reviewing and formulating climate strategies, and assigns a risk management team to lead senior managers to implement climate risk management operations and regularly track the achievement of environmental sustainability goals.</li> <li>The risk management team shall submit the risk management report to the Board and the Corporate Governance and Sustainability Committee at least once a year.</li> </ul>
Specify how the identified climate- related risks and opportunities affect the enterprise's business, strategy, and financial position (short, mid, and long- term).	<ul> <li>The company held a climate change risk and opportunity identification meeting with members of the Environmental Sustainability Group. After evaluating the structure based on the TCFD recommendations, 8 climate-related major risks and 4 major opportunities were identified in 2023.</li> <li>Please refer to 3.1.2 Climate change response strategies.</li> </ul>
Specify the influence of extreme climate events and transformation actions on the financial position.	<ul> <li>Frequent occurrences of extreme weather affect suppliers' ability to produce or deliver goods normally, which will lead to operational interruptions that prevent factories from producing, and reduce the company's revenue.</li> <li>The transformation action is the action plan for net zero carbon emissions promoted by the company. Please refer to 3.1.2 Climate change response strategies.</li> </ul>
Specify the identification, assessment, and management process of climate-related risks and the way to integrate the overall risk management system.	The company uses the TCFD framework to identify the risks and opportunities of climate change. Relevant department heads consider the company's current operating conditions and available resources and tailor specific, feasible, and effective climate change risk management policies for significant risk projects.
Apply scenario analysis to evaluate the resilience in response to climate change risk and explain the scenarios, parameters, hypotheses, and factors of analysis used and the major influence on the financial position.	The company has launched adaptation strategies and actions in response to climate change, including promoting low-carbon energy- saving measures, greenhouse gas inventory, resource reuse, etc., and gradually seeking opportunities to reduce energy consumption in the enterprise and various products. In the future, it also plans to gradually increase the financial impact assessment to effectively grasp the risks posed by climate change.

ltem	Implement		
If there is a transformation plan for managing climate-related risks, specify the content of the plan and the indicators and goals for the identification and management of the physical risks and the transformation risks.	Please refer to 3.1.2 Climate change response strategies.		
If internal carbon pricing is used as the planning tool, specify the basis for the determination of the price.	The company currently has no plans for internal carbon pricing.		
If climate-related goals have been set, specify the activities covered, the scope of GHG emissions, the timing of the plan, and information on the annual attainment rate. If carbon offsetting or renewable energy certificates (RECs) are used to achieve related goals, explain the source of carbon reduction for offsetting and the quantity, or the quantity of renewable energy as stated in the RECs.	<ul> <li>In 2023, an external greenhouse gas assurance operation will be introduced, and a feasible reduction plan will be formulated based on the inventory results to achieve low-carbon production goals.</li> <li>Collaborate with major supply chain manufacturers to jointly formulate carbon reduction goals and schedules to effectively reduce the carbon footprint of products.</li> <li>The roofs of the newly built factories use solar power, and the planned new office buildings also adopt green building design standards.</li> </ul>		
Greenhouse gas inventory and reporting and state of assurance.	<ul> <li>Greenhouse gas inventory please refer to 3.2.2 GHG emissions</li> <li>Greenhouse gas confidence please refer to Appendix CPA Assurance</li> <li>Report for Scope 1 and 2 Greenhouse Gas Inventory.</li> </ul>		

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**Appendix** 

CPA Assurance Report

#### 2023 Sustainability Report Assurance Item Summary Sheet

No.	Item	КРІ	Page	Benchmark
1	Total water withdrawal	TMP Steel water withdrawal was 3.402 million liters in 2023.	55	The total water consumption of the company's water bill in 2023.
2	Total water withdrawal	TMP Steel water withdrawal was 4.537 million liters in 2022.	55	The total water consumption of the company's water bill in 2022.
3	Average hours of training of employees	TMP Steel 's average hours of training of employees was 16.32 hours in 2023.	86	According to the company's education and training regulations, the statistical data of employee training hours in 2023 is divided by the number of employees on the job at the end of the year.
4	The local procurement ratio	The local procurement ratio reached 74.09% in 2023	63	The company's local supplier purchase amount in 2023 is divided by the total purchase amount.

