Ta Chen Stainless Pipe Co., Ltd.
Sustainability Report for 2024

Cherish, Innovate, and Endeavor for Improvement

List

About this Report

Ta Chen Stainless Pipe Co., Ltd. (hereinafter referred to as "Ta Chen Stainless Pipe") has published the 2024 Sustainability Report (hereinafter referred to as "the Report") with due adherence to the principle of faithful disclosure. We have disclosed our communication with relevant stakeholders in 2024 and our commitments in all aspects of sustainability through the Report. To make society more sustainable, our management philosophy is promoted in a balanced way on the basis of ESG. Information on relevant topics of disclosure in this Report are as follows:

Reporting Period and Scope of Disclosure	Ta Chen Stainless Pipe issues one sustainability report per year. This report primarily discloses the Group's performance in economic, social, and environmental aspects in 2024 (from January 1 to December 31, 2024). For detailed disclosure scope, please refer to "1-4 Disclosure Scope of this Report." Date of Publication for the Previous Issue: August 31, 2024 Date of Publication for this Issue: August 31, 2025
Basis for the Report	The Report has been complied and prepared in accordance with the core options of the 2021 GRI Sustainability Reporting Standards (GRI Standards 2021) published by the Global Reporting Initiative (GRI). In addition, relevant disclosures have been made according to the Sustainability Accounting Standards Board (SASB). Standards for the iron steel producers industry in the extractives and mineral processing sector as well as the Task Force on Climate-Related Financial Disclosures (TCFD).
Information and Data Disclosure	All statistics and financial performance data disclosed in the Report are based on International Financial Reporting Standard (IFRS) and have been taken from the Company's Consolidated Financial Report, which has been audited by a CPA prior to publication. All financial figures in the Report are expressed in NTD. Other statistics and data presented in the Report have been independently compiled and prepared by the Company in a conventional method of numerical description, rounded off to the corresponding digits. This report is also available on the Corporate Governance section of Ta Chen's official website at https://www.tachen.com.tw/.
Auditing the Report	The ESG report editing team verified all statistics and data disclosed in the Report after said data was submitted by relevant responsible departments. The statistics/data were then submitted to responsible managers and finally to the President for approval to conclude the internal auditing process. In 2024, Legendary & Steadfast Accountancy was commissioned to perform an independent limited assurance engagement pursuant to TWSAE3000 "Assurance Engagements in the Audit and Review of Non-historical Financial Information". The assurance report has been disclosed on Appendix VI of this Report.
Contact Information	In case of any inquiry on the Report or suggestions for the Company, please contact us through the following channels: Weng Chien-Chung, Corporate Governance Officer, Ta Chen Stainless Pipe Co., Ltd. Tel: (06) 2701756 E-mail：denny_wong@tachen.com.tw

Message from the President

Ever since Ta Chen Stainless Pipe's initiation in 1986, more than 39 years have gone by. Ta Chen originally started out with stainless steel production for 100% export sales, and it has now developed into a corporate Group with two major products: stainless steel products and aluminum coils and sheets for industry. The core of the Group's operation model is based on channel sales. Some of the products are self-manufactured along with procurement from several countries. The consolidated revenues of the Group has exceeded NTD 100 billion.

The major revenue and profit of Ta Chen Stainless Pipe Group mainly comes from the US, which accounts for almost 90% of total revenue. The Group's three major products are stainless steel industrial products, industrial aluminum coil sheets, and industrial fasteners. Since 2023, due to the persistently high lending interest rates in the US, customers have responded by strictly controlling financial expenditures, reducing safety stock, and decreasing procurement. However, starting in 2024, as overall US economic inflation gradually eased, the Federal Reserve began implementing a rate-cutting plan. Amid expectations of continued interest rate reductions, customers have gradually resumed their original procurement pace, resulting in a positive operational trend in 2024.

Overall sales for the three major products of the US sales channels, by the end of December 2023, the monthly production capacity of cold-rolled aluminum coil sheets had been increased to 30,000 tons. The hot-rolled aluminum coil sheet production line project at the Texas plant, launched in the second half of 2023, is progressing on schedule and is expected to be completed between late 2025 and early 2026. Upon completion, the integrated plant's monthly production capacity of industrial aluminum coil sheets is projected to reach approximately 30,000 tons. With TCI's market share in industrial aluminum coil sheets already reaching 60%, the completion of the Texas integrated plant—amid limited domestic production capacity and foreign import markets restricted by anti-dumping regulations—will undoubtedly provide an unshakable and solid advantage in expanding market share and controlling sales prices, and is expected to further enhance overall profitability.

As we strive to excel in our main line of business by staying ahead of the competition, we work just as hard in our efforts to fulfill our corporate social responsibilities. Since our initiation, we have embraced our management philosophy of "cherishing connections and accommodating needs" by offering the best care for our employees. The Company has also enjoyed positive PR for the complimentary vegetarian catering we provide and employee perks that are superior to what our competitors provide. Not only that, we have continued to donate towards the construction of portable classrooms for different elementary and junior high schools across Taiwan, delivered food to seniors living alone and incapacitated seniors in Rende District, made donations to various charitable organizations for the three major festivals, and so forth. For us at Ta Chen, such acts of philanthropy are just part of what we have always been doing.

Ta Chen Group, as a member of the global supply chain, is committed to responsible sourcing, supports responsible production expansion plans with practical actions, and shall not support or purchase conflict metals extracted from mines controlled by armed groups in the Democratic Republic of Congo or its neighboring countries illegally or under unacceptable working conditions in the mines for use in its products; and requires its suppliers to issue a Supplier Social Responsibility Commitment in 2022 to ensure that they are committed to complying with relevant government laws and regulations and the latest social responsibility related norms and has also established the Supplier Code of Conduct for suppliers to follow.

Regarding environmental protection issues, factors such as energy efficiency and pollution prevention were already taken into consideration in our procurement of equipment and facilities. The Company had acquired equipment of the highest specifications so as to achieve effective preventive measures when it comes to power consumption, pickling, air pollution, noise pollution, etc. In 2024, the annual energy saving reached 216,000 kWh by replacing old machinery and improving operating current and pressure. For our solar power generation project at our Tainan Factory, the consolidated installed capacity was close to 1.5 MW, and in 2024, the facility actually generated 2.01 million kWh of electricity, all of which were sold to external parties. In 2024, we installed an additional rooftop solar power facility for self-consumption, which is expected to increase annual power generation by 2 million kWh, in order to comply with the national net-zero carbon emission and green energy policies.

I believe in the fulfillment of corporate social responsibility and it is a mission that all corporate leaders shoulder. What we take from society, we pay it forward. As long as it is within our capacity, the Company shall endeavor to become an example for other companies to follow through our actions.

President of Ta Chen Stainless Pipe
Rung-Kun Shieh

1. Management of Sustainability Issues

Currently, the president is responsible for overseeing sustainability-related issues. A Corporate Ethical Management and Sustainability Development Promotion Task Force (hereinafter referred to as the "Promotion Task Force"), led by the Finance Department, has been established to assist the president in formulating policies and coordinating with relevant departments in executing sustainability-related issues. Departments work together to share responsibility for sustainable development and formulate strategic guidelines for corporate sustainability management. Each department, based on its duties, identifies sustainability-related risks and opportunities, proposes improvement action plans, and implements them after approval by senior management, to ensure that sustainability strategies are fully integrated into the Company's daily operations. Over the past years, Ta Chen Stainless Pipe has gradually shaped its knowledge and business operating principles based on the sustainability topics collected and the countermeasures devised. The topics include initiatives of international organizations related to human rights and labor, climate change impacts, due diligence necessary for business operations, and identification and warning of operation risks and opportunities. We have gradually sorted these business operating principles into the Company's policy commitment. Currently, we have established policies including Ethical Corporate Management Best Principles, Human Rights Policy, Supplier Code of Conduct, Sustainable Development Best Practice Principles, etc. We are subsequently moving towards a more complete sustainable development coverage.

Sustainable Development Best Practice Principles

1-1 Management Process of Sustainability Issues

Adhering to the reporting principles as described in GRI's standards, the Company has managed relevant sustainability issues within the context of stakeholder inclusion, sustainability, materiality and integrity through each stage of the following process. Impact assessments are conducted with reference to IFRS Sustainability Disclosure Standards. It is expected that in 2025, the Company will adopt the European Sustainability Reporting Standards (ESRS) and assess the impact of sustainability topics based on the "Double Materiality" principle, which includes Impact Materiality and Financial Materiality. This assessment will identify stakeholders' key issues of concern as a critical basis for evaluating material topics, incorporate them into the Company's business operations, and prioritize actions and feedback on handling results to align with stakeholder expectations.

Stakeholder and material issue evaluation process

1st Phase **Identification of major stakeholders**	The primary objective for the publication of the Company's CSR Report is to establish mechanisms for the Company to communicate and respond to stakeholders on sustainability issues. As such, we have adopted the five major principles of AA1000 Stakeholder Engagement Standard (SES) for our Sustainability Report Disclosure Taskforce to perform the evaluation and identify our key stakeholders: shareholders, customers, employees, suppliers and contractors.
2nd Phase **Gathering of Sustainability Issues**	In order to better understand key stakeholders' concerns and expectations regarding Ta Chen's sustainability issues, we referred to GRI's Sustainability Reporting Standards and properties of the manufacturing and gathered external sustainability report information to formulate our sustainability questionnaire that encompassed 18 issues.
3rd Phase **Stakeholder Concern Survey**	Through responsible departments, we communicate with relevant stakeholders which enabled us to better understand our stakeholders' level of concern on specific issues of sustainability. The evaluation of the report preparation working group indicates minor changes to the topics of concern by stakeholders.

4th Phase **Sustainability Impact Analysis**	Nine senior managers were entrusted with the task of reviewing fluctuations in the corporate environment so as to assess the severity and likelihood of specific issues in the domains of economy, environment, and society to create a basis for the analysis of material issues for the current year.
5th Phase **Determine Material Issues**	After compilation and analysis by our CSR Report editing team, continuation from last year, we identified six material sustainability issues that would serve as the basis of our disclosure.
6th Phase **Corresponding GRI Disclosure Topics and Definition of Boundary**	After the material issues have been confirmed, we identified relevant topics of GRI reporting guidelines that correspond to the material issues in order to select relevant topics and the disclosure indicators applicable to each topic. Meetings have been held by relevant personnel to review the impact of each GRI topic on the Company and its value chain (both upstream and downstream operators) in order to verify the boundary of topics for information disclosure in this Report.
7th Phase **Incorporation into Governance and Accountability**	A discussion proposal is submitted to the Board of Directors to confirm the material topics disclosed in the sustainability report. Based on this, the sustainability goals linked to the remuneration of senior executives are approved together.

1-2 Stakeholder Engagement

Identification of major stakeholders

Referring to AA1000 SES, the Company adopted five dimensions of “Responsibility, Influence, Tension, Diverse Perspectives, and Dependency” to examine the nature of stakeholders’ relationship to the Company, with relevant discussions and analyses conducted during our Stakeholder and Material Issue Meeting, we adopted the same five categories of key stakeholders from the previous year: shareholders, customers, employees, suppliers, and banks.

Stakeholder	Significance to Ta Chen Stainless Pipe
Shareholders	Shareholders play the crucial role of supervising and motivating the Company in its pursuit of stable growth and profit.
Customers	We are committed to delivering optimal distribution services to customers through our diverse product lineups and prudent inventory management.
Employees	The outcome of work and growth of employees at the Company serve as one of the key factors that enable the Company to grow and expand its business.
Suppliers	To achieve sustainable development, we will have to rely on our suppliers to provide raw materials that we need to manufacture the products as needed by our customers.
Banks	Banks are facilitators that enable the Company to expand our operations and procure funding.

Material Incident Management

Material incidents include potential and actual positive or negative impacts of Ta Chen Group on stakeholders, raised through grievance mechanisms and other procedures. These include material incidents identified through existing mechanisms within Ta Chen Group’s operations and business relationships. The aforementioned “material incidents” refer to events or situations that have actual or potential significant impacts on Ta Chen Group’s operations, finances, environment, society, or stakeholder’ rights and interests. These impacts may manifest immediately or in the long term. Through grievance mechanisms and stakeholder communication channels, once an event is confirmed as a material incident based on its defined criteria, the responsible department shall report it to the President in accordance with its level of approval authority. After confirming the handling procedures and improvement measures, a discussion or report proposal shall be submitted to the Board of Directors at the next board meeting.

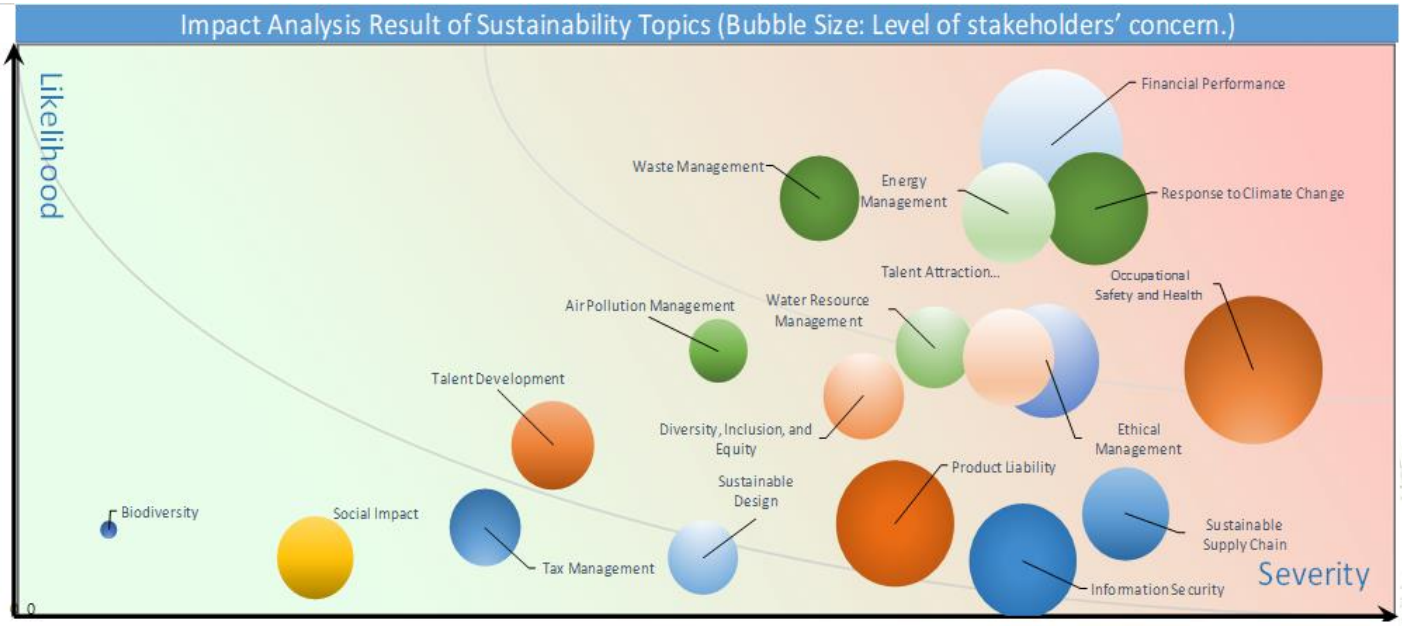
Assessment Dimensions	Determination Criteria
Focus by Stakeholders	Whether the incident has drawn widespread media attention, strong reactions from public opinion on social media, or feedback from NGOs, civil society organizations, a large number of customers, or employees.
Financial or Operational Impact	Whether it caused a decline in the Company's revenue, increased costs, asset losses, production disruptions, or stock price volatility (e.g., the Company's stock price falling to a market value below its net asset value).
Regulatory Compliance and Legal Risks	Whether it violates major environmental, labor, or corporate governance laws, or results in penalties, improvement demands, or disclosure obligations imposed by competent authorities.
Environmental and Social Impact	Whether it involves significant greenhouse gas emissions, pollution events, community opposition, indigenous peoples' rights, major occupational injuries, human rights violations, or exploitation in the supply chain and other sensitive issues.
Impact on Corporate Reputation and Brand	Whether it affects corporate reputation (e.g., lower ESG ratings, being listed on a blacklist, customer loss, investor divestment, etc.).
Impact on Internal Stakeholders	Whether it causes major personnel changes (such as senior executive changes), large-scale resignations, labor disputes, internal whistleblowing, ethical risks, or gender equality issues.

Communication with major stakeholders

With our stakeholders identified and verified, the Company uses a variety of communication channels to interact with our stakeholders in an open and transparent manner to ensure effective communication and achieve the desired outcome. Featured in this Report is a summary of various communication channels the Company used in its operations to engage the key stakeholders in 2024.

Stakeholder	Method of engagement	Frequency of communication
Shareholders	• Convention of Shareholders' Meeting • Convention of Board of Directors Meeting • Renewal of company website • Renewal of information on MOPS website	• Annually • Quarterly • Sporadic • Sporadic
Customers	• Customer satisfaction survey • Visits to customers, factory visits by customers • Customer audit • Telephone, E-mail	• Every six months • Sporadic • Annually • At anytime
Employees	• Orientation training • Suggestion form available on the Company intranet • Factory employee suggestion box	• Sporadic • At anytime • At anytime
Suppliers	• Communication through physical correspondences, telephone calls and email • Implementation of supplier audit	• Annually • Sporadic
Banks	• Communication by phone and email • Bank visits	• Sporadic • Sporadic

1-3 Analysis of Material Issues



Impact Analysis Result of Sustainability Topics (Bubble Size: Level of stakeholders' concern.)

Ta Chen designs stakeholder surveys to assess concerns about sustainability issues, in accordance with GRI Sustainability Reporting Standards and industry characteristics to understand the level of concern on each issue from key stakeholder. Senior executives then assess the impact of various economic, environmental, and social issues on Ta Chen's sustainable operations. After a discussion by the Sustainability Report Disclosure Team, we have identified six material issues: financial performance, response to climate change, energy management, occupational safety and health, ethical management, talent attraction and retention, which have been selected as the key topics of disclosure for this Report. The material issues identified are submitted to the Board of Directors annually for approval, and are then determined as themes for disclosure of this year's report.

Stakeholder	Material topics of concern	Response chapter
Shareholders	• Financial Performance • Ethical Management • Information Security • Energy Management • Occupational Safety and Health	2-3 Management Strategy and Current Standing 2-4 Corporate Governance 2-7 Information Security 5-3 Energy Management 4-3 Safety and Health
Customers	• Financial Performance • Information Security • Product Liability • Energy Management • Occupational Safety and Health	2-3 Management Strategy and Current Standing 2-7 Information Security 3-3 Product Development and Quality Management 5-3 Energy Management 4-3 Safety and Health
Employees	• Financial Performance • Diversity, Inclusion, and Equity • Talent Attraction and Retention • Occupational Safety and Health	2-3 Management Strategy and Current Standing 4-1 Talent Attraction and Development 4-2 Employee Care 4-3 Safety and Health
Suppliers	• Financial Performance • Ethical Management • Response to Climate Change	2-3 Management Strategy and Current Standing 2-6 Legal Compliance and Grievance Mechanism 2-5 Risk Management
Banks	• Financial Performance • Ethical Management • Response to Climate Change • Product Liability • Occupational Safety and Health	2-3 Management Strategy and Current Standing 2-4 Corporate Governance 2-5 Risk Management 3-3 Product Development and Quality Management 4-3 Safety and Health

Management Guideline for Material Issues

The identified material issues were mapped to the GRI Sustainability Reporting Standards, and each department confirmed the indicators, management policies, and performance results to be disclosed, and then completed the compilation of this Report. The corresponding considerations and management policies for relevant issues are shown in the table below. The Finance Department serves as the dedicated or concurrent unit for sustainable development, assisting the President in the overall management of sustainability-related issues.

Issue	Actual and Potential, Negative and Positive Impacts on the Economy, Environment, and People (including Human Rights)						Management Approach
	Dimension	Description of Impact	Positive		Negative		
			Actual	Potential	Actual	Potential	
Financial Performance	Economic	Sound financial performance enhances shareholder value, boosts market confidence, and provides funding support for business growth.	V				Focusing on distribution channel as our core competitiveness, the Company has leveraged our channels to achieve economy of scale with our US subsidiary TCI functioning as a platform to serve our US customers. Our platform is also the largest distribution platform for stainless steel products in America. As such, the distribution of our product carries a definite influence on the overall supply chain. In other words, the impact of this issue will cover our customers, Ta Chen Group and our supply chain. According to the historical sales data and future sales forecasts, the Company can offer reasonable profits and a supply chain management model for long-term orders, thereby fostering partnerships with our suppliers and stabilizing relationships between customers, the Company, and our suppliers. Through our subsidiaries' channel platform for distribution, we continually expanded our product categories and offerings to satisfy customers' needs for one-stop shopping and speedy delivery. At the same time, the Company sought to expand the client base and product offerings through strategic acquisitions and mergers to boost our operational efficiency and propel the development of the overall stainless steel industry and thereby foray into the development of aluminum-related products.
		Poor financial performance may undermine stakeholder confidence in Ta Chen and hinder the Company's sustainable development.				V	
	Environmental	Good financial performance facilitates investments in environmental sustainability and helps build a stronger foundation for sustainable operations.	V				
		Pursuing short-term financial goals while neglecting environmental protection may lead to overexploitation of resources and environmental degradation.				V	
	People	Strong financial performance can improve employee compensation and benefits, enhancing employee satisfaction and loyalty.	V				
		Excessive cost-cutting to improve financial performance may harm employee benefits and working conditions, undermining labor rights.				V	

Issue	Actual and Potential, Negative and Positive Impacts on the Economy, Environment, and People (including Human Rights)						Management Approach
	Dimension	Description of Impact	Positive		Negative		
			Actual	Potential	Actual	Potential	
Ethical Management	Economic	Establishing a culture of ethical management can enhance corporate reputation, attract investors and partners, and promote business development.	V				Ta Chen Group had established subsidiaries and affiliate businesses in Europe, the US, China, Australia, and New Zealand according to local demands. The operation of the group hinges on sound corporate governance. Apart from directly affecting all investors who have purchased our shares via TWSE's platform, corporate governance also affects all our employees in Taiwan and those in the rest of the world. Ta Chen Stainless Pipe has duly fulfilled its responsibilities as a publicly traded company, complying with pertinent regulations. Under the professional management of the Board of Directors, the directors and management have discussed and resolved various propositions on the Company's operation with prudence while strictly adhering to relevant guidelines on avoiding conflict of interests. In addition, we have also established our Audit Committee and Remuneration Committee to monitor the Company's operation, review the performance of directors and managers, and the policies, systems, standards, and structure for remuneration. Ta Chen Stainless Pipe has been strictly compliant with pertinent regulations and adopts "zero violation" as one of its goals for external management, and also provides a channel for grievances, which is received and handled by the responsible supervisor at the President's Office and reported to the President.
		If ethical management is not effectively implemented, it may result in legal risks and fines, damaging the Company's finances and reputation.				V	
	Environmental	The legally compliant declaration and treatment of waste and wastewater help maintain the Company's sustainable image.	V				
		Violations of environmental protection regulations may affect stakeholders' trust in and willingness to invest in Ta Chen Group.				V	
	People	Promoting ethical management helps build a fair and just working environment, protects employee rights, and enhances employee trust.	V				
		A lack of ethical management may lead to internal corruption and unfair treatment, lowering employee morale and work efficiency.				V	
Response to Climate Change 、 Energy Management	Economic	Investing in low-carbon technologies and products can open up new markets, while improving energy efficiency can reduce operating costs and increase profit margins.	V				In light of current efforts in environmental protection and conservation of the planet's limited resources, we are cognizant of the sensitive nature of the raw materials we use, the potential impact of our processes on the environment, and our consumption of energy resources. It is evident that our processes and use of energy resources can affect the Company and areas/regions in close
		Initial investments in renewable energy equipment may increase capital expenditures.			V		

Issue	Actual and Potential, Negative and Positive Impacts on the Economy, Environment, and People (including Human Rights)						Management Approach
	Dimension	Description of Impact	Positive		Negative		
			Actual	Potential	Actual	Potential	
	Environmental	Investments in pollution control equipment have enhanced wastewater treatment capacity, while projects for greenhouse gas inventories and solar power installations have been launched to reduce carbon emissions.	V				proximity to our production facilities. We take energy efficiency as a key factor of consideration in our construction of factories and equipment investment. As such, we have made an effort to purchase energy-saving equipment while committing to relevant projects to improve energy efficiency in our operations to reduce our energy consumption. The scraps generated during the stainless steel pipe manufacturing process are recycled and reused as raw material for our stainless cast pipe in an effort to make optimal use of materials. The aluminum products incorporate up to 70% recycled aluminum, aiming to reduce carbon emissions during the manufacturing process without compromising quality.
		If response measures are inappropriate, they may result in resource waste or other environmental issues.				V	
	People	Promoting green energy and energy-saving measures can enhance employees' sense of identification with the Company.	V				
		Energy transition may require updates and training in employee skills, increasing learning pressure.			V		
Talent Attraction and Retention	Economic	Attracting and retaining outstanding talent can enhance Ta Chen's innovation capacity and productivity, strengthening its competitive advantage.	V				Operation of global business, manufacturing of product and service to our customer all rely on outstanding talents who contribute their expertise and know-how to sustain continual development for the Company. As such, we believe creating a friendly and happy workplace for all of our employees to be an instrumental and essential component to our sustainable development. Insisting on recruiting talents in an open and fair manner, we prioritize hiring locally. Our employees are free from discrimination or impartial treatment based on political beliefs, religion, race, gender, or other factors. Compensation for employees are
		High salaries and benefit costs may increase the Company's financial burden.				V	
	Environmental	Cultivating talent related to environmental protection and energy saving helps Ta Chen effectively address issues related to the environment and climate change.	V				

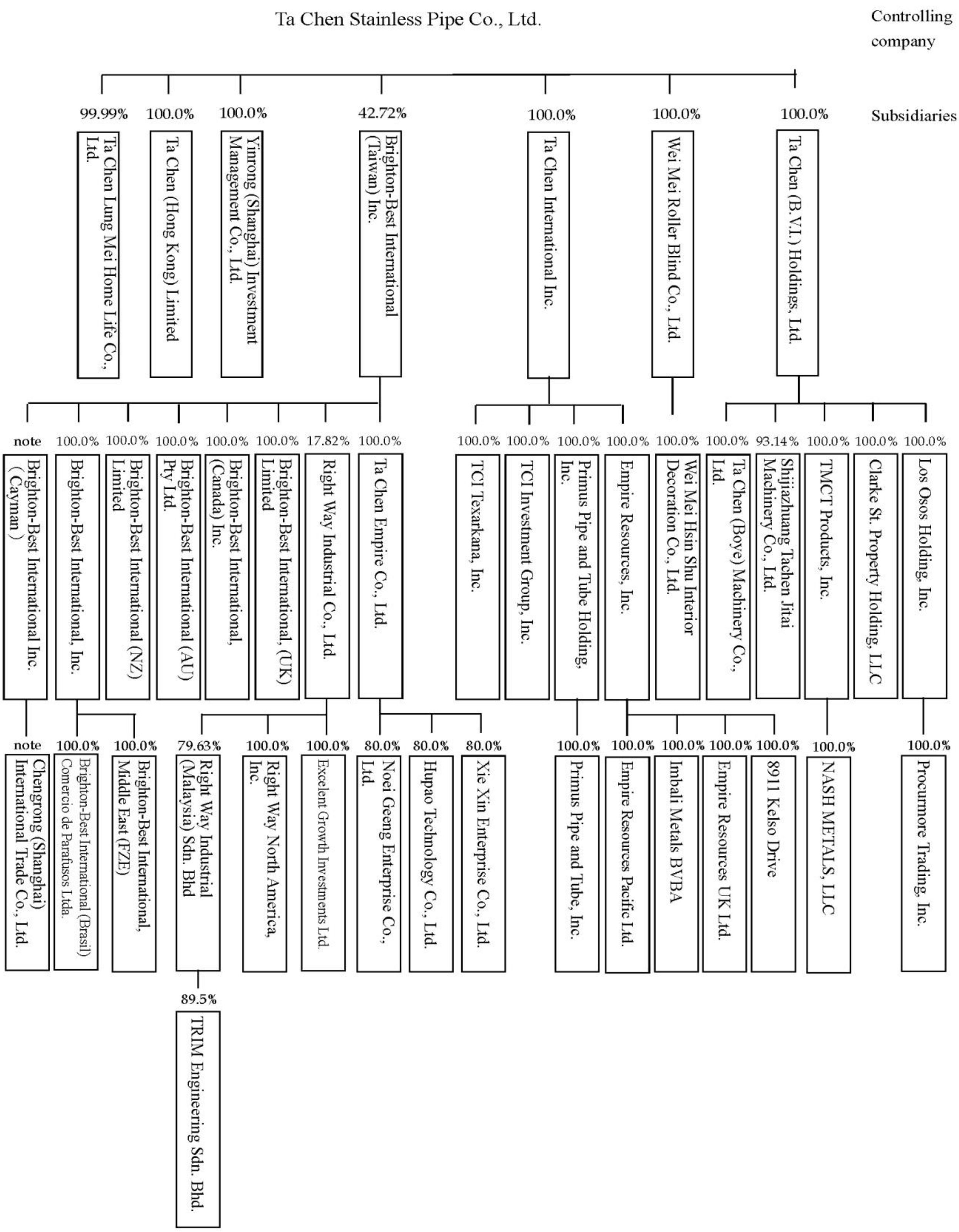
Issue	Actual and Potential, Negative and Positive Impacts on the Economy, Environment, and People (including Human Rights)						Management Approach
	Dimension	Description of Impact	Positive		Negative		
			Actual	Potential	Actual	Potential	
		If there is no training mechanism for developing environmental-related talent, opportunities to respond to environmental or climate change issues may be missed.				V	determined based on their job grade, academic credentials and previous experience. Apart from sporadic recommendations for wage adjustment and/or promotion, employees may also be eligible to receive quarterly bonuses depending on their performance. Apart from the standard benefits prescribed by pertinent regulations, the Company also provides free vegetarian catering with offerings of organic vegetable dishes whenever available. Employees can also take home unfinished portions of food served at the employee canteen as the Company strives to care for all employees by offering healthy and nutritious food.
	People	Good career development opportunities and a positive working environment can improve employee satisfaction and loyalty.	V				
		Failure to meet employee expectations may lead to talent loss and low morale.				V	
Occupational Safety and Health	Economic	Reducing occupational injuries and diseases can lower medical and insurance costs and improve production efficiency.	V				Ta Chen Stainless Pipe and our suppliers are subject to potential safety issues when it comes to the manufacturing of products. As a result, providing a safe workplace that allows employees of the Company and of our suppliers to work without concern is a vital part of employee care. The Company has implemented occupational safety and health management and promoted the establishment of management systems. We have also been certified for ISO 45001:2018 and ISO14001:2015. As part of our effort to watch over the health of employees, the Company also schedules a health examination that is superior to legal requirements yearly, supplemented with sporadic safety campaigns and courses to create a safe workplace, thereby continuously improving the safety and health of employees and preventing occupational injuries.
		Establishing and maintaining an occupational safety and health system may increase corporate costs.				V	
	Environmental	A safe working environment helps prevent environmental accidents and pollution incidents.	V				
		If ESH risks and opportunities are not effectively managed, it may lead to a deterioration of the workplace environment.				V	
	People	Good occupational safety and health management can ensure employee health and safety.	V				
		If safety measures are inadequate, they may result in employee injuries or health problems, affecting morale and productivity.				V	

Corresponding GRI topics and chapters in the Report

Category of Issue	GRI Topic	Corresponding Chapters
Financial Performance	201 Economic Performance 2016	2-3 Management Strategy and Current Standing
Ethical Management	205 Anti-Corruption 2016 2-27 Legal Compliance	2-6 Legal Compliance and Grievance Mechanism
Response to Climate Change	305 Emissions 2016	5-2 Greenhouse Gas Emission Management
Energy Management	302 Energy 2016	5-3 Energy Management
Talent Attraction and Retention	202 Market Presence 2016 401 Employment 2016	4-1 Talent Attraction and Development
Occupational Safety and Health	403 Occupational Safety and Health2018	4-3 Safety and Health

1-4 Disclosure Scope of this Report

The Company's Investment Structure



note：The investment has not been actually remitted.

Disclosure Scope of this Sustainability Report

The headquarters and primary operation sites of Ta Chen are located in Rende District, Tainan City, Taiwan, and the US, and the Report will make no further mention of this fact. If the scope of information disclosure differs from what is described in the table below, it will be separately explained in the corresponding chapter. In addition, to ensure data comparability, unless certain performance data have not yet been collected through the system and only 2024 figures are disclosed, data for the past three years are disclosed as a general principle.

Category	Investment Entity	Disclosure Level and the Description of Undisclosed Information
Parent Company	**Ta Chen Stainless Pipe**	Full Disclosure
Listed Subsidiaries	Brighton-Best International (Taiwan) Inc. and its Subsidiaries	Full Disclosure, as Brighton-Best International (Taiwan) Inc. publishes its own Sustainability Report.
Subsidiaries Engaged in Manufacturing, Logistics, Sales, and Other Business Activities Listed Subsidiaries Subsidiaries Engaged in Manufacturing, Logistics, Sales, and Other Business Activities	Ta Chen International Inc. and its subsidiaries	For TCI, ERI and their respective subsidiaries, as well as PPTH and its subsidiaries, only financial and social aspects (human resources) are disclosed. The aluminum coil sheet manufacturing plant TKA is disclosed at 100%.
	Shijiazhuang Tachen Jitai Machinery Co., Ltd. and Ta Chen (Boye) Machinery Co., Ltd.	Full Disclosure
	Ta Chen Lung Mei Home Life Co., Ltd.	Full Disclosure
	Wei Mei Roller Bling Co., Ltd.	Full Disclosure
Subsidiaries Engaged Only in Investment-related Business Activities	Ta Chen (B.V.I.) Holdings Ltd. and its subsidiaries (excluding Shijiazhuang Tachen Jitai Machinery Co., Ltd. and Ta Chen (Boye) Machinery Co., Ltd.), Ta Chen (Samoa) Holdings Ltd., Ta Chen (Hong Kong) Limited, and Yinrong (Shanghai) Investment Management Limited	These subsidiaries are holding companies investing in and controlling affiliated companies. Only financial information is disclosed and no environmental or social information is available as these subsidiaries do not engage in business operations involving environmental and social issues.

2. About Ta Chen Stainless Pipe Co., Ltd.

2-1 Company Overview

Basic information (Data statistics are as of December 31, 2024)

Company name	Ta Chen Stainless Pipe Co., Ltd.	**Chairman**	Li-Yun Hsieh
Date founded	1986/11/27	**Paid-in Capital**	NTD 24.343 billion
Stock symbol	2027	**No. of employees**	5,090 people
Industry type	Steel industry	**Main line of business**	Stainless steel industrial product manufacturing and distribution
Address	No.125, Xintian 2nd Street, Rende District, Tainan City (HQ and factory)		

Company History

1986	Establishment of Ta Chen Stainless Pipe Co. Ltd., specializing in the production and processing of stainless steel pipes.
1987	The stainless steel factory officially commenced operation.
1992	Beginning of the manufacturing and shipment of 3000-pound forged piping components

1993	The cutting factory commenced commercial operation officially.
1996	The new stainless steel pipe factory commenced operation. On October 24, the Company's stock was officially listed under the second-class category of stocks for trade on the TWSE.
1998	The stainless steel square pipe factory commenced operation
2001	Large stainless steel pipe factory commenced trial production.
2003	Two production lines for stainless steel square pipes and one production line for flat iron pipes were added. The plastic curtain board factory began commercial operation.
2004	Expansion for stainless steel automobile accessory factory completed
2007	Constructions of flat iron factory and cutting factory completed
2017	Acquired Empire Resource, Inc. (ERI), the second largest aluminum sheet/coils distributor in the US Acquired Galex Inc., an aluminum coil and aluminum sheet importer and distributor in the US Purchased Outokumpu Stainless Pipe, Inc., a US based manufacturer of stainless steel pipes
2018	The indirect subsidiary TCI Texarkana Inc. acquired all tangible assets of ALUMAX MILL PRODUCTS, INC, a wholly owned subsidiary of ARCONIC INC.
2019	Invested in Lungmei Curtain Inc. (leading to a shareholding of 48.75%).
2020	Sold subsidiary Dacheng (Changshu) Machinery Limited Company to focus on operations in Taiwan and the US
2021	Invested in Lungmei Curtain Inc. (renamed Ta Chen Lung Mei Home Life Co.,Ltd. on February 18, 2022), leading to a shareholding of over 50% (69.17%) and resulting in the company becoming a subsidiary of the Ta Chen Group.
2022	In June, Weimei, and Brighton-Best International (Taiwan) Inc. acquired Right Way Industrial Co., Ltd..
2023	Completion of the expansion project of the cold rolling line at the Texas Aluminum Factory in the US
2024	The expansion project of the hot rolling line at the Texas Aluminum Factory in the US

Ta Chen Stainless Pipe Co., Ltd. was established by Mr. Rung-Kun Shieh in 1986 in Rende District, Tainan City. The company specialized in the export of stainless steel pipes, stainless steel sheets, stainless steel weld-piping components, stainless steel castings, stainless steel sphere valves, and plastic curtain boards. In 1989, Ta Chen International (TCI) was established in Los Angeles, USA. After 10 years of diligent effort, the TCI grew to become the largest distributor of imported stainless steel in the US. As the industry leader, TCI leverages its inventory depth, breadth and availability and efficiency to serve more than 3,000 customers across the country.

In 1996, Ta Chen Stainless Pipe became a publicly traded company and 12 years later, Brighton-Best International (Taiwan) Inc. was established in 2008. In 2009, the company later acquired Brighton-Best, America's largest distributor of alloy screws and screw-nuts, and the acquisition significantly increased the Company's distribution locations to more than 30 in the US, Canada, Australia, England, New Zealand, and Brazil. In 2017, the Company acquired ERI and later expanded our distribution channels to the manufacturing sector by acquiring the main assets of Alumax Mill Product (a subsidiary under Arconic Corporation) in 2018 to foray into the domain of aluminum production to further boost the operating synergy in the US.

In the stainless steel industry segment, due to previously high U.S. interest rates, the recovery pace in construction and manufacturing sectors remained slow. However, since the U.S. Federal Reserve began cutting interest rates in September 2024, customer demand has increased significantly, leading to further recovery in construction market demand. Ta Chen continues to monitor future Federal Reserve interest rate trends, especially the direction of the new U.S. administration and the potential inflation concerns that may arise from subsequent tariff adjustments, which are also focal points for observation. In terms of capacity expansion planning, TA CHEN's Texas aluminum plant hot rolling line expansion project is expected to be completed by the end of 2025 or early 2026. Monthly hot rolling capacity will increase from 13,000 metric tons to 31,000 metric tons. After expansion, the self-manufacturing rate of aluminum coil sheets is expected to reach 100%. This will not only improve gross margins but also facilitate the launch of new products, helping capture the North American market and expand competitiveness in the U.S. market.

Ta Chen Stainless produces PVC shutters suitable for island climates, offering competitiveness in price, aesthetics, and durability. Since 2019, the Company has continued to invest in and acquire equity in Longmei Window Decorations, which has become one of Ta Chen Stainless's subsidiaries. Ta Chen Lung Mei Home Life Co., Ltd., which the Company invested in, owns multiple sales locations throughout Taiwan which are engaged in the sale of the curtain products produced by itself, and the Company also sells products manufactured by its affiliate, Wei Mei Hsin Shu Interior Decoration Co., Ltd. Blinds produced by the Company are also sold. Ta Chen Lung Mei Home Life Co., Ltd. also worked with banks to provide consumers with preferential card-less installment payment methods. Meanwhile, coupled with the convenience delivered by the one-stop shopping service for various products provided by the Company, the Company will continue to increase its market share in the domestic market.

In June 2022, Ta Chen Stainless Pipe acquired the equity of Right Way via the subsidiary, Brighton-Best International. Therefore, the Company is expected to reactivate the idling factory area of Right Way launching into the production of system furniture. In terms of investments in new businesses, the senior managers and related business employees will enter into sufficient communications with the stakeholders of the new business. The necessary due diligence will be conducted to ensure that the investment conforms to the laws and that the business itself has positive benefits to the local community development.

Ta Chen Group started out as a trading business. After it forayed into the domain of stainless steel pipe manufacturing, the Group deployed its channels to construct an online distribution platform, thereby introducing an e-commerce distribution model for industrial products. With more than 75% of the Group's orders coming from the Internet, the Group sought to promote further growth in revenue by expanding its product lineup. Monopoly has never been Ta Chen Group's management philosophy. Instead, we believe in strengthening and expanding the entire supply chain and enhancing the competitiveness of the sector to be the key to development. And thus, we have created our triangular framework of business operation: "Operation in Taiwan, Global Production and Global Distribution", and as our core operating strategy, it will guide us to usher in a new playing field for traditional industries while our subsidiaries will focus primarily on the development of relevant market channels. The division of labor within the group is as follows:

Company name	Key business and promotion
Ta Chen Stainless Pipe Co., Ltd.	Dedicated manufacturer of stainless steel pipes, components and valves
Ta Chen International (TCI)	Dedicated operator of stainless steel and aluminum product distribution market channel in the US
Brighton-Best International Inc.	Deployment of global market distribution channels for fasteners
TCI TEXARKANA, INC. (TKA)	Manufacturing of aluminum coils and sheets in the US
Ta Chen Lung Mei Home Life Co.,Ltd.	Window Blinds, Curtain Fabric, and Interior Design Turkey Projects

Development Strategy

At present, in addition to focusing on the manufacturing of stainless steel pipes, pipe fittings, components, and valves, the Company has also ventured into the manufacturing and sale of plastic curtain boards, windows of various types, and system furniture to strengthen our brand promotion and reach economy of scale through mass production. This will in turn enable us to expand our market share. In the long run, we perceive the US to be our center of distribution channels while facilities in Taiwan and China will focus on product manufacturing. With relevant corporate operations and administration carried out in Taiwan as a hub of management, we shall establish a solid framework for operation while searching for other competitive products that we might be able to distribute through our US channels so that we can continue to upscale our business. Before the US imposed anti-dumping and countervailing duties on steel and aluminum products from other countries around the world, the Company had anticipated the situation in advance and made relevant preparations by not only increasing our own production capacity, but also securing suppliers throughout the world to ensure our sources. With a distributed purchasing model, we were able to avoid relying too heavily on any particular supplier for materials and circumvent relevant risks.

Ta Chen Stainless Pipe continues to actively utilize the overseas marketing channels that it has cultivated over the long course. We will build ourselves to become the largest stainless steel product distributor in the US. As of now, we have established shipment warehouses in eight major cities in the US, namely, Los Angeles, Chicago, Houston, Atlanta, Florida, Philadelphia, Seattle and Cleveland. With many years of experiences in the field, along with rigorous information link control system, we can accurately get hold of the daily sales channel situation in the US without leaving Taiwan. These market information feedbacks have become a basis for adjustment to pricing at anytime. Hereafter, upon customers' completion of destocking and increasing basic industrial demand in the US, the Company expects to keep growing relying on the strengths residing in marketing channels and integrated production and sales.

After acquiring the Texas Factory from Alcoa in 2018, the expansion project of the 2nd cold rolling production line was started. With its completion as scheduled in December 2024, the cold rolling capacity will increase by 13,000 tons per month, bringing the overall monthly capacity of the cold rolling lines to 31,000 tons. The expansion of the hot rolling line of 18,000 tons is expected to be completed by the end of 2025, and the monthly capacity of the hot rolling line will then reach 31,000 tons, which will help us to penetrate the aluminum coil market in the US.

Union and association

The Company has been an active member and participant in the Taiwan Steel & Iron Industries Association. Apart from facilitating exchanges between relevant sectors, we have also joined other local associations such as the Tainan City General Industrial Association and Xintian Industrial Park Tenant Association due to proximity reasons so that we can assist local businesses to achieve mutual growth. It is one of our ways of communicating with relevant stakeholders in our efforts to promote sustainable development.

Community investments

In order to promote social harmony, Ta Chen Stainless Pipe actively participates in community development and related public welfare activities, and continues to give back to society every year with its business achievements, and also invites employees to join in the activities; recipients of donations and services range from infants and children to the elderly, mentally and physically challenged, and so on; In 2024, total donations amounted to approximately NTD21.504 million, with employee donations totaling approximately NTD817,000. Among them, Ta Chen and Brighton-Best Taiwan donated NTD2.4 million for disaster relief, cross-border assistance, and educational support for children. BBI-USA's 2024 donation totaled NTD10.883 million, mainly consisting of donations of gloves and related industrial supplies to assist with local post-disaster reconstruction from Hurricane "Helen," as well as donations of raincoats to the nonprofit educational organization NWRESD for children's outdoor learning activities.

Unit: NTD	2022	2023	2024
Public Welfare Donations	193,657,847	16,975,805	22,321,169

To care for employees' health and support the vegetarianism initiative to protect the Earth, the Company provides free vegetarian buffet lunches prioritizing organic vegetables. Any leftovers are made available for employees to take home. In addition, in the spirit of community care, approximately 1,300 servings of free vegetarian bento meals were provided daily in 2024 to partner operators, nearby suppliers, and elderly residents living alone in the Rende community.

In addition to donations and assistance to the disadvantaged, in terms of community development, Ta Chen Stainless Pipe has built five eco-friendly restrooms for visitors to the Da Gang Shan Ecological District in Alian District, Kaohsiung, since 2014 and assigned three employees to be responsible for the daily maintenance and cleaning management of the restrooms; the Company's employees take turns cleaning the slope of the Jing Si Hall in Rende District every month, with 178 participants each time; and organized a blood donation activity in the Company's factory in 2024, raising a total of 90 bags of blood supply, as a righteous act to help others with the blood donations to demonstrate our enthusiasm about public welfare and fulfillment of the spirit of charity and mutual help. Employees participate in the above public welfare services with regular salaries paid as usual, to encourage corporate volunteers to engage in social welfare in a more flexible and diversified way from the bottom up to fulfill their social civic responsibilities, and to utilize their own resources to promote the development of the community and social justice, in order to create a prosperous and sustainable living environment.

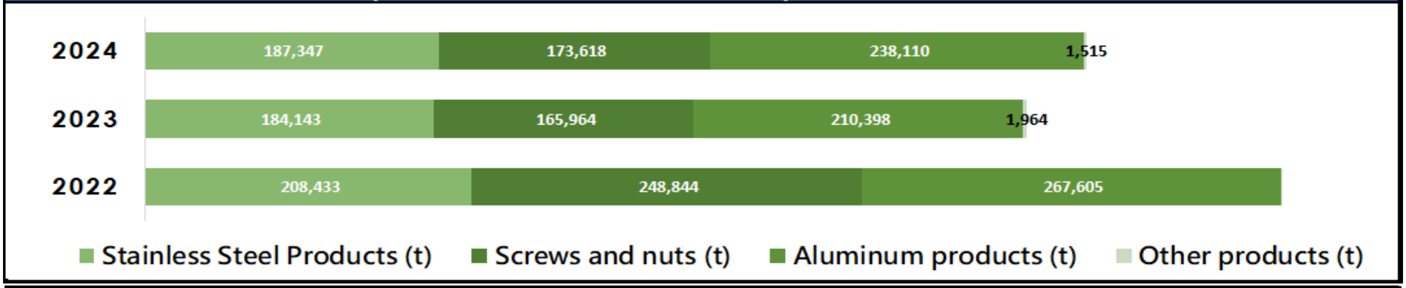
2-2 Overview of Products and Processes

At present, apart from stainless steel products and screws/screw-nuts as our main products, when we acquired Empire Resources Inc. (ERI) in 2017, we expanded our product lines to include aluminum products as ERI used to be the 2nd largest distributor for aluminum sheets/coils in the US 2018 was the first fiscal year after the acquisition and merger and turnover for the year reflected the benefits of the merger, as the sales figures and volume of sales for aluminum products grew substantially. This in turn has led to the growth of stainless steel products and screws/screw nuts. In 2018, we managed to acquire the primary operating asset of Alumax Mill Products, Inc. under Arconic Inc., and thereby officially forayed into aluminum sheet/coil production in the US. Ta Chen's Texas Factory is the largest industrial aluminum coil factory in the US, and 70% of the raw materials used in its production come from recycled waste to reduce carbon emissions from raw material mining. We will continue to engage in improving the overall production process, reducing wear and tear to improve output and production efficiency, and cutting production costs. The staff have established the standard product design and production procedures based on their skills and experience gained from physical achievements to ensure product quality. They also keep improving their own technical abilities through R&D and production personnel's internal and external training programs. The Company will take stainless steel products, screws and nuts, and aluminum products as the group's three flagship products and actively improve the sales of our aluminum products to turn them into the group's main source of revenue growth.

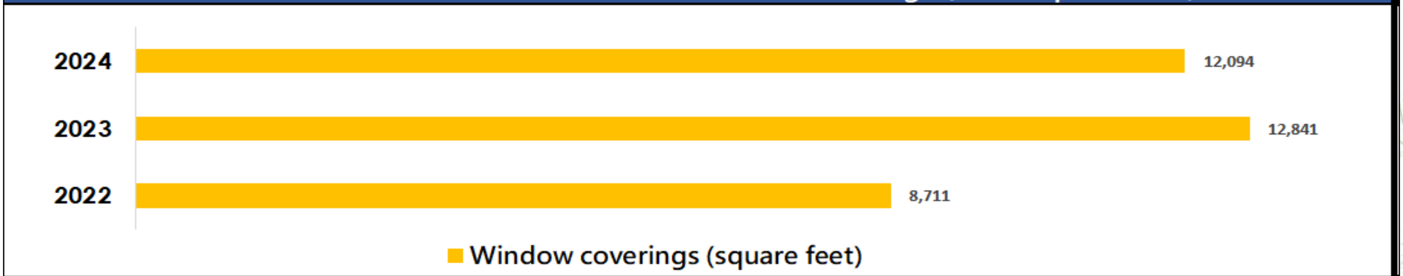
The company is one of the key domestic distributors of seamed stainless steel pipes and accessories. Approximately 100% of our finished products are exported to other countries, primarily the US market. Other regions, including Europe, Australia, Southeast Asia, Africa and Israel, also contribute varying percentages to our distribution. Stainless steel pipes and accessories are mostly used in petrochemical and food industries due to stainless steel's corrosion and rust-resisting nature. As such, numerous industries have gradually switched and adopted stainless steel pipes to prolong their product lifecycles and the market certainly has the potential for further growth. We shall continue to deliver outstanding product quality and achieve economy of scale with our distribution network, thereby boosting our market competitiveness.

Apart from our existing stainless steel, screws and nuts, and aluminum products, in 2019, the Company made a strategic investment in Ta Chen Lung Mei Home Life Co., Ltd. - a leading name in curtain products in Taiwan. This move effectively brought together the PVC window blind products that the Company has been exporting to the US for more than 15 years to more than 70 operating locations across Taiwan under Ta Chen Lung Mei Home Life Co., Ltd. Through the integration of the two companies, we hoped to bring our PVC window blinds to the curtain market and further expand our business. For the purpose of making production and sales more efficient, we have made plans to place the raw material production for curtain boards and the assembly of customized products to be completed in one plant. We utilize an information system to monitor the production progress of each order overcoming the risks of delayed delivery for customized production orders. It can greatly increase the company's competitiveness. We have also completed the optimization of automation for the packing configuration of the curtain plant. For the window blinds that we are currently manufacturing, in addition to offering high-quality products that come with a 10-year warranty, we are able to reduce the foaming ratio (i.e. weight/volume after foaming) without altering the physical strength of our window blinds through product development. With the gradual improvements from the early products, the foaming rate in the process has decreased by another 1.5% compared to last year. The Company will assess the feasibility of introducing post-consumer recycled (PCR) plastics with consumer acceptance and the overall material development trend taken into account to reduce the use of virgin plastics.

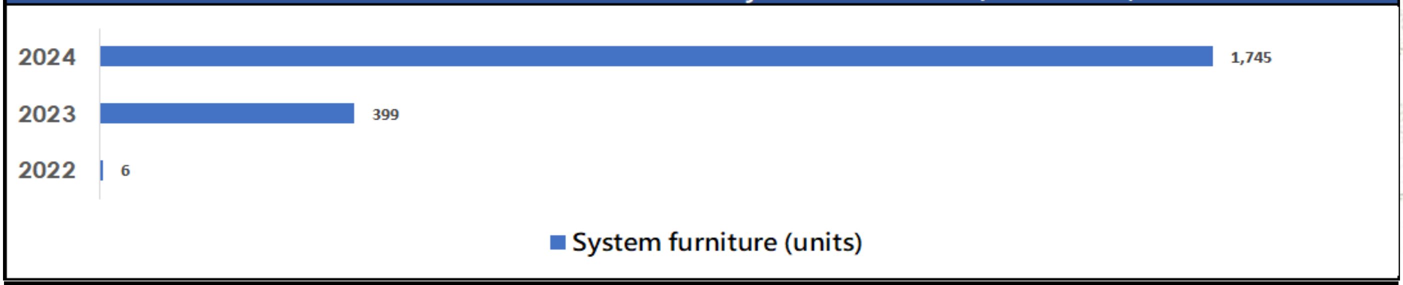
Historical production volume of metal products (Unit: metric tons)



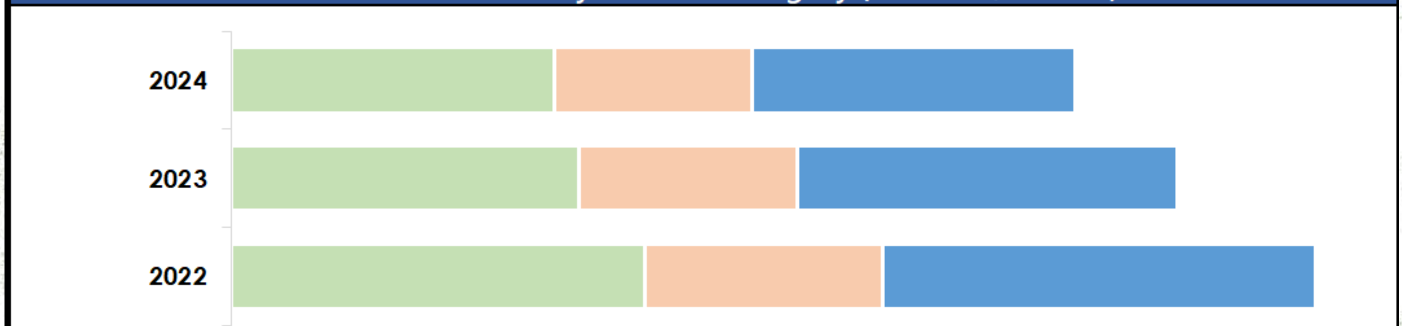
Historical Production Volume of Window Coverings (Unit: square feet)



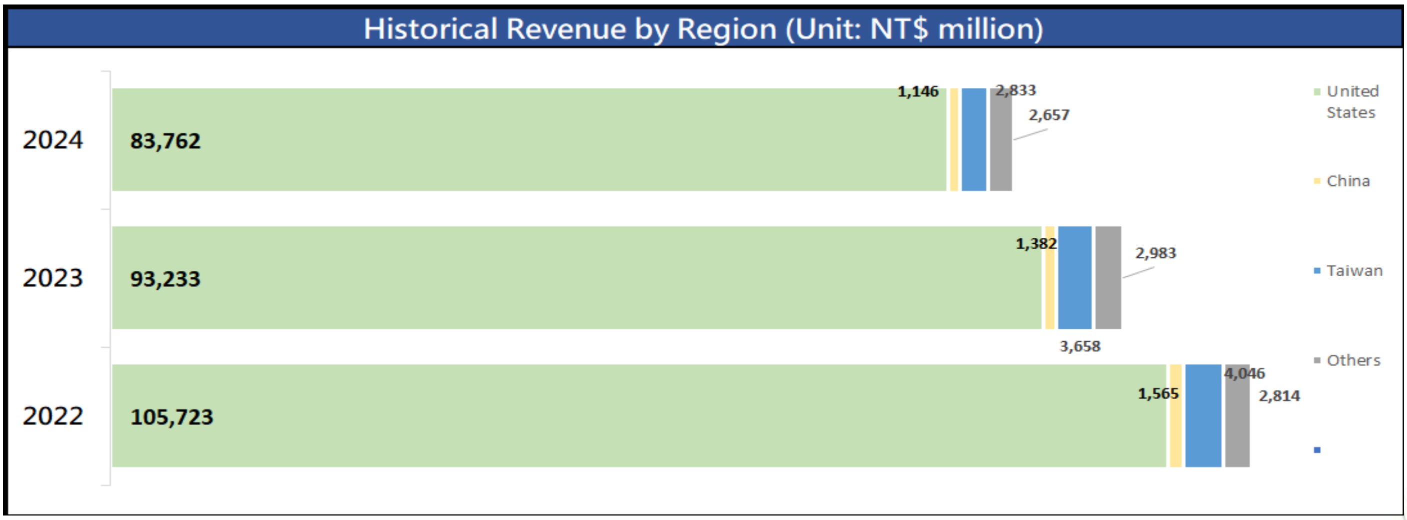
Historical Production Volume of System Furniture (Unit: units)



Historical Revenue by Product Category (Unit: NT$ million)



	2022	2023	2024
Stainless Steel Products	43,109	36,174	33,619
Screws and nuts	24,669	22,735	20,677
Aluminum products	45,196	39,623	33,585



Major Businesses of the Company

- Production and sales of products such as stainless steel pipes
- Production and sales of products such as stainless steel pipe joints, flanges, valves and fasteners
- Manufacturing and processing of plastic curtain boards



Production process:

Cutting (strips) → Production of steel strips → Shaping → Hot processing → Straightening → Hydrostatic test → Pickling

Process for stainless steel pipe

Cutting → Shaping → Hot processing → Molding → End processing → Pickling

Process for stainless steel sphere welded pipe component

Raw material → Initial inspection → Tapping → Assembly
Material → Quality check → Assembly

Process for stainless steel sphere valve

2-3 Financial Performance

In 2024, the global economic environment continued to face pressures from interest rate hikes and inflation, leading to cautious purchasing behavior by customers. Although sales volume has begun to recover, the unit selling price has declined. Operating revenue has decreased. Overall, from 2023 to 2024, Ta Chen Group's key financial indicators showed a downward trend, including decreases in operating revenue, gross profit, operating income, pre-tax net income, and net income for the period. Although operating costs declined, the slight increase in operating expenses and the expansion of other gains and losses could not offset the impact of revenue decline on profitability. Although the tax burden was reduced, overall profitability still showed a declining trend.

Revenue and Profit/Loss (Unit: NTD million)	2022	2023	2024
Operating Revenue	114,149	101,257	90,398
Operating Cost	83,111	81,800	73,311
Operating Gross Revenue	31,038	19,457	17,088
Operating expenses	12,507	10,585	10,941
Other Profits and Losses	(5)	(15)	(34)
Operating profit	18,526	8,856	6,112
Non-operating Revenue (Expenses)	660	752	453
Profit before tax	19,186	9,608	6,565
Income Tax Expenses	4,787	2,798	1,844
Net income for the period	14,399	6,811	4,721
Other Comprehensive Profits (Losses)	7,429	(959)	4,170
Net comprehensive profit and loss for the period	21,828	5,851	8,891
Basic earnings per share (NTD)	5.15	2.30	1.53
Specific Disclosure of Expenditure Items (Unit: NTD millions)	**2022**	**2023**	**2024**
Employee wage and benefits	7,989	6,742	7,411
Dividends and Interest Expenses	4,400	5,447	3,668
Amount of Government Subsidies	0	0	3,395
Direct/Indirect Political Contributions	0	0	0
Community Investment Expenditures	193.66	16.98	22.32

Tax Management

Ta Chen has established a tax policy to govern the Group companies in fulfilling their tax obligations. An internal dedicated tax management unit is in place, responsible for overseeing tax regulations at all Group operating locations, ensuring tax compliance, and reporting to management. The Board of Directors serves as the unit for tax management and oversight, while the Finance Department acts as the tax management unit, ensuring accurate tax filings and payments, reporting internally and externally, and assessing tax risks and impacts.

Tax policy

Effective Tax Rate (Unit: NTD thousand)	2022	2023	2024
Profit before tax	19,186	9,608	6,565
Income Tax Expenses	4,787	2,798	1,844
Income Taxes Paid	5,813	3,087	1,745
Book Effective Tax Rate	24.95%	29.12%	28.09%
Cash effective tax rate	30.30%	32.13%	26.59%

Country-by-Country Report

The breakdown of our global tax contributions by jurisdiction for 2024 is as follows

Tax jurisdiction (Unit: NTD thousand)	Income tax paid	Current income tax payable
Taiwan	1,152,794	502,676
US	579,007	1,134,737
Asia (excluding Taiwan)	18,217	26,537
Others	73,941	13,362
Total	1,823,959	1,677,312

2-4 Corporate Governance

The Company has always prioritized the rights and interests of shareholders and in an effort to protect investors, steps have been taken to ensure that our Board of Directors functions properly by guiding and supervising the direction of the Company's operations. By increasing information transparency and strengthening the Board's capacity to implement internal audits, it enables the Company to present and disclose bona fide financial data, which will safeguard the rights and interests of our stakeholders and enable us to achieve sustainable operation. Foreign investors have a high level of trust in Ta Chen Stainless Pipe, and there was no specific operational feedback on management in 2024.

Members of the Board and Operation

The Company's Board of Directors is compliant with pertinent regulations such as the Company Act and Articles of Incorporation. Directors are appointed through the process of election by voting during the shareholders' meeting. Each term of service lasts three years. Presently, the Board has twelve directors, of which four are female (33.3%) and four are independent directors. In terms of age, the eleven directors are over 50 years of age. In the future, we will gradually plan to set up functional committees related to sustainable development in accordance with the requirements of regulations and the trend of corporate governance.

The Board of Directors operates in compliance with pertinent regulations, the Company's Articles of Incorporation, and procedures for Board of Directors Meetings to exercise their vested powers. With the professional knowledge/expertise and profound experiences in various domains that directors bring to the table, they are entrusted to fulfill their duties of supervising and managing the Company. By maintaining the soundness of the Company's mechanism for operation and safeguarding investors' rights, directors are expected to demonstrate high levels of self-discipline and prudence in exercising their rights to faithfully execute major decisions that are intricately tied to the Company's operation and development. The CPA is also invited to the Board of Directors' Meeting so that he/she may interact and communicate with the directors in person. In 2024, the Board of Directors held a total of six meetings, with an average attendance ratio of 89%. Below is information on the Board members and a record of their attendance as of the end of 2024. The Board of Directors is one of Ta Chen's stakeholder communication channels and plays an important role in supervising and supporting the Company's sustainable development. For relevant key resolutions of the Board of Directors, please refer to page 49 of the Annual Report: "Important Resolutions of the Shareholders' and Board of Directors' Meetings."

Title	Name	Gender	Academic credentials and previous experience	Frequency of actual attendance	Frequency of proxy attendance	Actual attendance ratio	Note (Legal entity represented)
Chairman	Li-Yun Hsieh	Female	● Graduated from Department of Banking, Tatung Institute of Commerce and Technology ● Finance Manager, Chairman of Ta Chen Stainless Pipe Co., Ltd.	6	0	100%	Company representative: Wei-Yi Investment Co., Ltd.
Director	Rung-Kun Shieh	Male	● Graduated from Fu Jen Catholic University, Department of Business Administration ● Director/CEO of Ta Chen Stainless Pipe Co., Ltd. ● Sales manager of San Shing Fastech Corp.	5	1	100%	Company representative: Ta Ying Cheng Investment Co., Ltd.
Director	I-Lan Ou	Female	● Graduated from National Taiwan University, Department of Civil Engineering Graduated from North Carolina State University, MSc Civil, Construction, Environment Engineering ● CEO of Rigid Industrial Co., Ltd.	6	0	100%	Company representative: Li Zhi Investment Co., Ltd.
Director	Erh-Yi Hsieh	Male	● Graduated from Global Logistics Management Department, National Yunlin University of Science and Technology	6	0	100%	

			● Chairman of Wan Duan Investment Co., Ltd. ● Director of Noei Geeng Enterprise Co., Ltd. ● Director of Hupao Technology Co., Ltd. ● Director of Xie Xin Enterprise Co., Ltd. ● Director of Yuqing Value Investment Co., Ltd.				
Director	Chao-Jin Tsai	Male	● Graduated from Kaohsiung Municipal Lujhu Junior High School ● Director/CEO of Fang Sheng Screws Co., Ltd.	6	0	86%	
Director	Mei-Feng Lin	Female	● Graduate from Chihlee University of Technology ● Supervisor of Ta Chen Stainless Pipe Co., Ltd. ● CFO of Linfangjin Charitable Foundation	5	1	100%	Company representative: Linfangjin Charitable Foundation
Director	Shi-Hsien Tu	Male	● Graduated from University of California, Berkley, Double major in Economics and Biochemistry ● Vice President of Ta Chen International Inc.	0	6	14%	
Director	Yong-Yu Tsai	Male	● Graduated from National Open University, Department of Finance ● CEO of Jinn Her Enterprise Co., Ltd. ● Supervisor of Bank of Kaohsiung ● Director of Hwa Fong Rubber Ind. Co., Ltd. ● Director of Atlas Distribution Services Ltd.	6	0	75%	
Independent director	Ming-Chang Shen	Male	● Graduated from Fu Jen Catholic University, Department of Business Administration ● Senior Associate General Manager of Capital Securities ● Bonds and Finance Manager of Union Bank of Taiwan	6	0	100%	
Independent director	Chun-An Hsu	Male	● Graduated from National Chung Hsing University, Department of Accounting and Statistics ● Embry-Riddle Aeronautical University, MBA ● Deputy Director of National Taxation Bureau of Taipei ● Supervisor of Taiwan Financial Holdings Co., Ltd.	6	0	86%	
Independent director	Guang-Hsiang Wang	Male	● University of Taiwan, MSc Administrative Leadership (completed 40 credits in 3 years) ● Chief of Department of General Affairs, Ministry of Finance	6	0	100%	
Independent director	Kuang-Tzu Wang	Female	● EMBA Master, NCCU Department of Public Finance, National Chengchi University ● Bachelor's Degree in Public Finance, National Chengchi University ● Vice President of Cathay Venture Inc. ● CEO of Cathay Investment Inc. ● Manager of International Investment Department, Cathay Life Insurance Co., Ltd. ● Director of Symphox Information Co., Ltd. ● Director of Cathay Securities Investment Consulting Co., Ltd.	6	0	100%	.

			● Director of Taipei Financial Center Corp.				

Further education for directors

Further education provides a mechanism and channel for directors to further expand their knowledge and expertise through education and training so that they can capitalize on what they learn and have easy access to relevant information to maintain their core values, professional advantage, and competence. As such, the Company offers training courses on corporate governance hosted by competent authorities or private institutions on an irregular basis for directors and supervisors to attend those that are of interest to them. The following is information on the training courses taken by the directors and supervisors and the time they spent on the courses in 2024. 100% of the directors complied with the requirements for further education hours.

Name of course	No. of hours	Directors who participated in the training
Corporate Strategies and Responses Amid Global Economic and Financial Changes	3	Li-Yun Hsieh, Rung-Kun Shieh, Yong-Yu Tsai, Chao-Jin Cai, I-Lan Ou, Erh-Yi Hsieh, Mei-Feng Lin, Guang-Hsiang Wang, Chun-An Hsu, Ming-Chang Shen
Opportunities and Challenges for Industrial Transformation in Taiwan under Geopolitical Tensions	3	Li-Yun Hsieh, Rung-Kun Shieh, Yong-Yu Tsai, Chao-Jin Cai, I-Lan Ou, Erh-Yi Hsieh, Mei-Feng Lin, Guang-Hsiang Wang, Chun-An Hsu, Ming-Chang Shen
Continuing Education Program for Directors of Listed Companies – Current Status and Future Challenges of Sustainable Finance	3	Shi-Hsien Tu
Exploring Synergies in Mergers and Acquisitions and Practical Analysis of Transaction Execution	3	Erh-Yi Hsieh
Sustainability Reporting: Practical Sharing	3	Erh-Yi Hsieh
Carbon Exchange Support and Outlook & Data-Driven Carbon Reduction for Enhanced Operations	3	Erh-Yi Hsieh
Using Policy Tools to Improve Corporate Governance and Reduce R&D Risks	3	Erh-Yi Hsieh
Evolution of Financial Misstatement Materiality and Directors' & Supervisors' Responsibilities	3	Kuang-Tzu Wang
Corporate Fraud: Legal Responsibilities and Investigation & Trial Procedures	3	Kuang-Tzu Wang

Evaluation of the Board of Directors' Performance

To enhance corporate governance and improve the effectiveness of our Board of Directors, we have established performance objectives to strengthen the efficiency of the Board's operations, Ta Chen has formulated the "Rules for Board of Directors' Performance Evaluation" in accordance with the law, which mainly stipulates the evaluation frequency, period, scope and method, executing units, procedures and other matters to be followed. The Board of Directors' performance evaluation is conducted in accordance with the Company's "Rules for Board of Directors' Performance Evaluation", and the detailed evaluation indicators are adjusted according to the annual business objectives and cover the risks and opportunities for sustainable development necessary for the Company's operations. In 2024, the self-evaluation weighted scores all exceeded 75 points, indicating good performance of the Board's operations.

Rules for Board of Directors' Performance Evaluation

Executives' Remuneration and Performance

All major decisions made by Ta Chen's management are made after considering various risk factors. The performance of these major decisions is reflected in the Company's profitability. Executives' compensation is determined based on individual professional experience and with reference to industry standards. Bonuses are calculated based on performance indicators, including financial and business indicators (such as profit growth, operational management quality improvement, and net profit after tax), comprehensive management indicators (organizational leadership and management capabilities, risk management, innovation and integration, and ESG sustainable development strategy), and other special contributions or significant achievements. These are reviewed by the Remuneration Committee and submitted to the Board of Directors for approval. Therefore, the compensation of the Company's President and Executive Vice President is related to their performance in risk control.

Mechanisms for avoiding conflicts of interests

Pursuant to regulations, the Board of Directors' Meeting shall be held at least once each quarter. In 2024, we held a total of six Board of Directors' Meetings. When discussing issues that conflict with their personal interest or the interest of the organization they represent, directors are expected to clearly describe their stake in the matter at hand and avoid taking part in relevant votes. Key resolutions determined by the Board of Directors have also been made available on the MOPS to ensure due disclosure of relevant information.

Audit Committee and Remuneration Committee

In order to assist the Board of Directors to better evaluate and monitor the remuneration for directors and managers, our Remuneration Committee had been established in accordance with the Remuneration Committee Charter established during the Shareholders' Meeting in 2011. The Committee is responsible for establishing and regularly reviewing the directors, supervisors and managers' performance evaluation and remuneration policy, system, standard and structure, and regularly evaluating and determining their remuneration. In 2017, the Company established its Audit Committee Charter and created its Audit Committee to replace its original system with supervisors. The Committee is responsible for the fair presentation of the Company's financial statements, the selection and discharge, independence and performance of the certified public accountants (CPAs), the effective implementation of the company's internal control, legal compliance by the company, and control on the existing or potential company risks. A general re-election of directors was held on June 26, 2023, and a co-optation on August 30, 2023. The Audit Committee selected four independent directors to serve as members in the committee while the Remuneration Committee appointed three directors as remuneration committee members, with Ming-Chang Shen serving as its chair. A summary of the Audit Committee and Remuneration Committee composition and their attendance in 2024 is listed as follows:

	Title	Name	Frequency of actual attendance	Frequency of proxy attendance	Actual attendance ratio	Note
Audit Committee	Independent director	Chun-An Hsu	6	0	86%	
	Independent director	Ming-Chang Shen	6	0	100%	
	Independent director	Guang-Hsiang Wang	6	0	100%	
	Independent director	Kuang-Tzu Wang	6	0	100%	
Remuneration Committee	Title	Name	Frequency of actual attendance	Frequency of proxy attendance	Actual attendance ratio	Note
	Convener	Ming-Chang Shen	2	0	100%	
	Member	Chun-An Hsu	2	0	100%	
	Member	Guang-Hsiang Wang	2	0	100%	

Procedure for Handling Material Inside Information

In order to establish a sound mechanism for the handling and disclosing internal material information, the Company has created the Procedures for Handling Internal Material Information. This policy is designed to prevent unauthorized information leaks and ensure the consistency and accuracy of all information released to the public. It applies to the company's directors, managers, and all employees.

During the reporting year, 18 material information announcements were publicly disclosed. The three key principles governing the disclosure of this information are:

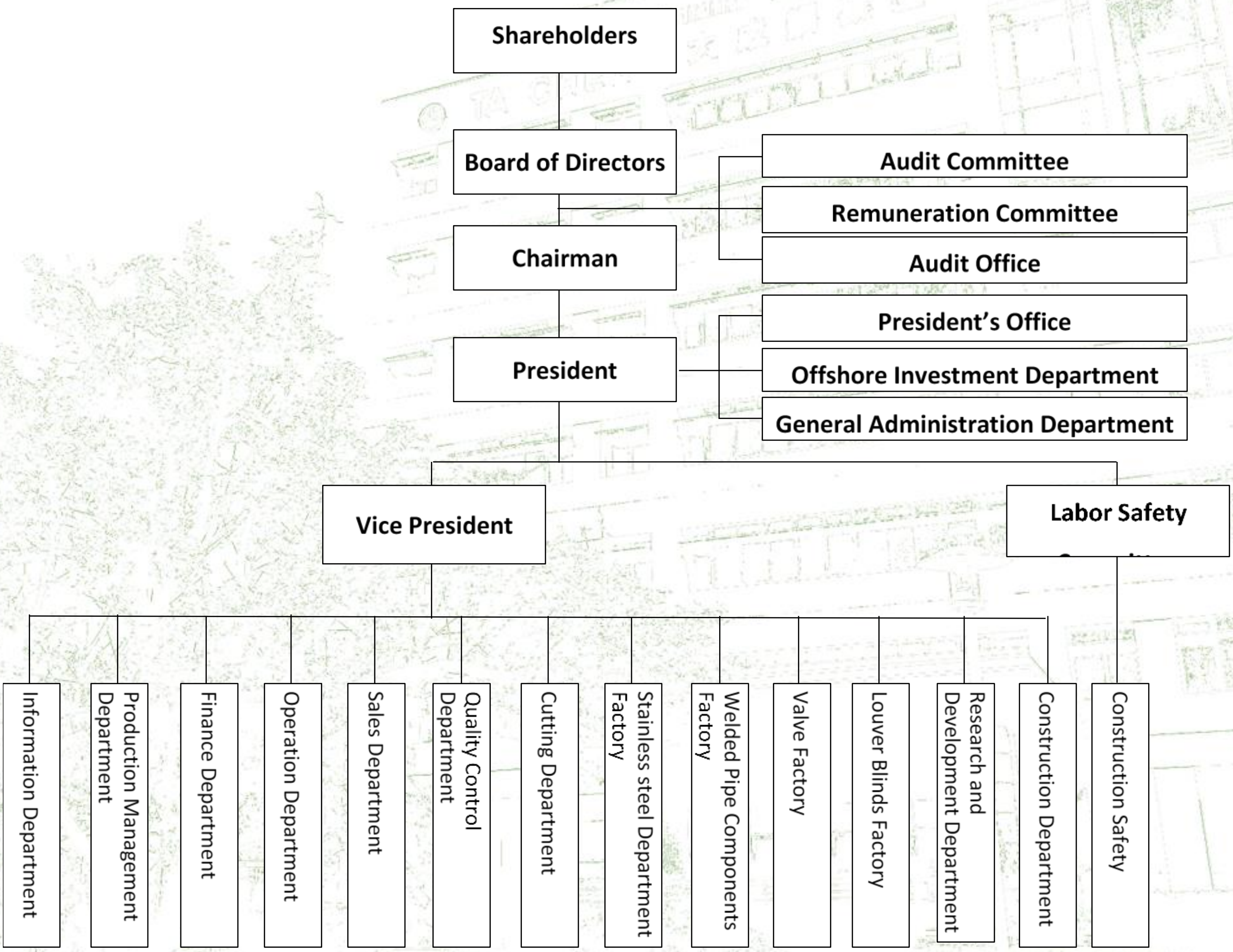
I. Disclosure of information shall be accurate, comprehensive and timely;

II. Information should only be disclosed on a valid basis;

III. Disclosure of information shall be fair and just.

Organizational Structure

The Company adopts a flat organizational structure as we emphasize operational versatility and efficiency. With the promotion and expansion of our channel platform being the central component to our operations, we have our eyes set on our goals and rapid response. With regard to the Company's governance, the Board of Directors has established the Audit Committee and Remuneration Committee to assist the Board in the oversight of the Company's operations. The Board has approved the charters for the two committees of Directors, and the chair of each committee reports periodically to the Board on activities and resolutions made by the committees.



Name of Department	Operation and responsibility
Audit Office	Responsible for the planning and auditing of the Company's internal control system and offering suggestions for improvement to facilitate effective operation for the Company.

Name of Department	Operation and responsibility
President's Office	Responsible for the analysis of operation performance, providing assistance on relevant affairs for different departments, formulating and implementing regulatory systems, and hosting various meetings.
Offshore Investment Department	Responsible for data collection and analysis of overseas markets, offering relevant suggestions for foreign investments.
General Administration Department	Mainly responsible for assignments from the President and supervision and management of various spin-offs and subsidiaries.
Information Department	Responsible for the planning, maintenance and training relating to the Company's information system.
Production Management Department	Responsible for the purchase of large steel cylinder raw materials, production schedule control, warehouse control, and custom bonds.
Finance Department	Responsible for account processing, cost structure calculation, budget planning, variance analysis, allocation of financial resources, cashier and so forth.
Operation Department	Responsible for the Company's human resource management, general affairs, material procurement, management of fixed assets and so forth.
Sales Department	Composing of four sub-departments, the department is responsible for the acceptance of orders, quotation and sales and distribution in respective markets and so forth.
Quality Control Department	Responsible for the improvement and maintenance of product quality.
Cutting Department	Responsible for the cutting of steel coils/sheets.
Stainless steel Department Factory	Responsible for the production of stainless steel cylinders and square pipes along with relevant construction and pollution prevention.
Welded Pipe Components Factory	Responsible for the production of stainless steel welded pipe components along with relevant construction and pollution prevention.
Valve Factory	Responsible for the production of stainless steel sphere valves and nipples along with relevant construction and pollution prevention.
Louver Blinds Factory	Responsible for the production of PVC curtain boards along with pollution prevention.
Research and Development Department	Responsible for the expansion of factories, improvement of on-site production and projects for improving mechanical efficiency
Construction Department	Responsible for the maintenance of mechanical and electrical appliances at various factories
Construction Safety Department	Responsible for occupational safety and environmental protection at all factories

2-5 Risk Management

Ta Chen Stainless Pipe builds a comprehensive risk management system for a sound management towards the goals of sustainable development. The scope of the risk management policy established covers "Financial Risks," "Operation Risks," "Information Security Risks," "Environmental Risks," and "Other Risks". It encompasses all potential risks that could have a direct or indirect economic impact on stakeholders, such as those related to climate change and human rights. The highest decision-making unit for Ta Chen Stainless Pipe's risk management is the Board of Directors. The Board is responsible for approving risk management policy and important risk management system as well as overseeing the implementation of these systems to ensure the effectiveness of risk management. The Audit Committee provides improvement suggestions on the formulation of the company's risk management policies and oversees the implementation of risk management to ensure the effective execution of internal control systems. The Finance Department is a dedicated unit for the execution of risk management responsible for coordinating related departments to carry out risk management work. The Audit Department formulates an annual audit plan based on the results of risk assessment each year and conducts audits of various systems according to the plan to ensure compliance with regulations. To implement the risk management mechanism, the results of the risk assessment are submitted and reported to the Board of Directors at least once per year, the most recent submission date was November 12, 2024.

Financial Risks

Ta Chen's major financial instruments include equity investments, accounts receivable, accounts payable, short-term bills payable, and borrowings. The Finance Department provides services to the business units, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks are market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

Ta Chen sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits are reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The impact of changes in interest rates, exchange rates, and inflation on the Company's profit and loss, and the future response measures, are shown as follows:

Item	Impact on the Company's Profit and Loss (Unit: NTD thousands)				Future Response Measures
	Item	2024	2023	2022	
Interest Rate	Interest Expense	1,094,946	1,159,200	1,215,810	Due to the nature of the industry, it is necessary to obtain short- and long-term loans to meet operational needs. The Company will continue to strengthen its financial structure and enhance the understanding of its operational fundamentals by financial institutions to secure more favorable loan terms. The Company will also engage in partial interest rate swap (IRS) transactions. As a result, under planned arrangements, the impact of interest rates will be minimized.
Exchange Rate Fluctuations	Exchange Gain (Loss)	957,343	130,184	1,951,808	Given the significant holdings in U.S. dollar assets, there is a risk of exchange loss if the NT dollar appreciates. The Company will, depending on exchange rate fluctuations in the market, conduct non-deliverable forward (NDF) transactions as appropriate to mitigate the risk of exchange losses.
Purchase Inventory Price Fluctuation	Sales Gross Profit	17,087,621	19,456,797	31,037,577	Based on inventory and business scale, and taking into account market price fluctuations, the Company will engage in partial hedging transactions for nickel and aluminum metals (swaps, futures, forward contracts), as appropriate. These are intended to offset future price fluctuations in nickel and aluminum metals, achieve a hedging effect, and ensure normal profit margins for the Company's stainless steel and aluminum products.

Operational Risks

In consideration of the global net-zero policy and the trend of carbon border adjustment mechanisms applicable in Europe and the USA, the Ta Chen Group has worked with a professional consulting service team to disclose carbon emission information in response to relevant regulations in the future, and also to help the Ta Chen Group review the carbon emission hotspots and adjust production lines to achieve the goal of sustainable development. No significant adverse impact is expected for the Ta Chen Group due to changes in domestic or foreign policies and laws.

Information Security Risk

In response to evolving information and communication security threats, Ta Chen Group's information systems have established host backup and remote data backup mechanisms to ensure uninterrupted service. Various simulation tests are carried out in data centers to ensure normal system operation and data security, reducing the risk of system interruption caused by unforeseen natural disasters or human error. Ta Chen Group also regularly promotes information security policies to employees to raise awareness and reduce information security risks. In the most recent year, Ta Chen Group did not incur any financial or operational impacts due to major information and communication security incidents.

Environmental and Other Risks

Ta Chen's management recognizes the potential impact of climate change on operations and long-term development and understands that future climate change scenarios will be influenced by global economic activities, greenhouse gas emissions, and other related factors. Ta Chen has gradually incorporated the assessment of climate change-related risks and opportunities into its operational strategies and is planning for countermeasures. For related assessment procedures, please refer to the section "5-1 Climate Change Risk."

2-6 Legal Compliance and Grievance Mechanism

Ethical Management

Ta Chen's Finance Department is the dedicated unit responsible for promoting ethical corporate management and implementing and monitoring preventive plans. The "Ethical Management Best Practice Principles" and "Procedures and Code of Conduct for Ethical Management" have been established and approved by the Board of Directors. All directors and senior executives have signed the "Statement of Compliance with the Ethical Corporate Management Policy," promoting compliance with regulations related to ethical management and codes of conduct, human rights, anti-corruption, and anti-bribery among their respective business entities and employees. Under the premise of safeguarding the Company's interests and protecting the rights and interests of our stakeholders, all employees are expected to treat customers, vendors and their colleagues fairly and refrain from manipulating, concealing, or abusing job-related information to gain improper benefits, or making false statements about major issues, or engaging in other unfair trading practices. "Ethical Corporate Management Best Practice Principles" clearly stipulates that, with the exception of conventional etiquette/social norms that necessitate offering a gift or acceptance of entertainment, no individual, company, or third party shall request, expect, deliver, or accept any form of gifts, hospitality, kickbacks, bribery, or other improper benefits for personal, corporate, or third-party gains In 2024, aside from fines totaling NTD 43,100 for traffic violations by company vehicles and a NTD 200,000 fine for a violation of the Occupational Safety and Health Act, the Company was not penalized by competent authorities or involved in litigation due to violations of laws and regulations related to the economy, human rights, anti-corruption, product responsibility, or the environment.

Ethical Corporate Management Best Practice Principles

Ethical compliance and suggestion mailbox grievance mechanism

Ta Chen Stainless Pipe encourages employees to report any illegal or unethical behavior on the intranet, including human rights, bullying, harassment, anti-corruption, and bribery. Employees at any level can make an appointment through the online contact channel (leuis@tachen.com.tw) for an interview with the president. All suggestions made to the President are received, processed, and submitted by the responsible supervisor at the President's Office to the President. Employees may also give suggestions or report any problems regarding internal management to the President in person. There is also a confidentiality mechanism in place for employees to give suggestions in a non-anonymous manner. Ta Chen adopts a zero-tolerance policy and commits that whistleblowers will not be subject to any form of retaliation due to their complaints. Only the Executive Vice President and the Head of Internal Audit have access to the relevant information. We have also set up a physical suggestion box at our factories for employees to submit their written suggestions/opinions/complaints. In 2024, there was no complaint case related to conflict of interest, money laundering or insider trading, anti-corruption or bribery in violation of the Code of Conduct.

The Company's mechanism for employees to give suggestions to and talk to the President face to face has been implemented for years, and thus, there have never been incidents involving unethical conduct. In response to ESG trends and expectations, we will continue to promote and conduct educational training courses on integrity for directors and employees, and relevant courses will be provided in the hope of allowing all employees to understand the Company's ethical policy and requirements.

In 2024, Ta Chen Group made the following adjustments to its corporate governance-related policies: English versions were added for the "Ethical Corporate Management Best Practice Principles," "Sustainable Development Best Practice Principles," "Procedures for the Prevention of Insider Trading," and "Workplace Sexual Harassment Prevention Measures, Complaint and Disciplinary Procedures." Chinese and English versions were added for the "Tax Policy" and the "Biodiversity and No Deforestation Commitment." The "Human Rights Policy" and the "Supplier Code of Conduct" were revised in Chinese and supplemented with English versions.

Internal Audit

The Audit Office follows the Annual Audit Plan for the implementation of tasks relating to internal audits, including the convention of pre-audit meetings, carrying out audits, drafting of internal audit reports, hosting conclusion meetings, and submitting audit reports. To meet the needs of sustainability management, the internal audit plan will include reviews of the sustainability report and greenhouse gas inventory. Once approved by the Chairman, audit reports shall be issued to relevant departments for rectification within a specific period. For follow-ups on rectification of anomalies identified during an internal audit, the Audit Committee shall draft an internal audit follow-up report based on the actual rectifications made by the audited unit. Before the end of May each year, the Committee shall prepare the "Rectification Report of Negligence and Abnormalities in Annual Internal Audit and Control", which the Chairman will approve before it is archived for reference with the competent authority through the online information system.

2-7 Information Security

Ta Chen Group has set up an "Information Security Organization" and formulated an "Information Security Policy" to ensure the stability of its sales platform and the safety of customer privacy. The "Information Security Organization" appoints one Chief Information Security Officer, served concurrently by the IT Department Manager, leading one dedicated information security officer, served concurrently by the IT Department Manager, and two information security staff. The organization is responsible for executing the information operation security management planning, establishing and maintaining the information security management system, handling the overall planning about information security and protecting the enactment and execution of related policies, risk management and audit on compliance.

Ta Chen Group's "Information Security Policy" is set forth as follows:

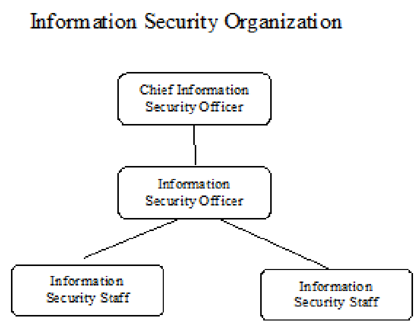
I. Maintain the continuous operation of the information system.

II. Prevent the invasion and destruction of hackers and viruses, etc.

III. Prevent improper intention and illegal use.

IV. Avoid accidents caused by human errors.

V. Maintain the safety of physical environment.



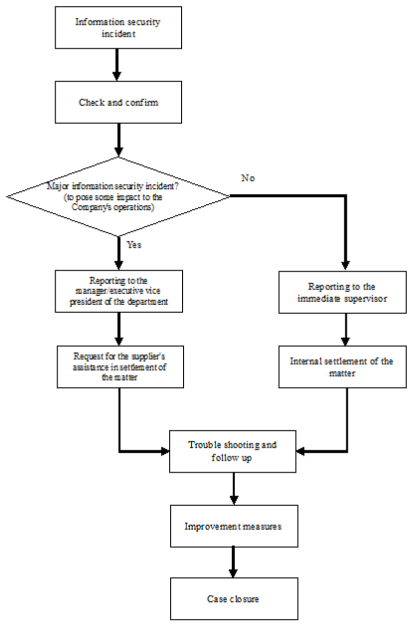
Ta Chen Group has set up an organization and the division of labor and responsibilities, focusing on personnel management and education & training, computer system management, network management, system access management, system development and maintenance management, information asset security classification, physical and environmental management, backup and recovery plans and other important tasks, with five major information security protection themes of anti-virus, anti-hacking, non-disclosure, business continuity and physical security, including the establishment of firewalls, intrusion detection, anti-virus systems, and performance of social engineering drills, etc., to keep improving the Company’s defense against external attacks, ensure the internal confidential information protection ability and enhance personnel's information security awareness.

Ta Chen Group has identified information security risks, including activities such as cyberattacks on critical systems from third parties that could disrupt the Company's operations and damage its goodwill. Such attacks could result in the inability of the systems to continue to support operations, loss of critical company data, and possible shutdown of production lines. Hackers might launch attacks in an attempt to steal the Company's business secrets and other confidential information, or interrupt the Company's operations, blackmail or extort in order to control the computer system or spy on the Company's confidential information. These attacks might cause the Company to pay damages to customers for the losses resulting from delay or interruption of orders, or to bear huge expenses for remedy, in order to improve the Company’s network security system, and might also subject Ta Chen Group Company to legal actions or regulatory investigations due to information leakage.

In order to prevent and minimize information security risks, Ta Chen Group has implemented countermeasures in the aspects of “management”, “technology”, and “personnel”. To further strengthen management, starting in 2023, Ta Chen has referenced international standards ISO 27001 and best practices from ISO 27002 to formulate more comprehensive information security management regulations. A continuous cycle of “Plan, Do, Check, Act” is implemented for ongoing improvement. Additionally, external audits are conducted annually to evaluate the Company’s computer security environment. On the aspect of “technology”, we will collaborate with our subsidiaries to improve the network firewall and network controls to prevent computer viruses from spreading across machine and factory premises; establish endpoint anti-virus measures subject to the computer type; conduct regular internal scans of vulnerability and penetration tests in the entire system architecture to discover any vulnerability and potential risks voluntarily, and then fix and respond to the same. On the aspect of “personnel”, we conduct social engineering exercises to raise awareness of information security among employees to avoid falsely clicking on phishing emails; for external personnel, we require them to comply with confidentiality and network security regulations in the service contracts signed with third-party service providers. After each social engineering drill, information security education and training are conducted for employees who triggered the simulation, in order to strengthen information security awareness.

Additionally, Ta Chen Group has formulated the regulations governing "Notification of Material Information Security Incidents" and has implemented specific information security measures to fortify the important line of defense for information security. In terms of "network security," we have implemented a firewall equipped with online monitoring functions to control the data transmission and access to resources between outsiders and the Company's intranet. In terms of "device security," all-important host equipment is placed in the main server room, which is equipped with access control measures. In terms of "network behavior analysis", we have implemented the AI tool, Darktrace, to guard the Company's information security. In addition, we have established the "Regulations Governing Media Scrap Management" to ensure that confidential and sensitive information contained in scrap media will not be leaked out. In terms of "backup equipment", we have backup hosts in the main server room of different buildings in the factory, and backups of essential data and software of the equipment in the main server room are performed regularly. Meanwhile, in order to enable the personnel to be sufficiently competent to respond to any accident suffered by the Company, the Company has established the "Disaster Recovery Plan" and conducts recovery drills at least once a year, with records and subsequent reviews. As for the "backup environment", there are two important hosts and firewalls in the Company's data center. Meanwhile, the HA architectures can serve as the backup for each other. Thanks to everyone's prudent efforts to prevent information security incidents, the Company did not have any information security leakage incidents in 2024, and no losses were incurred to the Company or its customers.

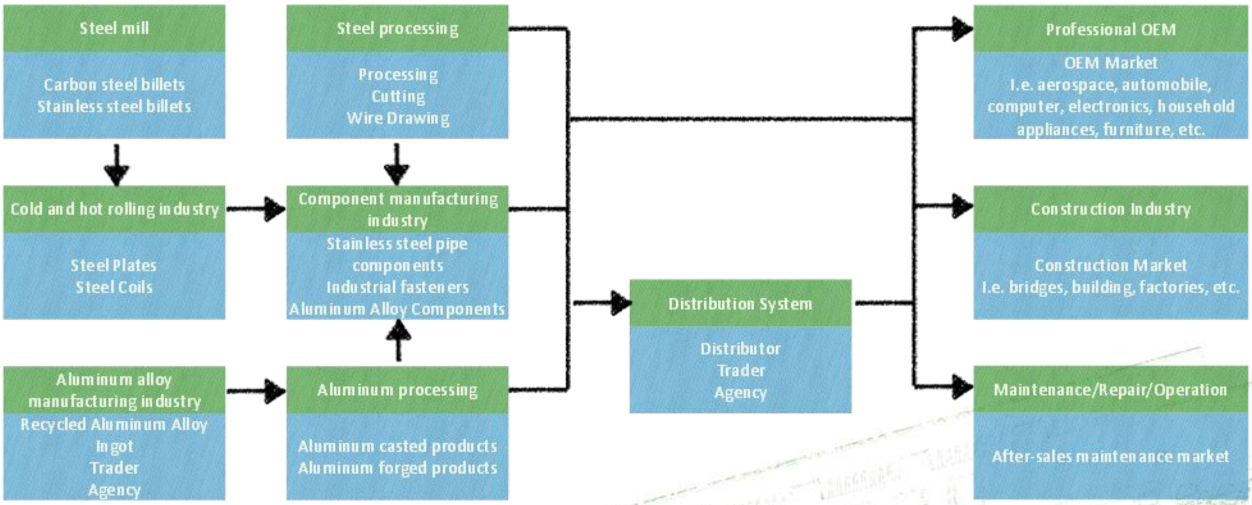
Major Cybersecurity Incident Reporting Procedure



Ta Chen Group's information security team also conducted education and training on information security in 2024, focusing on understanding social engineering cyber security and strengthening awareness in information security, with in-depth discussions on topics such as information security threats, social engineering attack techniques, and prevention methods, especially on emails, phishing letters and websites, as well as fraudulent practices by instant messaging and mobile devices, and emphasizing how to protect oneself in the era of increasing cyber threats. In addition to strong passwords, dual authentication, and regular system and software updates, it is ever more important to foster proper security concepts and knowledge of identifying malicious emails. It is expected that the training on information security will be gradually extended to all employees. From time to time, the information security team at the headquarters will also exchange information with the team at the US Factory to learn from each other's security measures.

3. Value Chain Management

Upstream and Downstream Supply Chains



We and our subsidiaries form a distribution system of stainless steel materials, aluminum materials, and fasteners. The major upstream material sources are metal and steel refining companies (e.g. Walsin Lihwa Corp. Ltd. and Yieh United Steel Corp., in the steel industry). The stainless or carbon steel billets produced are transformed into stainless or carbon steel plates, steel rolls, and coils by rolling companies in the hot rolling, cold rolling or wire drawing processes. The steel processing companies and component/accessory manufacturers then use these materials to make products that meet the demands of the downstream customers. Therefore, the Company does not own any mines or have any operations to extract minerals. Most of the raw materials for welded pipe components are the steel pipes we produced on our own. So we can completely control the source of the raw materials. The raw materials for stainless steel sphere valves are stainless steel billets. In addition to the purchased raw materials for further processing and assembly, our subsidiary, Shijiazhuang Tachen Jitai Machinery Co., Ltd., provides the stainless steel billets needed for the production of the valves. This helps us to ensure our autonomy over the acquisition of stainless steel billets.

For the aluminum materials, waste aluminum materials are recovered to make recycled aluminum alloy ingots and extrusion ingots (pure aluminum ingots and waste aluminum). Processing companies then use these materials to make cast and forged aluminum products (aluminum plates, sheets, coils, foils, strips, and strings and mesh). The processing companies and component/accessory manufacturers then use these materials to make products that meet the demands of the downstream customers. The main material of plastic curtain boards is Polyvinyl Chloride (PVC). The sources of procurement are reliable due to many domestic suppliers available.

The sale of the metal materials or fasteners on the global market is the responsibility of multinational distribution channels. These and various channels in the supply chain of other countries build a complicated cross-border network and form a competitive relationship between the international and local distributors. In general, the ability of a single manufacturer in the metal material and fastener industries is limited, leading to an extraordinary co-relationship between the upstream, midstream, and downstream companies in the industries. There is a high level of interdependence between them. We integrate the suppliers in Asia to provide premium stainless material and industrial fastener products at a reasonable price, and provide the products to the retailers, distributors, and resellers in Europe and America through our physical channels and e-commerce platforms.

3-1 Channel Management

Warehousing Centers

The development of the international channel industry is moving towards the operation of "Global Logistics", especially for global cross-national, large OEM leading enterprises. OEM end-users have been focusing their internal resources on core operations while outsourcing the rest of its operations to external professional channel industries in response to global competition. By doing so, they were able to reduce a significant number of suppliers while outsourcing non-core procurement items such as raw materials or components to a single or selected few quality professional channel enterprises by signing a long-term turnkey supplying contract, forming long-term partnerships. Through Vendor Managed Inventory (abbreviated as "VMI"), the Company gets to significantly improve the scope of its services. Channel enterprises are responsible for tasks including the continual lowering of costs for purchase, being accountable for product quality for inspection-free products , building and managing inventory by request, managing suppliers by request, providing JIT delivery, so as to lower overall cost and achieve the goal of JIT production, sales and delivery.

Under the global operations of Ta Chen Stainless Pipe, we understand that professional wholesalers and distributors are faced with huge inventories and overstock capital. Hence, it is necessary to seek for one-time wholesaler for collaboration support, and forging partnerships to facilitate operations. The one-time wholesalers are moving towards the goals of developing logistics management and electronic business. They also want to effectively lower the inventory cost with business goals of "one-time procurement" and "customer virtual warehouse" to support the inventory needs of professional wholesaler or distributor at any time. Under such circumstances, the one-time wholesaler will integrate the inventory needs of the professional wholesaler or distributor getting hold of more procurement power. This allows them to have more room for negotiations to lower the costs and drive the professional channels to become more competitive and advantageous.

Information Platform

For the objective of making quicker responses to the needs of upstream and downstream customers, Ta Chen Stainless Pipe began to integrate each of its business flow functions. A highly integrated supply chain channel system is formed through joint planning and process and information exchange on operation and strategy aspects enabling a huge increase in the overall performance of the channels. Product added-value is elevated by introducing information management system. The system conducts big data analysis and uses analytic technologies on customers' past record of use and habits to gradually build information on the habits of our customers. With sufficient understanding of the needs of customers, we can provide customized products and services. Through a seamless information management system, the Company is able to provide relevant functions and information such as Customer Service, product quotation and inventory management that work as our competitive edge in channel deployment. The Company has set up distribution management platforms in both Taiwan and the US to provide convenient and fast online purchase services for customers. Naturally, efforts have been made to ensure adequate security protection for our information system to guarantee the security and safety of our customer's transactions. We have also established our remote backup system that is operating around the clock to act as a backup server should our mainframe encounter any situation so that we can provide uninterrupted services to our customers. Backups of all accounts and transaction records are created regularly to prevent massive data loss in the archives due to unexpected events.

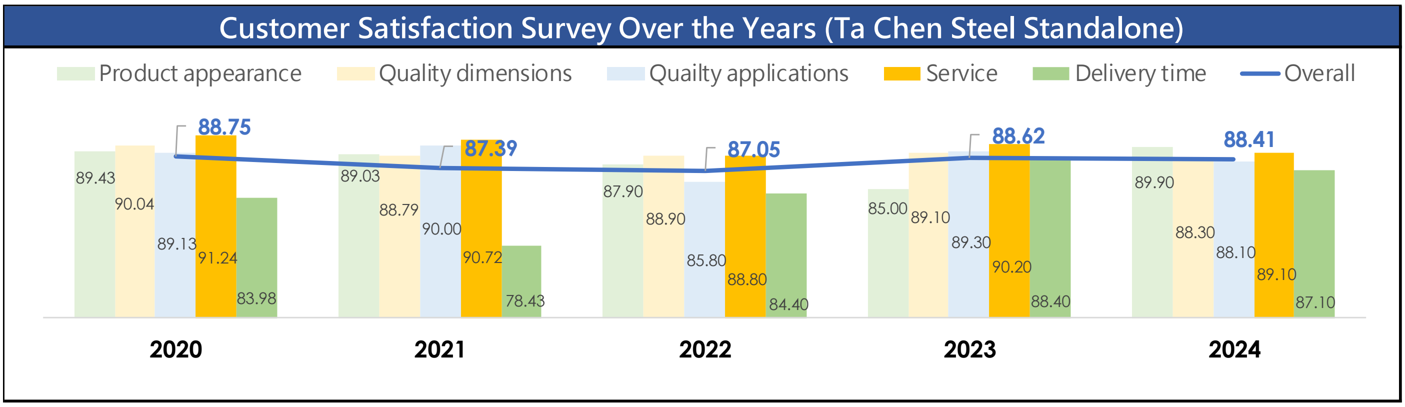
Inventory management	Price and quantity management	Customer service	Accounts receivable
• Precise inventory control • Versatile delivery	• Differentiated pricing strategy • Real-time distribution monitoring Global online distribution	• Online price inquiry and order placement • Real-time shipping and shipment tracking	• Credit line control • Online order amount control

3-2 Customer Service

One of the goals that we have had since our initiation is to provide satisfactory products and services to our customers because we appreciate the fact that by creating maximum value for our customers, we will earn the trust and support of other prospective customers, which we will need to expand our client base and distribution volume. As such, the Company has been proactively building its platform for marketing and services by pooling the group's resources to deliver comprehensive presale, mid-sale and after-sale services. The Company is committed to improving its expertise and speed of delivery while managing customer relationships, accumulating talents and experience to create higher customer satisfaction. Each year, the Company conducts customer satisfaction surveys for all customers that have engaged in business transactions with the Company and are not from our affiliated companies. Results of the survey would serve as the basis for relevant improvements and supervisions while enabling us to better understand customer needs so that we can improve relevant operations. These efforts will help us achieve win-win results with our customers and facilitate an increase in the Company's overall profits. We have over the course of the past years, successfully communicated on the reduction methods for packaging materials with our customers. In the future, we will continue to think about methods to make packaging more environmental-friendly contributing to waste reduction and enhancement of container stuffing and de-stuffing efficiency. In 2024, through flexible utilization of contracts with shipping companies, Ta Chen maximized container space utilization to reduce carbon emissions from transportation and ensure stable supply of goods. As for carbon emission disclosure requirements, since the majority of Ta Chen's market is in the US, such requirements are relatively limited. Most of the demand for this comes from European customers. Ta Chen also complies with the CBAM schedule and submits the required information in accordance with regulations.

Customer Satisfaction

Surveys for TCI and other customers have been carried out in isolation to ensure that the results better reflect customers' opinions and feedback. The survey covers five aspects: product appearance, quality dimensions, quality application, service, and delivery time. If the average result falls below 75 points, if any single aspect scores below 60 points, or if an individual customer's average satisfaction is below 70 points, responsible personnel will complete a Customer Satisfaction Suggestion Handling and Follow-up Form to facilitate continual improvement. In 2024, the customer satisfaction survey result for Ta Chen on a standalone basis was 88.41 points. Each aspect was roughly equivalent to 2023 levels, meeting customer requirements and expectations. For other subsidiaries: Ta Chen Jitai had a target score of 4 points, with an actual average score of 5 points; Ta Chen Boye had a target score of 87 points, with an actual average score of 97 points; Ta Chen Lung Mei Home Life had a target score of 4.6 points, with an actual average score of 4.67 points.



3-3 Product Development and Quality Management

Product Certification

We started the implementation of the quality management system in 1994 and passed the ISO9001:2015 certification in 2018. The effective period of the certificate expires in 2024. In addition, the US National Science Foundation is committed to the maintenance of public health, public safety and environmental protection. It has established relevant standards for operations pertaining to food, water, indoor air quality and environment. Among these standards, the stainless steel pipe products distributed by the Company are applicable to the "NSF/ANSI 61: Drinking Water System Components- Health Effects", which prescribes the evaluations of stainless steel pipes and related products that come in contact with drinking water for an extended period of time to test the release of impurities/contaminants and ensure that our products do not contain hazardous substances. At present, most of our products exported to the US and Canada are compliant with this specification (up to the end of 2021 the Company has a total of 30 compliant product items. For a detailed list of these products, refer to https://goo.gl/8fnKTn). These products are required to bear the NSF logo and the Company is required to submit samples of our products for reinspection on a yearly basis, coupled with sporadic audits. While products exported to other regions and territories do not bear the NSF logo, all of our products are also compliant with the NSF standard in terms of safety performance. In 2024, the Company had zero violations for product compliance of mislabeling.

Apart from cast pipe accessories, all of our products are compliant with the Pressure Equipment Directive PED 2014/68/EU, which requires that stainless steel pipes and accessories are required to conform to the allowable pressure during conveyance of fluid. It is mandatory for all exports entering the EU market to comply with this directive for local distribution of pressurized equipment and products must be certified by a Notified Body to receive the CE logo in accordance with the technical specifications to indicate compliance.

The EU norms were replaced with UK norms in response to Brexit. The UK established the Pressure Equipment Safety Regulations 2016 for pressure equipment and the Regulations are expected to be brought into force in 2023. We have passed the management system certification to ensure compliance with the Regulations. All pipe fittings and valve products have passed the qualification for UKCA certification and the labor inspections. All products have passed the inspection and testing certified under the European Union Pressure Equipment Directive (PED).

Our stainless steel valves are compliant to the API 607 standard of the American Petroleum Institute (API) for fire tests for quarter-turn valves and valves equipped with nonmetallic seats to ensure that such valves (as a part of petrol pipeline/chemical factory) would not be susceptible to fluid leakage when exposed to specific high temperatures in the event of a fire hazard. Not only that, our stainless steel valve product lines passed the product testing by the American Bureau of Shipping (ABS) to verify our products satisfy the requirements for pressure and temperature. The ABS requires onsite evaluation at our factory to be carried out on a yearly basis. We have inspected deep well coupling and valve product lines in response to customer demands for low lead testing NSF372 in drinking water, and the results showed that no lead is detected. At the same time, we arranged for the steel pipes to undergo the NSF61 test for the precipitation of heavy metals, especially for the precipitation of tetravalent chromium, and the result showed that none was detected. We will continue to undergo other types of NSF tests in the future. Certified products accounted for 44.75% of valve sales during the year; 22% of valve and fabric roll sales; and 1% of total sales.

Furthermore, our European customers have been commissioning licensed auditing bodies to audit our factories once every two years. The audit is a full-scale review of our fulfillment of corporate social responsibilities by verifying the extent of our implementation. Any oversight found during the audit has to be rectified in time but all of the audits we had thus far had turned out well. Our US customers are more concerned with the audit of our products and processes, and they have been conducting irregular on-site audits each year.

Intellectual Property Management

In order to enable intellectual property management to achieve the organization's operating objectives, ensure that the operating activities of the Company and its subsidiaries comply with the requirements of laws and regulations related to intellectual properties, and that the intellectual properties required for operations are properly protected to avoid infringing on the intellectual property rights of others, the Company's Intellectual Property Management Plan is implemented as follows.

I. Trademark Management

1. Continue to keep an eye on the future planning and development of the business in the regions where the Company and its subsidiaries carry out product marketing, promotion and services, and apply for new trademark registrations in advance to refine the strategic arrangement for trademarks.
2. When introducing or developing new products, conduct ex-ante trademark searches and investigations to avoid infringing the trademark rights of others.
3. Understand the trademark regulations in Taiwan and overseas markets.
4. Keep a record of registered trademarks and maintain their validity.
5. Actively protect the trademark rights of the Company and its subsidiaries in the regions where they carry out marketing, promotion and services, and combat the malicious attachment of trademarks or corporate names to eliminate infringement by others, so as to avoid jeopardizing the rights and interests of the Company's trademarks and to establish and maintain the brand value of the Company.

II. Patent Management

1. Carry out patent searches and registration applications in accordance with the regulations in response to business needs.
2. Keep a record of registered trademarks, make associated payments regularly, and maintain their validity.
3. Understand the patent regulations in Taiwan and overseas markets.

III. Trade Secret Management

1. Through computer system management, conduct regular education and training for all employees, access control, information security management, and other measures to ensure that the trade secrets the Company needs to protect comply with the requirements of the Trade Secrets Act, and regularly provide promotional education to all employees on trade secret protection.

2. The Company's cooperation contracts with external parties must include confidentiality clauses and penalties for leakage.

3. The Company requires its employees to sign a written non-disclosure agreement to protect the Company's secrets from being leaked.

The Company took related measures in accordance with the Intellectual Property Management Plan, and reported to the Board of Directors on November 12, 2024, on the results of the implementation of the intellectual property-related measures. The list of intellectual properties acquired by the Company and its subsidiaries as well as the results are shown as follows.

Region	Trademark	Patent
Taiwan	85	3
Overseas	224	130
Total	309	133

3-4 Supply Chain Management

Supply Chain Management

We have upheld long-term partnerships and established a stable collaboration and operation mechanism with our suppliers. The supplier management mechanism is compliant with the supplier management procedure required by the ISO 9001 management system for the management of new and existing suppliers.

Supplier Code of Conduct

Supplier Sustainability Management

To strengthen the resilience of the supply chain for sustainable development, Ta Chen has formulated the "Supplier Code of Conduct." This code covers five major aspects: the protection of labor rights and human rights, occupational health and safety, environmental protection, business ethics, and management systems. Based on this code, we further established the "Supplier Corporate Social Responsibility Commitment" Letter and have required suppliers to sign it starting in 2022. The letter has been distributed to our top 50.8% of suppliers by total group procurement amount, with a total signed return rate of 66.6%.

In addition, in response to the EU's Carbon Border Adjustment Mechanism (CBAM), Ta Chen has reached communication agreements with raw material suppliers, requiring them to provide verified carbon emission data and related information on a quarterly basis.

Sustainability Risk Assessment

Ta Chen, on a standalone basis, categorizes major suppliers by raw materials, materials, and indirect materials. For suppliers with transactions in 2024, the Company further tiered them based on business criteria such as "whether they trade directly with the Company" and "procurement amount." The classification results are as follows:

- Ta Chen Standalone Supplier Classification in 2024

Supplier Screening	Definition	2024
Total number of Tier-1 suppliers	Suppliers of raw materials, materials, and indirect materials with whom we transact directly.	264
Total number of Significant Tier-1 supplier	Direct suppliers of raw materials, materials, and indirect materials that represent the top 90% of our annual transaction value.	7
Percentage of total spend on significant suppliers (%)		**90.08 %**

To assess sustainability risks within our supply chain, Ta Chen administered a self-assessment questionnaire to its significant Tier 1 suppliers. The questionnaire covers the following six major aspects, with a total of 64 questions:

Dimension	Description
Environmental Protection	Greenhouse gas inventory and reduction, waste, wastewater, air emissions, and energy/resource management
Labor Rights and Human Rights	Prohibition of child labor and forced labor, diversity and anti-discrimination, working hours, wages and benefits, freedom of association
Health and Occupational Safety and Hygiene	Workplace health and safety, emergency response procedures, hazardous operations and material management, safety equipment inspection
Business Ethics	Business ethics policy, anti-corruption and anti-bribery, intellectual property rights, personal privacy, corporate management system
Management System	ISO 9001 certification, environmental and social responsibility policies
Conflict Minerals	Includes the formulation and disclosure of responsible mineral sourcing policies and the avoidance of conflict minerals in products

Evaluation Results

Ta Chen, on a standalone basis, had a total of 7 significant Tier-1 supplier, and all of them responded to the sustainability self-assessment questionnaire, achieving a 100% response rate. Based on the evaluation results, Ta Chen classified suppliers based on the percentage of unachieved items. The detailed classification results are as follows:

Result Classification	Percentage of Unmet Questions	Number of Suppliers
A Grade	0-5%	4
B Grade	5%-10%	1
C Grade	Greater than 10%	2

In the future, we will plan and implement follow-up actions for C-grade suppliers.

Local procurement

Enhancing local supply chains is part of supply chain management. This includes reducing the carbon footprint of transporting raw materials, minimizing environmental impact, increasing the supply capacity of local suppliers, and prioritizing the procurement from local suppliers. In 2024, Ta Chen Group’s local procurement ratio was 59.98%.

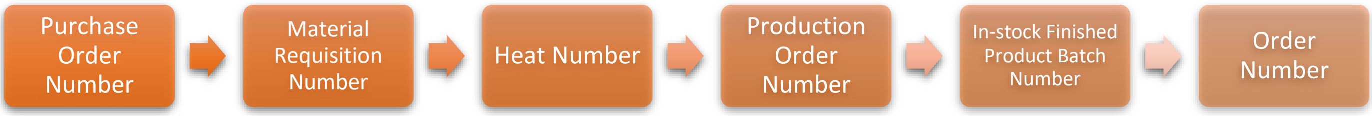
Prohibition of Conflict Minerals

Ta Chen regards the prohibition of conflict minerals as a core principle in raw material procurement and does not procure from countries with disputed raw material sources. Major steel suppliers such as Yieh United Steel Corp. and Walsin Lihwa have both publicly declared their prohibition of conflict minerals. In recent years, they have further actively increased the use of scrap steel in the manufacturing of stainless steel plates to promote the circular economy.

There has been growing global concern regarding conflict minerals originating from the Democratic Republic of the Congo and neighboring countries, especially as the Responsible Minerals Initiative (RMI) has included cobalt as a regulated mineral. Ta Chen defines conflict minerals to include five types of materials: tantalum, tin, tungsten, gold, and cobalt. Upon investigation, the Company’s stainless steel raw materials do not contain the aforementioned metals, and suppliers have not been found to use conflict minerals. We encourage suppliers to sign a commitment to prohibition of conflict minerals, and we conduct annual due diligence to ensure safe material sourcing, and reject the use of conflict minerals.

Management of Chemicals

Since our products are used for the purposes related to food and consumer-related applications, it is necessary to make sure the materials of the products meet chemicals management regulations such as RoHS and REACH. In addition, the state government of California established the “Safe Drinking Water and Toxic Enforcement Act of 1986” (California Proposition 65 or CA Prop 65) to govern the safety of drinking water and management of toxic materials. All products sold to California must undergo testing to make sure they do not contain the chemicals listed in CA Prop 65.



Cutting and pipe manufacturing are our major processes in addition to the subsequent finishing process. No chemicals are needed for the cutting process and we ensure a filler-free welding process which fuses and binds steel pipes at a high temperature. Since no welding agent is needed, there is no concern about chemicals. The polishing process is the final step to make the surface of the product delicate. No chemicals are needed for this step. Consequently, the finished product presents the same material as that input for the production.

To provide services for customers who need a material certificate, we have established a material certification acquisition system. It builds a linkage of information flow from placing orders, conducting shipment, to the purchase of raw materials to form a connection of the order number, in-stock finished product batch number, production order number, heat number used for the production, raw material batch number, and the purchase order number corresponding to the input, ensuring traceability to the original purchase material number and the contents of the material certification provided by the supplier.

Customers can perform query by entering the order number on the online information platform. The system will trace to the corresponding material certification document and allow customers to download it. This can reduce the manpower and improve customer service efficiency.

4. Human Resource Management

The Company has always been centered on people, and we perceive our employees to be our most important asset. As such, employee care has become the most fundamental responsibility for supervisors and managers at all levels. In addition, we have spared no efforts in the creation of a quality work environment for our employees. Various systems/mechanisms and benefits we have established for foreign employees are equivalent to those intended for our local employees. Employees do not receive impartial treatment for factors such as gender, religious belief, ethnicity, nationality and political affiliation.

Respect human rights

To maintain and protect employee's basic human rights, Ta Chen supports and abides by the spirit of human rights protection and basic principles as promulgated in the "UN Universal Declaration of Human Rights" and "International Labor Convention." The Company treats and respects all employees with a fair and just attitude and has established the "Human Rights Policy" to this end. The main execution guidelines of the "Human Rights Policy" cover aspects in "protect equality in rights to work," "provide a healthy and safe workplace" and "stimulate labor-management harmony." The Company demonstrates that it values and respects human rights and it expects all of its employees and partnering suppliers to share the same values and abide by these standards. This policy was approved by the Chairman and is published on the Company's website. Moreover, it has been promoted to all employees of the parent company, and Mr. Jung-Kun Hsieh, the President and Board Member, has been entrusted to supervise the Company's human rights management and implementation. Ta Chen treats all employees fairly in accordance with human rights policies and labor laws, and there were no human rights violations or discrimination or harassment incidents in 2024.

Human Rights Policy

Ta Chen Group respects employees' freedom of association and collective bargaining. Each operating site handles employee association matters in accordance with the law. For example, employees of TKA and Primus participate in the United Steelworkers union, have signed collective agreements, hold regular meetings, and renew the collective agreement every three years. The coverage rate is 73% for TKA and 71% for Primus. Employees at the Taiwan facility of Right Way Industrial Co., Ltd. (RWI) have independently formed a labor union and have also signed a law-based collective agreement. The labor union participation rate at RWI Taiwan is 99.64%, and employees who have not joined labor unions also enjoy the same rights under the collective agreement. For details, please refer to Right Way Industrial's sustainability report. Among Ta Chen Group subsidiaries with signed collective agreements, the signing rate is 82%.

4-1 Talent Attraction and Development

Recruiting

The Company hires new employees through open recruiting. Our recruiting supervisors are tasked with selecting job seekers who are suited to join us based on their academic credentials, experience, personality traits and previous work experiences. In addition, the Company adheres strictly to labor-related laws and hires no employees under the age of 16, nor do we use forced or compulsory labor. In the event of changes in our operation that lead to significant adjustments to our need for manpower, the Company will adhere to pertinent labor regulations and communicate with affected employees for relevant arrangements within the legally required period of advance notice.

Item	Category	2022		2023		2024	
		Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
Total number of new employees		167	17.0%	64	6.1%	722	14.2%
Gender	Male	123	15.8%	55	6.8%	539	15.5%
	Female	44	21.6%	9	3.9%	183	11.2%

Age	Under 30	67	46.5%	34	22.8%	320	41.8%
	31-50	87	13.4%	28	4.1%	327	10.8%
	Over 51	13	7.0%	2	1.0%	75	6.7%
Work Location	Taiwan	167	16.0%	64	6.2%	263	12.6%
	Overseas	Relevant data not disclosed				459	15.2%

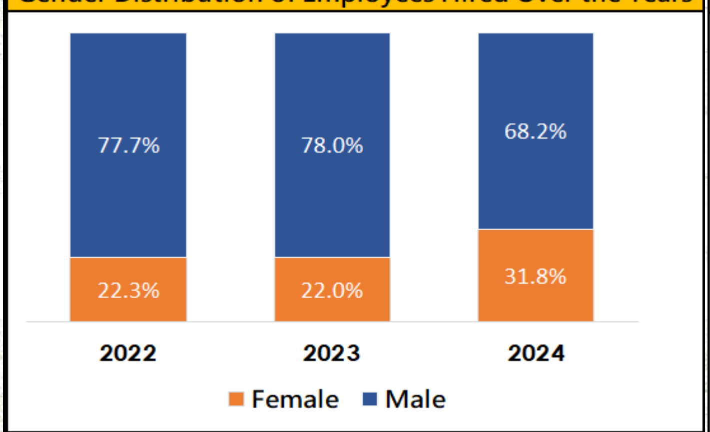
Note: New hire ratio = Number of new hires in the category during the year ÷ Total number of employees in the category at year-end

Workforce Profile

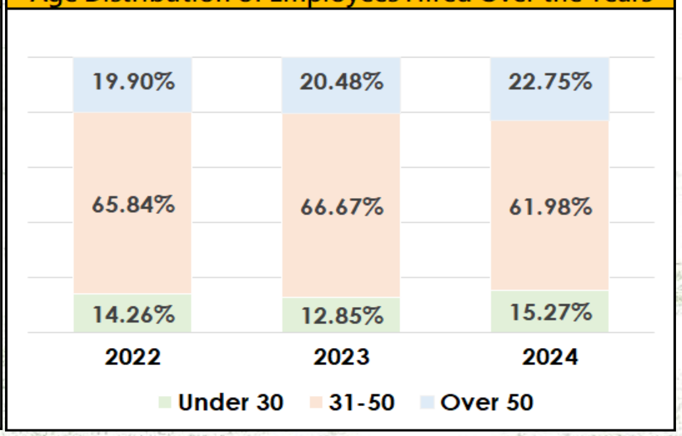
This year's report includes all consolidated subsidiaries, except for Nash Metals, LLC, which was acquired and brought under control as of December 31, 2024. The coverage rate is 100%. As a result, figures disclosed this year may differ significantly from previous years. In 2024, the total number of Ta Chen Group employees was 5,090. Among them, 3,469 were male employees (68.2%), and 1,621 were female employees (31.8%). Manufacturing, warehousing, and transportation roles are mostly labor-intensive, hence the higher number of male employees. The gender ratio has not changed significantly over the past three years. There were 4,284 non-fixed-term employees, 795 fixed-term employees, and 11 zero-hour contract employees, with no dispatched workers. Ta Chen, on a standalone basis, also categorized all non-managerial employees by engineering (STEM) and non-engineering roles: In 2024, there were 14 female STEM employees (1.37%); in 2023, there were 15 female STEM employees (1.45%), showing little difference between the two years.

Item	Classification	2022		2023		2024	
		Number of People	Percentage	Number of People	Percentage	Number of People	Percentage
Number of Employees	Male	812	77.7%	807	78.0%	3,469	68.2%
	Female	233	22.3%	228	22.0%	1,621	31.8%
	Total	1,045	100%	1,035	100%	5,090	100%
Permanent Employees (Non-Fixed Term)	Male	733	70.1%	728	70.3%	2,924	57.4%
	Female	232	22.2%	227	22.0%	1,360	26.8%
Temporary Employees (Fixed-Term Contract)	Male	79	7.6%	79	7.6%	534	10.5%
	Female	1	0.1%	1	0.1%	261	5.1%
Zero-Hour Contract Employees	Male	0	0.0%	0	0.0%	11	0.2%
	Female	0	0.0%	0	0.0%	0	0.0%
Dispatched Workers	Male	0	0.0%	0	0.0%	0	0.0%
	Female	0	0.0%	0	0.0%	0	0.0%
Work Location	Taiwan	1,045	100%	1,035	100%	2,086	41.0%
	Overseas	0	0.0%	0	0.0%	3,004	59.0%
Age	Under 30	149	14.2%	133	12.9%	777	15.2%
	31-50	688	65.8%	690	66.7%	3,155	62.0%
	Over 51	208	20.0%	212	20.4%	1,158	22.8%

Gender Distribution of Employees Hired Over the Years



Age Distribution of Employees Hired Over the Years



In 2024, there were 729 employees at the entry-level supervisor position and above, with women accounting for 25.1% of all managers. Among senior (Level 1) executives, the proportion of female managers was 25.9%, while among mid-level managers, the proportion of female managers was 32.0%. Among senior executives, 97.4% were local residents.

Item	Classification	2022		2023		2024	
		Number of People	Percentage	Number of People	Percentage	Number of People	Percentage
Senior (Level 1) executives	Male	24	72.8%	26	72.2%	86	74.1%
	Female	9	27.2%	10	27.8%	30	25.9%
Mid-level managers	Male	57	73.0%	57	72.1%	160	68.0%
	Female	21	27.0%	22	27.9%	75	32.0%
Junior (Level 1) supervisors	Male	81	84.3%	87	85.3%	300	79.4%
	Female	15	15.7%	15	14.7%	78	20.6%
Professionals	Male	173	85.2%	171	84.2%	518	56.8%
	Female	30	14.8%	32	15.8%	393	43.2%
Direct personnel	Male	477	75.1%	466	75.8%	2,405	69.7%
	Female	158	24.9%	149	24.2%	1,045	30.3%

Item	Classification	2022		2023		2024	
		Number of People	Percentage	Number of People	Percentage	Number of People	Percentage
Senior (Level 1) executives	Under 30	0	0.0%	0	0.0%	0	0.0%
	31-50	7	21.2%	8	22.2%	40	34.5%
	Over 51	26	78.8%	28	77.8%	76	65.5%
mid-level managers	Under 30	-	0.0%	1	1.3%	1	0.4%
	31-50	50	64.1%	51	64.6%	140	59.6%
	Over 51	28	35.9%	27	34.1%	94	40.0%
Junior (Level 1) supervisors	Under 30	3	3.1%	2	2.00%	17	4.5%
	31-50	68	70.8%	73	71.6%	264	69.8%
	Over 51	25	26.1%	27	26.4%	97	25.7%
professionals	Under	13	6.4%	9	4.4%	175	19.2%
	31-50	159	78.3%	162	79.8%	590	64.8%
	Over 51	31	15.3%	32	15.8%	146	16.0%
direct personnel	Under 30	133	20.9%	121	19.7%	584	16.8%
	31-50	404	63.6%	396	64.4%	2,121	61.6%
	Over 51	98	15.5%	98	15.9%	745	21.6%

Note: Senior managers include Chairman, Executive Vice President, Manager, and Deputy Manager; mid-level managers include Section Chief and Deputy Section Chief; entry-level managers include Senior Specialist, Assistant Specialist, and Senior Team Leader; professionals refer to Engineers; direct personnel refer to employees in non-managerial and non-engineering roles.

Workforce Turnover

In 2024, 853 employees resigned, with an overall voluntary turnover rate of 13.83%, including 14.6% for male employees and 12.2% for female employees.

Item	Classification	2022		2023		2024	
		Number of People	Percentage	Number of People	Percentage	Number of People	Percentage
Total number of general employee resignations		99	10.1%	71	6.8%	853	16.7%
Gender	Male	86	11.1%	57	7.0%	616	17.8%
	Female	13	6.4%	14	6.0%	237	14.6%
Age	30 and below	33	22.9%	24	16.1%	305	39.8%
	31–50	51	7.9%	28	4.1%	418	13.8%
	51 and above	15	8.0%	19	9.1%	130	11.6%
Work Location	Taiwan	99	9.5%	71	6.9%	352	16.9%
	Overseas	Relevant data not disclosed				501	16.7%

Total number of voluntary employee resignations		Relevant data not disclosed	705	13.8%
Gender	Male		506	14.6%
	Female		199	12.2%
Age	30 and below		270	35.1%
	31–50		348	11.5%
	51 and above		87	7.7%

Note: Employee turnover rate = Number of resignations in the category during the year ÷ Total number of employees in the category at year-end

Education and Training

As for the education and training as required by laws and regulations, we designate a person to allocate budgets and provide such training on a regular basis. As for the professional training related to the functions of each department, we authorize department heads to file an application depending on the demands or after receiving external course information. Professional training including specialized sessions related to waste, greenhouse gas inventory sessions, hazardous chemical emergency response sessions, measurement sessions, cafeteria hygiene sessions, Ionizing radiation protection sessions and language courses. Internal training within the factory is mainly provided in the form of OJT (On-the-Job Training). The factory manager or the head of the production line may provide training and pass on experience to enhance required knowledge and techniques through meetings or communication groups during the daily work with reference to the quality management system, yield rate, or customer complaints. For Ta Chen, on a standalone basis, during the reporting year, quality-related courses included topics such as “Measurement Technology and Calibration Practices for Testing Equipment,” “Heat Treatment and Phase Transformation Analysis of Stainless Steel Materials,” “Inspection of A403 Forged Austenitic Stainless Steel Piping Fittings,” and “Process Performance Indicators.” Participants included colleagues from the Quality Control Department, factories, and laboratories promotion projects and related education and training courses are developed within the factory. A “waste reduction” project was continuously promoted in 2024. Enhancement training and discussions with respect to the steps in the production process were conducted for production lines to reduce generation of waste. For Ta Chen, on a standalone basis, the production volume in the previous year was 39,842 metric tons, with approximately 746.24 metric tons of waste generated. The calculated waste intensity (total waste ÷ production volume) was 0.0187. In the reporting year, the production volume was 39,842 metric tons, with approximately 856.2 metric tons of waste generated. The calculated waste intensity was 0.0176. Thanks to the efforts of employees, the waste intensity decreased by 6.2% compared to the previous year, and the reduction also contributed to an approximate decrease by 8.4% in waste treatment costs.

In 2024, the amount invested in education and training was approximately NTD 1,364,792, with an average training cost per person of approximately NTD 268. The total number of training participants (excluding OJT) was 2,019 and the total number of training hours was 10,678.2, resulting in an average of 2.6 training hours per person. By job level, the average training hours were 3.53 for senior executives, 8.49 for mid-level managers, 10.25 for entry-level supervisors, 2.99 for professionals, and 1.09 for direct personnel. The average training hours for male employees were 3.10, and for female employees, 1.73.

Summary Table of Training Hours		2022		2023		2024	
		Hours	Average hours	Hours	Average hours	Hours	Average hours
Education and training hours	Senior (Level 1) Executives (Female)	44.0	4.89	36.0	3.60	60.0	2.31
	Senior (Level 1) Executives (Male)	30.0	1.25	59.5	2.29	240.0	4.07
	Mid-Level Managers (Female)	12.0	0.57	59.0	2.68	396.0	6.29
	Mid-Level Managers (Male)	-	-	330.0	5.79	1,319.8	9.50

	Entry-level (Junior) Managers (Female)	-	-	31.0	2.07	741.5	10.44
	Entry-level (Junior) Managers (Male)	-	-	849.0	9.76	2,487.0	10.19
	Professional Personnel (Female)	-	-	42.0	1.31	857.2	2.24
	Professional Personnel (Male)	-	-	1,821.5	10.65	1,780.8	3.58
	Direct Personnel (Female)	-	-	224.5	1.51	355.9	0.42
	Direct Personnel (Male)	4,269.5	8.95	1,061.5	2.28	2,440.0	1.41
Training Hours by Job Level Statistics	Senior (Level 1) Executives	74.0	2.24	95.5	2.65	300.0	3.53
	Mid-Level Managers	12.0	0.15	389.0	4.92	1,715.8	8.49
	Entry-level (Junior) Managers	-	-	880.0	8.63	3,228.5	10.25
	Professional Personnel	-	-	1,863.5	9.18	2,638.0	2.99
	Direct Personnel	4,269.5	6.72	1,286.0	2.09	2,795.9	1.09
Training Hours by Gender Statistics	Female	56.0	0.27	392.5	1.68	2,410.6	1.73
	Male	4,299.5	5.53	4,121.5	5.08	8,267.6	3.10

Note: Scope of training hours coverage: for 2022–2023, only the parent company on a standalone basis; for 2024, all consolidated subsidiaries have been included, except for TCI, TKA, PPTH, ERI Group, and Nash Metals, LLC (which came under control due to acquisition on December 31, 2024), with a coverage rate of 79.7%.

4-2 Wage and Benefits

Benefits

Apart from offering coverage for labor insurance, National Health Insurance, and relevant leaves, the Company has also established its Employee Welfare Committee to handle affairs and organize activities relating to employee welfare and provide specific perks, including domestic employee retreats, bonuses, and gifts for the three major festivals, bonuses for employee birthdays, pension, subsidies for weddings, childbirth, etc. For employees with children between the ages of 0-3, should their children fall ill and require their care, they may apply for paid family care leave (up to 7 days in a year) by notifying and seeking permission from their department supervisor. We have an employee canteen in our headquarters. Free organic vegetables are provided at lunch. To avoid wasting food from leftovers, employees can also take away unfinished portions back home.

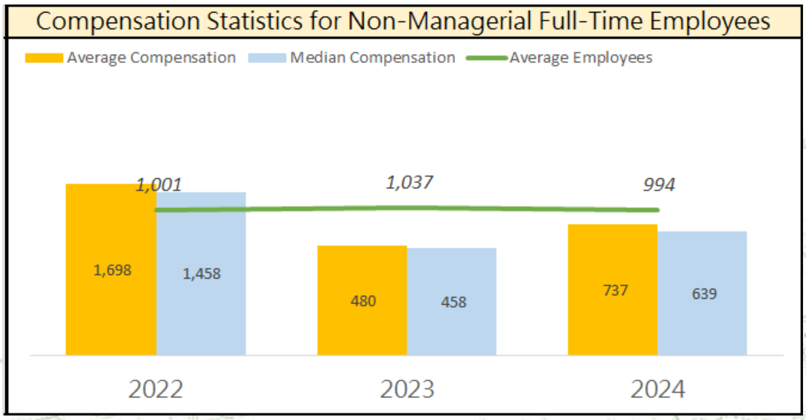
Item	All full-time employees of the Company are entitled to enjoy comprehensive benefits.
Healthcare	Annual health examination/medical care subsidy/birth allowance/monthly onsite consultation with physician/ Provide Nursing Rooms
Life care	Retreat subsidy/employee dormitory/gift for wedding and childbirth/condolence payment for retirement and resignation, condolence payment for bereavement
Learning care	Subsidy for further education/scholarship for employees' children/childcare subsidy
Festive care	Gift vouchers for Labor Day/Chinese New Year/Dragon Boat Festival/Mid-Autumn Festival/birthday
Insurance care	Labor and National Health Insurance coverage/group insurance coverage

Employee Wage

The Company's existing working rules have been established based on the contents of the Labor Standards Act, while our wages and benefits have been determined based on multiple factors, such as industry standards, consumer price index, and remuneration standards for civil servants so that we can keep our wage adjustment above the average level and ensure no gender-based difference in remuneration. At the Taiwan plant, foreign migrant workers currently employed are paid according to the minimum wage set by the Labor Standards Act, which in 2024 is NTD 27,470, with a ratio of approximately 1:1. Local employees are paid above the statutory minimum wage set by the Labor Standards Act. For all companies in the Ta Chen Group, the minimum salary provided is approximately 1 to 1.2 times the statutory minimum wage.

It is customary for the Company to buy back treasury stocks when stock prices fall and the reacquired stocks are resold to employees at purchasing costs. We encourage employees to participate in the Employee Stock Ownership Trust (ESOT) program of the Company. The employee stock ownership trust program applies to full-time employees of the Company. A fixed amount is deducted monthly from employees' salaries and deposited into a dedicated trust account, and the Company contributes an additional 20% of the individual's contribution. This approach is intended to retain talent and help employees accumulate wealth.

In addition, in accordance with the "Notes on the Declaration of Salaries of Full-Time Employees in Non-Management Position" published by the TWSE, our CPA has examined and calculated the average wages for Ta Chen (standalone) calculated the average salary of employees verifying that in 2024, the Company had 994 employees (weighted average). The average salary for full-time employees in non-management positions came to NTD 737,000 - a significant increase of NTD 257,000 compared to the average wage in 2023. The median wage for employees came to NTD 639,000 - a significant increase of NTD 181,000 compared to the median wage in 2023. This increase primarily reflects adjustments made to align with industry salary levels and improvements in compensation and benefits.



The total annual salary of the President of Ta Chen Stainless Pipe for 2024 versus the median of the total annual salary of employees (excluding the President), was 21.93 times; Analysis for the percentage growth of employee remuneration is conducted by taking the percentage growth of remuneration for the two years for working employees at the Taiwan headquarters between 2023 and 2024, followed by sorting them into a sequence using the median number. The percentage growth of the President's remuneration is zero times to the median of the employee remuneration growth percentage (excluding the President). The aforementioned salary includes basic monthly wage and variable bonus (excluding Employee Stock Ownership Trust, ESOT), primarily because the President's salary growth rate was 0% in 2024. To avoid negative value in the employee remuneration growth due to not receiving a full-year remuneration (the new hires in mid-term of 2023 or the departing employees in mid-term of 2024), it is not possible to calculate remuneration growth rate for the new hires of 2024 and excluding employees who did not work for the full year between 2023 and 2024. This is to prevent the difference between the statistical outcomes of the median number and the actual situation.

For the ratio of Ta Chen Group's entry-level wages to the local legal minimum wage, and the female/male pay and compensation ratios, please refer to the table below:

Classification by Region	Taiwan	China	US	Canada	UK	Australia	New Zealand	Brazil	Malaysia
Starting Salary Standard / Local Statutory Minimum Wage Ratio	1.0	1.2	1.0	1.0	1.0	1.0	1.0	1.2	1.0
Full-Time Employees' Average Monthly Salary Difference Ratio (Female - Male) (%)	-13.15%	-18.47%	-45.06%	-7.86%	10.98%	7.71%	-21.06%	885.21%	15.40%
Median Employees' Average Monthly Salary Difference Ratio (Female - Male) (%)	-13.05%	-24.43%	-48.69%	6.55%	6.45%	15.96%	-13.57%	836.24%	34.03%
Full-Time Employees' Average Bonus Difference Ratio (Female - Male) (%)	-25.03%	-19.21%	-69.01%	-23.02%	8.31%	40.52%	-48.77%	222.88%	0.00%
Median Employees' Average Bonus Difference Ratio (Female - Male) (%)	-13.76%	0.00%	-74.96%	10.00%	0.00%	90.32%	-36.36%	223.94%	0.00%
Average Monthly Salary Ratio for Level 1 and Above Managers (Female / Male)	0.72	0.84	0.61	0.00	1.08	0.64	0.00	0.00	0.60
Average Monthly Salary Ratio for All Managers (Excluding Level 1 and Above) (Female / Male)	0.93	0.91	0.90	1.19	1.22	0.00	0.00	0.00	0.74

Average Monthly Salary Ratio for Non-Managerial Personnel (Female / Male)	0.93	0.75	0.96	1.13	1.01	1.17	0.87	0.00	1.13
Average Annual Salary Including Bonus for Level 1 and Above Managers (Female / Male)	0.86	1.06	0.68	0.00	0.00	0.67	0.00	0.00	0.60
Average Annual Salary Including Bonus for All Managers (Excluding Level 1 and Above) (Female / Male)	0.89	0.88	0.73	1.32	1.08	0.00	0.00	0.00	0.74
Average Annual Salary Including Bonus for Non-Managerial Personnel (Female / Male)	0.92	0.81	0.88	1.11	0.95	1.14	0.79	0.00	1.30

Note: Scope of compensation coverage: all consolidated subsidiaries have been included, except for Nash Metals, LLC (which came under control due to acquisition on December 31, 2024); coverage rate is 100%.

Pension Contribution

For employees in Taiwan who choose to be covered by the Labor Pension Act, the Company makes a contribution equal to 6% of their monthly wage into their individual accounts under the supervision of the Bureau of Labor Insurance to safeguard their rights. As for employees choosing to continue to be covered by the pension regulations of the Labor Standards Act or choosing to be covered by the pension system of the Labor Pension Act while retaining the years of service under the previous system, the Company contributes a sum that amounts to a certain proportion of their monthly wage into a special account as the reserve fund of retirement payment under the Supervisory Committee of Business Entities' Labor Retirement Reserve, supervised by the Bank of Taiwan.

	Unit: in NTD 1,000
Present value of defined benefit obligation	(411,651)
Fair value of plan assets	618,860
Net defined benefit asset	(207,209)
Net defined benefit liability	0

In addition, for employees of the business locations in China, England, Canada, and Brazil, our subsidiaries have complied with local pension plans by appropriating specific ratios of employee wages to the respective retirement benefit plans. For employees under our US subsidiary, we follow the 401K Profit Sharing Plan and make appropriate contributions to the retirement accounts for eligible employees (i.e. employees over 21 years of age who have worked for no less than 12 months at the company) with voluntary participation.

Parental Leave

The number of employees eligible for parental leave without pay during the year is calculated based on the age of their youngest child (under 3 years old). Disclosure of parental leave without pay information is limited to Taiwan and China. During the reporting year, there were 91 employees eligible for parental leave without pay. A total of 31 employees applied, 22 were scheduled to return to work within the reporting year, and 16 actually returned, resulting in a return-to-work rate of 72.7%.

Item		2022	2023	2024
No. of employees qualified for unpaid parental leave (Female)	No. of employees qualified for unpaid parental leave (A)	24	31	35
	No. of employees applied for unpaid parental leave (B)	8	6	22
	No. of people expected to be reinstated in the current year C)	8	2	16
	Actual number of reinstated employees (D)	8	2	12
	Number of reinstated employees who remained employed 12 months later (E)	4	8	6
	Parental Leave Without Pay Application Rate (B)/(A)	33.33%	19.35%	62.86%
	Percentage of employees reinstated from unpaid leave (D)/(C)	100%	100%	75%
	Percentage of Employees Retained for One Year After Reinstatement (E/D of the previous year)	100%	100%	Note

No. of employees qualified for unpaid parental leave (Male)	**No. of employees qualified for unpaid parental leave (A)**	68	55	56
	No. of employees applied for unpaid parental leave (B)	7	3	9
	No. of people expected to be reinstated in the current year C)	5	3	6
	Actual number of reinstated employees (D)	5	3	4
	Number of reinstated employees who remained employed 12 months later (E)	-	4	5
	Parental Leave Without Pay Application Rate (B)/(A)	10.29%	5.45%	16.07%
	Percentage of employees reinstated from unpaid leave (D)/(C)	100%	100%	66.67%
	Percentage of Employees Retained for One Year After Reinstatement (E/D of the previous year)	0%	80%	Note

Note: The 2024 data disclosed pertains to parent and subsidiary companies in Taiwan and China; the 2023 data pertains to the Taiwan parent company. Therefore, the retention rate one year after returning from parental leave was not calculated for 2024.

4-3 Safety and Health

Management System

The Construction Safety Department is in charge of affairs relating to labor safety and health, in addition to the management and promotion of environmental, safety and health-related operations at various factories. The operational activities of Ta Chen's Taiwan plant site were certified under ISO 45001 in 2021, with a site coverage rate of 22%, totaling 1,298 employees. In addition, the posters showing our safety policies have been printed and put up in all the factories to display our requirements and attention to safety. Other operational sites handle occupational safety and health affairs in accordance with local legal requirements.

Ta Chen's Taiwan plant site is legally required to convene at least one labor safety and health committee meeting every three months. The committee is composed of 12 labor representatives and 12 employer representatives. Mr. Jung-Kun Hsieh, the President and Board Member, serves as the chairperson, responsible for supervising the management and implementation of the Company's occupational safety and health risks. The meetings track the implementation results of various tasks and project progress. Each plant reports on the execution outcomes of its safety and health improvement plans at least once every three months. These include the handling and prevention of accidents and incidents, as well as the safety management of contractor operations, to review current conditions and drive continuous improvement. In accordance with ISO 45001 standards, the following actions are implemented with the aim of realizing a safety culture and controlling risks.

I. Risk Assessment

Risk assessment is carried out once every six months and the assessment results highlight the risk of cutting as the most frequently occurring occupational injury in practice. The factory side has also enhanced the training and promotion activities regarding the work environment and equipment, and regularly make plans for simulations and exercises related to training on safety and health as well as accident prevention. Employees may use company communication channels to report any safety at the workplace, which supervisors can address and improve in a timely manner. Additionally, supervisors proactively observe employees' working conditions. If safety concerns are identified, corresponding adjustments will be made.

II. Inspection Mechanism

In order to raise the awareness of safety and reduce safety risks at the workplace, regular and irregular inspections for occupational safety are conducted every month. All the deficiencies discovered are recorded in the inspection record form, reviewed for improvement, and further assigned to all the managerial officers and the occupational safety promotion personnel of all departments. Improvement plans are devised accordingly and implemented by the responsible units. With respect to supplier safety management, the Company has organized a contractor negotiation organization. The organization engages in regular meetings with contractors to inform them of the hazards, conducts onsite inspections when contractors are undertaking construction work, and strictly requires self-inspections after off-site operations. None of our contractors were involved in incidents of occupational injuries in 2024. However, there were 2 occupational injury incidents that resulted in fines totaling NTD 200,000.

III. Employee Reporting Mechanism

The company encourage employees to report on any near misses. Every department is required to fill out the record form for reporting on any near misses that occurred in the work environment. The report will become a basis for subsequent discussions and improvements. In 2024, a total of 52 cases were reported. Many of them were near-miss incidents where forklifts collided with objects around while in motion. Such near-miss incidents were promoted and refresh trainings were carried out for employees.

IV. Bolstering Awareness for Occupational Safety and Emergency Response Training

Each year, the Company provides training courses related to work safety to strengthen employees' awareness of safety at the factories by cultivating safe work habits and behaviors. In 2024, 31 sessions were provided, with a total of 910 participants. There were six emergency response drills organized in 2024, covering first aid emergency response for injured personnel, chemical treatment, etc. The aim is to enhance employees' capability in emergency response. Each factory has a different theme for the drill, and each factory will send personnel to observe and learn from each other during the drill.

Training Item	Number of People	Training Item	Number of People
Small boiler operators (initial training)	2	Health and safety education on pickling operations precautions and emergency response	40
On-the-job safety and health education and training (initial and refresher) for workers performing metal welding, cutting, or heating using acetylene welding devices or gas manifold systems	69 (initial) 20 (refresher)	Basic Cardiopulmonary Resuscitation (CPR) Automated External Defibrillator (AED)	20
On-the-job education and training (initial) for category A occupational safety and health affairs supervisors	71	Noise control training	232
On-the-job training (initial and refresher) for fixed crane operators	15 (initial) 61 (refresher)	On-the-job education and training (initial and refresher) for forklift operators with lifting capacity of one metric ton or more	30 (initial) 86 (refresher)
On-the-job education and training (refresher) for hazardous operations supervisors	29	Health education for dust operation workers	12

On-the-job education and training (refresher) for first aid personnel	19	Lumbar spine care and exercise	40
New employee training	6	Self-protection and self-healing for shoulders and neck	40
Fire self-defense team drill	83	Stay away from chronic diseases – major makeover of NG foods	40
Health education on processes involving organic solvents	7	Stress reduction strategies in daily life – preventing autonomic nervous system disorders	40

Physical and Mental Health

The Company is committed to providing a safe and comfortable work environment for all employees. On top of that, we also offer sporadic dissemination of health information to help employees become more aware of essential health knowledge. Employees can learn useful tips to lead a healthy life through these health trainings and seminars, thus achieving work-life balance.

The Company regularly provides medical check-ups for employees at the frequency as required by legal regulations, and offers an allowance of NTD 13,500 for each employee per examination. In addition to the legally required items for health check-ups, employees can choose to test for specific items based on their individual needs, with the cost paid by themselves after the NTD 13,500 is deducted. The factory nursing personnel will categorize employees in accordance with the results of their health check-ups after receiving the check-up reports in 2024. The personnel will continuously follow up on employees who suffer from the "three highs" (high cholesterol, high blood pressure, and high blood sugar), and arrange for physicians to provide consultation services at the factories and health education in the format of sporadic health seminars to help employees improve their health.

Target Program Management

To strengthen employees' daily safety awareness and prevent serious occupational disasters, Ta Chen has implemented hazard identification and risk assessment, and each factory has its own safety management theme every month while if a safety risk is found by the on-site unit, a target management program will be proposed, and followed up until the improvement is completed. In 2024, Ta Chen Steel Corporation had 21 target programs, all of which were successfully completed.

Factory	Program	Factory	Program
Factory 1	Installation of a discharge pipe support seat at the straightener discharge end	Factory 1	Addition of an oil collection tray to the heat treatment roller bearing
Factory 1	Steel pipe collapse prevention measures for stagnant inventory	Factory 1	Installation of water meter at the pickling inlet
Factory 1	Cooling tower platform construction at Manufacturing Plant 4	Production Management Department	Optimization of walkway support frame and flat iron walkway support frame
Factory 1	Improvement of rated lifting load on overhead cranes at the square pipe plant	Cutting Department	Improvement and prevention of discharge pressing wheel at the slitting machine knife holder
Factory 1	Installation of protective nets on square pipe machines	Valve Factory	Scrubber control equipment
Factory 1	Installation of protective nets on tube manufacturing machines	Factory 2	Repair of cement wall surrounding the cooling tower
Factory 1	Installation of protective nets on straightening machines	Factory 2	Addition of sewage pipeline for restrooms with discharge to the septic tank

Factory 1	Installation of over-temperature automatic trip device for heat treatment	Factory 2	Modification of wastewater pipelines for water dispensers and washbasins
Factory 1	Modification of domestic sewage pipelines in square pipe and large pipe plant areas	Operation Department	Improvement of kitchen wastewater
Factory 1	Modification of drainage and wastewater pipelines for washbasins and water dispensers	Quality Control Department	Ergonomic improvements for specimen grinding operations
Factory 1	Modification of domestic sewage pipelines in the pickling, packaging, and wastewater treatment areas		

Employee disabling injuries over the years and improvements

The occupational injury data of Ta Chen Group are detailed in the table below. It is noteworthy that none of the Group companies reported any fatal occupational injuries. In 2024, a total of 52 occupational injury cases occurred. The occupational safety and manufacturing units conducted root cause analyses for each incident and implemented corrective and preventive measures based on the analysis results. Employee refresh training on operational procedures was also strengthened to prevent recurrence of similar incidents. In 2024, Ta Chen Group's total recordable incident rate (TRIR) and lost time incident rate (LTIR) were both 0.99. The days away, restricted, or transferred (DART) rate was 0.99. The occupational injury rate was 1.02%, and the lost work day rate was 36.23. In 2024, a total of 53 near-miss incidents were reported, with a near miss frequency rate (NMFR) of 1.01. No cases of occupational disease were reported.

In response to past occupational injuries and the results of risk identification, the safety improvement initiatives promoted this year included fall prevention protections at the wastewater plant’s openings and high towers, pinch point protection, cut-resistant sleeves and safety jigs, increased dust collection equipment to resolve dust dispersion, laser engraving at the square pipe plant to replace ink printing, and the replacement of oil-based coatings with water-based ones at Factory 2 to mitigate organic solvent exposure risks. Improvements also included the development of standard operating procedures for troubleshooting. Future plans include promoting assist arms to other production processes, installing more surveillance cameras in workplaces for safety observation and incident reconstruction, and horizontally expanding the use of board receivers to other processes.

Types of Occupational Injuries	2022	2023	2024
Falling/Tumbling	-	-	1
Falling Over	-	-	4
Collision	-	-	-
Object Flying	-	-	2
Object Collapsing	-	-	1
Being Hit	-	-	2
Being Caught	-	-	10
Cut/Abrasion Injury	-	2	5
Being Stepped On	-	-	-
Contact With High/Low Temperature	1	-	2
Contact With Harmful Objects	-	-	1
Electric Shock	-	-	-
Explosion	-	-	-
Object Rupture	-	-	1
Fire	-	-	-
Improper Action	-	-	11
Other	-	-	7

Occupational Injury Rate	2022	2023	2024
Total Work Hours of the Year	1,953,071	1,891,975	10,482,313
Number of Occupational Deaths	-	-	-
Number of Serious Occupational Injuries	-	-	5
Number of cases resulting in lost work time due to occupational injury	1	2	52
Number of cases with no lost work time but with restricted work activity/temporary reassignment	-	-	-
Number of cases with no lost work time and no restriction of work activity	-	-	-
Number of Near Misses	16	26	53
Number of days of lost work time	2	13	1,899
Number of Recordable Occupational Injuries	1	2	52
Number of employees at year-end	981	1,045	5,090
Mortality Due to Occupational Injuries	-	-	-
Serious Occupational Injury Rate	-	-	0.10
Total Recordable Incident Rate (TRIR) / Lost Time Incident Rate (LTIR)	0.10	0.21	0.99
Days Away, Restricted, or Transferred (DART)	0.10	0.21	0.99
Near Miss Frequency Rate (NMFR)	1.64	2.75	1.01
Lost Work Day Rate (LWD)	0.19	1.37	36.23
Occupational Disaster Rate	0.10%	0.19%	1.02%

Note: Scope of occupational injury data coverage: for 2022–2023, data pertain to the parent company on a standalone basis; for 2024, all consolidated subsidiaries have been included except for Nash Metals, LLC, which came under control due to acquisition on December 31, 2024.

✧ Recordable disabling injury incidents do not include traffic-related injuries. In accordance with the “Guidelines for Reviewing Occupational Injury and Illness of the Insured under Labor Insurance Due to Work Duties,” disabling injuries do not include minor injuries requiring less than 8 hours of absence.

- ✧ "Days lost" refers to the number of days the injured person is temporarily (or permanently) unable to return to work, excluding the day of the injury and the day of return to work, but including all intervening days (including Sundays, holidays, or days when the business is shut down), as well as any days after returning to work during which the employee is unable to work due to the same injury. The "number of recordable occupational injury cases" refers to the number of persons who sustained disabling injuries included in the statistics.
- ✧ The "number of serious occupational injuries" refers to injuries that lead to irreversible consequences (i.e. amputation) or where the workers are not able to recover to their pre-injury status within six months.
- ✧ Mortality Due to Occupational Injuries = number of deaths resulting from occupational injuries × 200,000 ÷ total work hours of the year.
- ✧ Serious Occupational Injury Rate = number of serious occupational injuries × 200,000 ÷ total work hours of the year.
- ✧ Total Recordable Incident Rate (TRIR) = number of recordable occupational injuries × 200,000 ÷ total work hours of the year.
- ✧ Days Away, Restricted, or Transferred (DART) Rate = (Number of cases resulting in lost work time + number of cases with no lost time but with restricted work activity or temporary reassignment) × 200,000 ÷ total work hours of the year
- ✧ Occupational Injury Rate = Number of occupational injury cases ÷ Total number of employees at the end of the year
- ✧ Lost Work Day Rate (LWD) = Number of lost workdays × 200,000 ÷ Total hours worked during the year

Promotion of legally required labor health service plan

The Company has been promoting employee health promotion and facilitation activities as required by law and promoted various labor health service guidelines as stipulated by the Ministry of Labor. With regard to our maternal health protection plan, the responsible personnel will interview pregnant employees to evaluate the potential impact on their health and determine if said employees require health interviews or relevant health information.

For employees struggling with overwhelming workload due to shift work, night shifts, or extended work hours, the Company has formulated relevant illness prevention plans for potential employees. This plan involves having employees fill out a risk identification checklist when the Company processes their health check-up. Based on the risk factors evident from the result of their health check-up, we were able to screen employees by their health risk levels. High risk employees would be interviewed by a physician, who will also provide specific health advice and reminders. In addition, the physician will also notify their supervisors to ensure that appropriate assistance is provided. Our occupational health specialist would provide relevant health information by email or notify employees with medium to low health risks to arrange for interviews.

5. Environment Management

Environment Management

Ta Chen passed the ISO 14001 management system certification in 2024, with a plant coverage rate of 22%. Upholding the spirit of continuous improvement inherent in the management system, the Company promotes various environmental management topics in order to meet the expectations of stakeholders.

The Ta Chen Group complies with environment-related regulations and allocates annual budgets for pollution prevention, waste control, and related processing activities. In 2024, Ta Chen Group collected statistical data from all companies, so the figures may show greater variations compared to previous years. In the reporting year, a total of NTD 156,568,000 was actually invested in environmental management, accounting for 0.173% of revenue. Of the investment, NTD 106,129,000 was spent on waste treatment, accounting for 0.117% of revenue, and NTD 1,115,000 was spent on administrative activities, accounting for 0.001% of revenue.

In addition, since the Ta Chen Group's production processes are not classified as highly polluting, the ratio of environmental management investment to revenue for Ta Chen on a standalone basis is relatively low. Nevertheless, a certain proportion of investment is still allocated annually to ensure proper environmental protection and treatment.

policies on biodiversity and no deforestation

Beyond pollution prevention investments, to implement the concept of sustainable development, Ta Chen has placed a USD 2 million sustainable deposit with a bank. These funds will be used for financing products under certified green and sustainable product frameworks. Included themes are: renewable energy, access to clean water, sustainable infrastructure, climate adaptation, sanitation, food security, and education for the underprivileged. As of the end of 2024, investments had been made in projects involving solar energy, wind energy, electric vehicles, and green building standards. This year, policies on biodiversity and no deforestation were also added.

Environmental Expenditure Investment (Unit: New Taiwan Dollars)		2022	2023	2024
Capital expenditure	R&D for pollution prevention	30,000	0	0
	Investment for pollution prevention equipment	0	0	1,997,609
Expense	Costs of pollution prevention	0	0	47,326,057
	Costs of waste handling and disposal	6,275,398	6,510,899	106,128,786
	Costs of relevant administrative activities	1,260,000	1,362,542	1,115,247
Total		7,565,398	7,873,441	156,567,699

5-1 Climate Change Risk

The governance body of Ta Chen Stainless Pipe understands the potential impacts of climate change on operations and long-term development. They realize that they should begin assessing climate change-related risks and opportunities in a step-by-step manner when developing future business strategies. Response plans will be developed. The management of climate change issues is regarded as part of the overall risk management and is incorporated into the risk management framework. The Board of Directors holds the highest supervisory responsibility, tasked with approving risk management policies and key risk management systems, as well as overseeing the implementation of the risk management system to ensure its effectiveness. The head of corporate governance is responsible for promoting sustainability and climate change-related issues, and continuously conducts annual identification of climate change risks and opportunities, management of response measures, and progress tracking. The above climate change risks and opportunities are incorporated into regular reporting items and reported to the Board of Directors at least once a year.

Climate Risk Identification, Assessment, and Management Process

Risk Item Identification	Key Risk Analysis	Risks and Opportunities Financial Impact Assessment	Planned Responses and Reporting Measures
With reference to the recommendations of the TCFD, relevant domestic and international regulations, and the expectations of external stakeholders, and in accordance with the Company's "Risk Management Guidelines," each responsible department conducts risk control and management practices to identify potential risks and opportunities.	Risk assessment is initially categorized by time horizons (short-term: 1–3 years, medium-term: 5–10 years, long-term: over 10 years). The evaluation considers the likelihood of occurrence, potential locations of impact, and the severity of the consequences. A comprehensive analysis and identification of key risks are conducted, covering the company's own operations, as well as upstream, downstream, and customer activities. The analysis results are quantified and ranked. The top three risks and opportunities are selected as key risks, and their selection is confirmed through internal and external discussions.	Taking into account the likelihood of risk/opportunity occurrence and the degree of operational impact, the potential financial impact and its severity are evaluated.	For key risks and opportunities, the company evaluates response strategies such as mitigation, transfer, acceptance, and control, based on the level of potential financial impact, and develops appropriate response plans. Reporting is conducted in line with internal management procedures, and relevant information is disclosed regularly in the sustainability report.

Scenario analysis

The Company does not operate in an industry with high carbon intensity or total carbon emissions. To understand the impact of climate change on its operations, Ta Chen conducts scenario analysis to assess climate-related risks and opportunities. The assessment results are reviewed by relevant units as a reference for adjustments in daily operations. For physical risks, Ta Chen considers the SSP5-8.5 scenario. For transition risks, the 2050 net-zero emission target is set as the scenario for annual assessment.

Climate change risks and opportunities

In 2024, Ta Chen Stainless Pipe re-evaluated its 2023 evaluation results and referenced the feedbacks of the business unit and functional unit. The evaluation is made for the risk items that took place in the short-term (1-2 years) and medium-term (3-5 years) and identification of 3 key transition risks and 1 key physical risk is made. At the same time, 3 types of opportunities are identified in an integrated manner. All of these became the consideration factors for Ta Chen Stainless Pipe in its transition program development and promotion.

	Risk factor	Period of occurrence	Financial impact	Responsive strategy
Transition risk	**Laws & regulations: Carbon pricing mechanism**	Mid-term (within 3-5 years)	● Increased operating cost	● Continue to promote manufacturing process for reduced carbon, and replacement of old equipment for new ones ● Incorporated energy-saving and carbon reduction requirements into procurement policy ● Continue to pay attention to policy and law changes and related requirements in the country of the transaction party
	Market: Increase in raw material costs	Mid-term (within 3-5 years)	● Increased direct cost	● Strengthen local supply chain, continue to manage raw material warehouse stock level, and incorporate climate

				factors into management considerations ● Enhance negotiations with suppliers, evaluate and promote supplier carbon inventory
	Laws & regulations: Compulsory use of renewable energy	Mid-term (within 3-5 years)	● Increased operating cost ● Increase in capital investments	● Continue to promote solar energy power generation installation plan.
Physical risk	**Short-term: Increase in the frequency and intensity of extreme weather events**	Short-term (within 1-2 years)	● Increased operating cost	● Enhance the evaluation on the system and drills for the emergency response capability of factory premises and offices ● Continue to maintain operations responding to climate hazard mechanisms

➢ **Financial impact of transition actions:**

✓ Carbon pricing mechanism：As the Company's annual emissions have not yet reached the regulatory threshold of 25,000 tCO_2e, internal carbon pricing has not yet been adopted.

In response to climate change, and in consideration of the Company's characteristics, the Company has planned as follow:

✓ Supplier sustainability management: Strengthen the frequency, and diversity of issues, of the communication with suppliers, understand the current market situation, establish the supply chain flexibility, seek second suppliers, local suppliers, etc., and provide customers with diversified products and alternative products as options, which might increase operating costs in the short term, but may reduce direct costs and operating costs in the long run.

✓ Business location planning: For the new business locations, the consideration is given to areas with low climate sensitivity, and the adjustment of business activities during the renovation period to meet the low-carbon demand, which might result in decrease in operating costs.

➢ **Financial impact of extreme climate events:**

Extreme weather and climate events might affect the supply of raw materials, including increase in raw material costs and operating costs (logistics and transportation). They may also affect factory operations, including plant running and personnel safety, resulting in increased operating costs.

Opportunity	Financial impact	Strategy for realizing opportunities
Adopting low carbon energy	● Decreased operating cost	● Change in fuel for the use of boiler ● New system development and reduced power usage ● Gradual switch to self-use for renewable energy ● Continue to evaluate low-carbon energy sources
Adopt incentive policy	● Decreased operating cost	● Evaluate solar power installation and matching level to government reward policy
Establishment of supplier sustainability management mechanism	● Decreased direct cost	● Collaborate with suppliers to mitigate the effects posed by climate impacts on the Company. ● Suppliers with climate change response capabilities shall be selected as the first priority.

Indicators and targets

In response to international trends and the national targets for Net Zero by 2050, Ta Chen identifies the climate change risks and opportunities and develops the carbon management reduction plan year by year, in consideration of the sustainability goals promoted currently. Taking into account the characteristics of the industry and the existing group-wide inventory planning, 2024 is designated as the base year. A reduction target of 0.15% per year, starting from 2025, is set for Scope 2 emissions of all consolidated operational activities, with a 1% reduction goal by 2030.

Considering the Company's operational characteristics and carbon emission structure, electricity saving is planned as a focus of the overall greenhouse gas reduction strategy. Implementation status in 2024 is specified as follows:

1. Replaced two fixed-speed air compressors in the plant with variable-speed air compressors: Annual energy savings of 172,840 kWh

2. Reduced the discharge pressure of five air compressors in the curtain plant, improved average operating current, and reduced energy consumption: Annual energy savings of 203,018 kWh

Achievement status of 2024 targets:

The above reduction measures, converted using the Bureau of Energy's 2023 published electricity emission factor of 0.494 ($kgCO_2e/kWh$), have saved 185.6738 metric tons of CO_2e emissions, thereby achieving the 2024 target (a 1% reduction in Scope 2 emissions compared to 2023 for the standalone entity). However, due to changes in the 2024 inventory boundary, 2024 will be redefined as the new base year for emissions reduction.

By 2025, Ta Chen Group will complete the GHG inventory of all of its business locations, and continue to identify risks and opportunities based on the area and nature of each business location and to improve the countermeasures. Accordingly, the Group's future climate-related indicators and target items are set as a basis for demonstrating Ta Chen's active performance in mitigation and adaptation of climate impacts.

5-2 Greenhouse Gas Emission Management

Since 2023, Ta Chen Group has expanded its greenhouse gas inventory scope in three phases over multiple years. In 2024, the Group carried out a greenhouse gas inventory project in accordance with the principles of the GHG Protocol for greenhouse gas accounting and reporting, and established a comprehensive inventory register of greenhouse gas emissions. Scope 1 and Scope 2 inventories were conducted, and preparations for Scope 3 inventory work were initiated. The scope of the 2024 emissions inventory has undergone internal audit procedures. The inventory results of Ta Chen, Brighton-Best, Ta Chen Jitai, Ta Chen Boye, Right Way Industrial Taiwan, and Right Way Industrial Malaysia have undergone external verification.

Greenhouse Gas Inventory Boundary

The organizational boundary for this greenhouse gas inventory is defined based on the GHG Protocol, adopting the "Operational Control Approach" to consolidate 2024 greenhouse gas emissions data. Except for Nash Metals, LLC, which came under control due to acquisition on December 31, 2024, all consolidated subsidiaries have been included, with a coverage rate of 100%.

Greenhouse Gas Inventory Information

Within the organizational boundary of the 2024 inventory scope, Scope 1 greenhouse gas emissions were 89,530.67 tCO_2e (accounting for 55.05% of total emissions), and Scope 2 emissions were 73,097.31 tCO_2e (accounting for 44.95% of total emissions), totaling 162,627.99 tCO_2e. The relevant total emissions data are shown in the table below. For company-specific data of the group, please refer to Appendix V.

Item/Year	Scope 1 emissions (tCO_2e)	Scope 2 emissions (tCO_2e)	Scope 1 + Scope 2 emissions (tCO_2e)	Scope 1 + Scope 2 emissions intensity (tCO_2e per NTD1 million)
2022	1,287.44	11,731.31	13,018.75	0.89
2023	1,347.19	9,762.30	11,109.49	1.16
2024	89,530.67	73,097.32	162,627.99	1.80

Note 1: Scope of direct greenhouse gas emissions data coverage: for 2022, data pertain to the parent company on a standalone basis; for 2023, data includes the parent company and some subsidiaries; for 2024, all consolidated subsidiaries have been included except for Nash Metals, LLC, which came under control due to acquisition on December 31, 2024.

Note 2: Scope 1 + 2 Emissions Intensity = Total Scope 1 + 2 Emissions ÷ Operating Revenue in the financial reports within the covered scope.

Note 3: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: Since the consolidated company has not obtained renewable energy certificates, the location-based data for Scope 2 is treated the same as market-based data.

Note 5: For 2022–2023, the inventory data include "Others" gases according to ISO 14064-1 standards; for 2024, "Others" gases are excluded based on GHG Protocol standards.

Note 6: Emission calculations primarily adopt the "Emission Factor Method" or the "Mass Balance Method," using the GWP-100 values from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6). Emission factor sources mainly reference Taiwan's "Ministry of Environment Published Emission Factors (February 5, 2024)" list and the original factors from the "2006 IPCC Guidelines for National Greenhouse Gas Inventories." For some emission sources, local heating values are used to convert to localized emission factors. The electricity emission factor is based on the 2024 emission factor published by the Bureau of Energy: 0.474 metric tons CO_2e per 1,000 kWh.

Scope 1 Greenhouse Gas Emissions: Direct Emissions by Type (tCO_2e)

	GHG Category	2022	2023	2024
Direct Greenhouse Gas Emissions by Greenhouse Gas Category	CO_2	1,123.16	1,089.28	88,755.62
	CH_4	98.50	113.74	227.78
	N_2O	9.60	7.75	223.94
	HFCs	56.18	70.74	297.39
	PFCs	-	-	25.94
	SF_6	-	-	-
	NF_3	-	-	-
	Others	-	65.67	283.88
	Total	1,287.44	1,347.19	89,814.55

Note 1: Scope of direct greenhouse gas emissions data coverage: for 2022, data pertain to the parent company on a standalone basis; for 2023, data includes the parent company and some subsidiaries; for 2024, all consolidated subsidiaries have been included except for Nash Metals, LLC, which came under control due to acquisition on December 31, 2024.

Note 2: For 2022–2023, the inventory data include "Others" gases according to ISO 14064-1 standards; for 2024, "Others" gases are excluded based on GHG Protocol standards.

Note 3: Scope 1 greenhouse gas categories are defined with reference to the GHG Protocol and include the following seven greenhouse gases: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3). Other related greenhouse gas groups (HCFCs and CFCs) are also quantified and reported separately but are not included in the total emissions calculation. The Company does not emit PFCs, SF_6, or NF_3.

GHG Emission Assurance Information

The results of GHG inventories of Ta Chen Group (Ta Chen Stainless Pipe, Brighton-Best, Tachen Jitai, Tachen Boye, Right Way Taiwan, Right Way Malaysia) in 2024 were externally verified by SGS Taiwan Ltd. in April 2025, with a materiality threshold set at 5%. This greenhouse gas inventory only conducted qualitative identification of emission sources for Scope 3 without quantification; therefore, the external verification agreement with SGS did not include verification of Scope 3.

Greenhouse Gas Inventory Certificate

Item/Year	2023	2024
Scope of assurance	Ta Chen Group (Ta Chen Stainless Pipe, Brighton-Best, Right Way Taiwan, Right Way Malaysia) Scope 1 and Scope 2	Ta Chen Group (Ta Chen Stainless Pipe, Brighton-Best, Tachen Jitai, Tachen Boye, Right Way Taiwan, Right Way Malaysia) Scope 1 and Scope 2
Assurance organization	SGS Taiwan Limited (SGS)	SGS Taiwan Limited (SGS)
Assurance criteria	ISO14064-3:2019	ISO14064-3:2019
Assurance opinion	- Reasonable assurance level: Ta Chen Stainless Pipe, Brighton-Best, Right Way Industrial Taiwan - Limited assurance level: Right Way Industrial Malaysia	- Reasonable assurance level: Ta Chen Stainless Pipe, Brighton-Best, Right Way Industrial Taiwan, Right Way Industrial Malaysia - Limited assurance level: Ta Chen Jitai, Ta Chen Boye

Promotion of a Low-Carbon Vegetarian Lifestyle

Since 2018, Ta Chen has converted a warehouse into an employee cafeteria, improving air conditioning, kitchen equipment, lighting, and interior decor, allowing employees to dine in a bright, clean, cool, and comfortable environment. The staff responsible for meals are also full-time employees who handle everything from purchasing to cooking. All employees are provided with free vegetarian meals, with minimal use of processed vegetarian foods. The meals primarily use organic and natural ingredients, preparing delicious dishes with whole foods to safeguard employees' health. In addition to providing daily lunch for employees at the Rende plant throughout the year, the Group's subsidiaries also offer free meals via lunchbox delivery. In collaboration with the Rende District Office, free lunches are delivered daily to underprivileged or solitary residents in the local community. Additionally, meal orders are available to partnering bank employees to promote a vegetarian lifestyle. In 2024, approximately 500 employee meals and 1,500 external lunchboxes were provided per day. Based on 251 working days in 2024, this amounted to approximately 125,500 employee meals and 376,500 external meals over the year. According to a 2023 journal article published in Nature Food by the University of Oxford (https://www.nature.com/articles/s43016-023-00795-w/tables/3), the carbon emissions associated with a typical meat-eater's daily food intake (based on a standardized 2,000 kcal/day diet) is 7.04 kg-CO_2e, while that of a lacto-ovo vegetarian is 4.16 kg-CO_2e. Assuming a lunch contains about 700 kcal, the annual reduction in emissions compared to meat-based meals was approximately 506,016 kg CO_2e.

Number of Meal Portions	Per Day	Per Year	Carbon Reduction Amount
Employee meals	500 portions	125,500 portions	126,504 kgCO_2e
External meals	1,500 portions	376,500 portions	379,512 kgCO_2e
Total	2,000 portions	502,000 portions	506,016 kgCO_2e

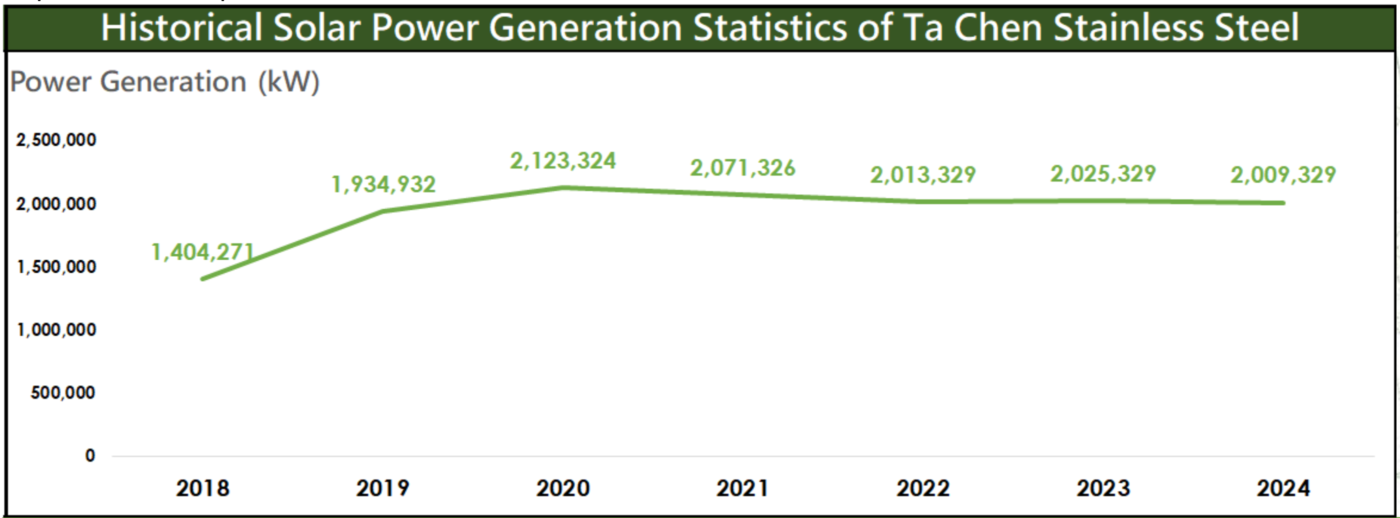
5-3 Energy Management

Energy Management Strategy

Conservation of energy has always been a focal point in the planning of our factory construction. Through careful planning of placement and installation and mechanisms of constant supervision, we strive to maximize our energy efficiency and reduce unwanted use and wastage of energy. By 2025, Ta Chen Group has set a target to reduce electricity usage by 0.15% compared to the 2024 baseline. Regarding the energy-saving strategy for equipment procurement, energy efficiency will be checked at the time of purchase of new machines, mainly on variable-frequency and DC motors, while monitoring facilities are designed to track the status of energy consumption. The old equipment in the factory will be gradually replaced with more energy-efficient models, such as variable-frequency motors, to improve the efficiency of energy use. We are actively promoting the construction of green energy for factory buildings. To be in line with the trend for energy saving and carbon reduction, it is expected that fuel vehicles will be replaced by electric vehicles in the future. Therefore, Ta Chen is considering purchasing electric vehicles when purchasing company cars in the future so as to minimize the carbon emissions from business trips. Forklifts in the factory have been gradually replaced with electric forklifts.

Green Power Installation

Ta Chen Group and its subsidiary Brighton-Best International initiated a solar power installation project at their Taiwan plant sites in 2017. Solar photovoltaic systems were installed on the rooftops of various plants in three phases, with a combined power generation capacity of nearly 1.5 MW. Construction began in February 2018, and grid connection was completed in April 2018. In 2024, the actual power generated was approximately 2,009,329 kWh, all of which was sold externally. The Company also planned for the installation of solar power generation equipment for self-consumption at part of its headquarters facilities in Taiwan. In 2024, an investment of NTD 8.637 million was made in new solar power systems. Solar panels have been installed on the new building rooftops at the Zhongshan and Xintian plants and will begin operation once the grid connection by Taipower is completed. At the Yilin plant, solar panels for the parking area are scheduled to begin construction in 2025 and be operational by 2026. The newly constructed plant at the Xintian site has also planned the installation of a 300 KW energy storage cabinet. It will be charged at night using off-peak grid electricity and is expected to be completed in 2025. It is designed to provide emergency power to critical equipment such as the data center and wastewater biological treatment system during power outages. Solar power generation facilities will be actively expanded to renovations of older plants in the future, with the goal of installing solar panels on all usable space throughout the plants, aligning with national net-zero carbon and green energy policies. Currently, the Company is calculating the potential proportion of future solar power generation that could be used for self-consumption and developing follow-up implementation plans.



Location	Installed Capacity (kWp)	Annual Power Generation (kWh)	Status
Xintian Plant	714.47	1,017,048	Once the Taipower grid connection is complete, operations are expected to begin in the second half of 2025, with all electricity used for self-consumption.
Zhongshan Plant	687.25	978,300	Once the Taipower grid connection is complete, operations are expected to begin in the second half of 2025. Since electricity usage at the Zhongshan plant is lower than the solar power output, the electricity will initially be sold to Taipower. Later, Taipower will assist in transferring the electricity to the main Xintian plant for 100% self-consumption.
Yilin Plant Front Gate Parking Lot	255.2	363,277	Once the Taipower grid connection is complete, operations are expected to begin in the second half of 2025, with all electricity used for self-consumption.

Energy Consumption

Ta Chen's standalone energy consumption includes purchased electricity, natural gas, gasoline, and diesel. In 2024, the total energy consumption converted into heat units was 100,667.94 (GJ), an increase of 11,207.29 GJ from 89,460.65 GJ in 2023. The increase was mainly due to a gradual recovery in market demand and a slight rise in production volume in 2024. However, the average selling price was affected, resulting in a decrease in annual revenue. Ta Chen's standalone energy intensity in 2024 was 10.46 GJ per NTD million, compared to 9.37 GJ per NTD million in 2023—a difference of 1.09 GJ per NTD million. In compliance with national environmental policies, Ta Chen fully phased out the use of low-sulfur fuel oil for boiler equipment in 2020. The use of diesel-fueled boiler equipment is also being gradually reduced and replaced with natural gas as the fuel source. Additionally, Ta Chen Group does not use coal as a fuel source.

(Unit: GJ)

Ta Chen Stainless Pipe (standalone)	2022		2023		2024	
	Consumption volume	Ratio	Consumption volume	Ratio	Consumption volume	Ratio
Liquefied Natural Gas (LNG)	14,113.59	71.96% of fuel	13,599.23	74.23% of fuel	14,152.42	74.45% of fuel
Automotive Gasoline	2,560.80	13.06% of fuel	2,140.38	11.69% of fuel	2,465.48	12.97% of fuel
Diesel	2,938.48	14.98% of fuel	2,579.57	14.08% of fuel	2,390.14	12.58% of fuel
Total Fuel Consumption	19,612.88	19.13% of energy	18,319.18	20.48% of energy	19,008.04	18.88% of energy
Non-renewable – Electricity (Purchased)	82,934.21	100% of electricity	71,141.47	100% of electricity	81,659.90	100% of electricity
Renewable – Purchased Certificates	-	-	-	-	-	-
Renewable – Electricity (Self-Use)	-	-	-	-	-	-
Renewable – Electricity (Purchased)	-	-	-	-	-	-
Renewable – Electricity (Sold)	7,247.9	-	7,291.1	-	7,233.5	-
Total electricity consumption	82,934.21	80.87% of energy	71,141.47	79.52% of energy	81,659.90	81.12% of energy
Total energy consumption	102,547.09	100%	89,460.65	100.00%	100,667.94	100%

Note 1: Power Conversion Factor: 1 kWh purchased power = 0.0036 GJ.

Note 2: Energy heat conversion factors: The data source is the Energy Product Unit Heat Value Table from the Energy Statistics Annual Report published by the Bureau of Energy, Ministry of Economic Affairs. 1 cubic meter (m^3) of natural gas = 9,000 kcal; 1 liter of liquefied petroleum gas = 6,635 kcal; 1 liter of automotive gasoline = 7,800 kcal; 1 liter of diesel = 8,400 kcal; 1 liter of propane = 6,520 kcal.

Note 3: 1 kcal = 4,186 J.

(Unit: GJ / standalone operating revenue (NTD million))

Ta Chen Stainless Pipe (standalone)		2022	2023	2024
Fuel Consumption Intensity	Non-Renewable Fuel Consumption Intensity	1.3445	1.9192	1.9743
	Renewable Fuel Consumption Intensity	-	-	-
	Total Fuel Consumption Intensity	1.3445	1.9192	1.9743
Electricity Consumption Intensity	Non-Renewable Electricity Consumption Intensity	5.6851	7.4530	8.4819
	Renewable Electricity Consumption Intensity	-	-	-
	Total Electricity Consumption Intensity	5.6851	7.4530	8.4819
Energy Consumption Intensity	Non-Renewable Energy Consumption Intensity	7.0296	9.3722	10.4562
	Renewable Energy Consumption Intensity	-	-	-
	Total Energy Consumption Intensity	7.0296	9.3722	10.4562

In 2024, the total energy consumption of the Ta Chen Group amounted to 2,336,689.73 (GJ), of which fuel consumption totaled 1,738,651.13 GJ, accounting for 74.41% of the total consumption; electricity consumption was 598,038.60 GJ, accounting for 25.59% of the total consumption; consumption of renewable energy was 0. The energy intensity was 25.85 GJ per NTD1 million, electricity consumption intensity was 6.62 GJ per NTD1 million, and fuel consumption intensity was 19.23 GJ per NTD1 million. In 2023, and the total energy consumption was 641,477.06 GJ, of which fuel consumption was 199,837.07 GJ, accounting for 31.15% of the total consumption, and electricity consumption was 441,639.99 GJ, accounting for 68.85% of the overall consumption; the consumption of renewable energy was 0.

(Unit: GJ)

Ta Chen Group	2022		2023		2024	
	Consumption volume	Ratio	Consumption volume	Ratio	Consumption volume	Ratio
Liquefied Natural Gas (LNG)			145,432.89	72.77% of fuel	1,678,402.02	96.53% fuel
Liquefied Petroleum Gas (LPG)			8.19	0.01% of fuel	86.44	0.01% of fuel
Automotive Gasoline			6,551.5	3.28% of fuel	16,734.35	0.96% of fuel
Diesel			31,012.48	15.52% of fuel	20,312.12	1.17% of fuel
Propane			16,832.01	8.42% of fuel	23,116.20	1.33% of fuel
Total Fuel Consumption			199,837.07	31.15% of energy	1,738,651.13	74.41% of energy
Non-renewable – Electricity (Purchased)			441,639.99	100% of electricity	598,038.60	100% of electricity
Renewable – Purchased Certificates	Not calculated		-	-	-	-
Renewable – Electricity (Self-Use)			-	-	-	-
Renewable – Electricity (Purchased)			-	-	-	-
Renewable – Electricity (Sold)			7,291.1	-	14,009.24	-
Total Electricity Consumption			441,639.99	68.85% of energy	598,038.6	25.59% of energy
Total Energy Consumption			641,477.06	100%	2,336,689.73	100%

Note 1: Scope of energy consumption data coverage: The year 2022 includes the parent company on a standalone basis; the year 2023 includes the parent company on a standalone basis plus certain subsidiaries and sites; the year 2024 includes all consolidated subsidiaries except for Nash Metals, LLC, which came under control through acquisition on December 31, 2024.

Note 2: Power Conversion Factor: 1 kWh purchased power = 0.0036 GJ.

Note 3: Energy heat conversion factors: The data source is the Energy Product Unit Heat Value Table from the Energy Statistics Annual Report published by the Bureau of Energy, Ministry of Economic Affairs. 1 cubic meter (m^3) of natural gas = 9,000 kcal; 1 liter of liquefied petroleum gas = 6,635 kcal; 1 liter of automotive gasoline = 7,800 kcal; 1 liter of diesel = 8,400 kcal; 1 liter of propane = 6,520 kcal.

Note 4: 1 kcal = 4,186J

(Unit: GJ / consolidated revenue (NTD million))

Ta Chen Group		2022	2023	2024
Fuel Consumption Intensity	**Non-Renewable Fuel Consumption Intensity**			19.23
	Renewable Fuel Consumption Intensity			-
	Total Fuel Consumption Intensity			19.23
Electricity Consumption Intensity	**Non-Renewable Electricity Consumption Intensity**			6.62
	Renewable Electricity Consumption Intensity	Not calculated		-
	Total Electricity Consumption Intensity			6.62
Energy Consumption Intensity	**Non-Renewable Energy Consumption Intensity**			25.85
	Renewable Energy Consumption Intensity			-
	Total Energy Consumption Intensity			25.85

Note: As the energy data for 2023 do not yet include all consolidated subsidiaries, the relevant energy consumption intensity has not been calculated.

Energy Saving Measures

Following the policy direction of energy saving, the Construction Department and each factory implement energy saving measures every year, from the retirement and replacement of machines to the planning of energy monitoring facilities, etc., to continuously address the bottleneck of energy consumption, and gradually move along the direction of constructing a green energy enterprise. In addition to replacing the old air compressors, a flow meter was installed to monitor the air flow and to determine the condition of the air compressors. When their performance deteriorates, they can be replaced early on to maintain high efficiency. This practice has been extended to monitor the power consumption of various types of machines and by connecting to the Internet, it becomes possible to capture real-time values of power consumption and production capacity.

Energy Saving Measures	Energy savings (kWh/year)	Calculation basis
Reduced the operating pressure of air compressors (AC-01 to AC-05, total of 5 units in the curtain area), lowering the average outlet pressure of the compressors from approximately 7–8.5 kg/cm² to approximately 6–7 kg/cm².	172,840	Operating 12 hours per day, 300 days per year.
Replaced the air compressor at Pipe Mill No. 4. The original unit was a 50HP fixed-speed air compressor with poor performance due to aging, operating at an average current of 112A. It was replaced with a 50HP high-efficiency permanent magnet variable-speed screw compressor. Based on an average load rate of approximately 80%, the new unit operates at an average current of 40A.	98,765	Operating 12 hours per day, 300 days per year.
Replaced the air compressor at the cutting plant. The original unit was a 50HP fixed-speed air compressor with poor performance due to aging, operating at an average current of 118A. It was replaced with a 50HP high-efficiency permanent magnet variable-speed screw compressor. Based on an average load rate of approximately 80%, the new unit operates at an average current of 42A.	104,253	Operating 12 hours per day, 300 days per year.
Replaced the air compressor at the wastewater plant. The original unit was a 50HP fixed-speed air compressor with poor performance due to aging, operating at an average current of 116A. It was replaced with a 50HP high-efficiency permanent magnet variable-speed screw compressor. Based on an average load rate of approximately 80%, the new unit operates at an average current of 49A.	202,195	Operating 24 hours per day, 330 days per year.
Implemented energy-saving lighting improvements at the square pipe plant. The plant originally used 400W (50 units) and 500W (30 units) metal halide bulbs for lighting. These were replaced with 150W LED fixtures (64 units).	91,440	Used 12 hours per day, 300 days per year.

5-4 Water Resource Management

All water used by the Ta Chen Group is sourced from third parties. The Group adopted the Aqueduct Water Risk Atlas 4.0 published in 2023 by the World Resources Institute (WRI) to periodically assess the water risk levels of the areas in which its production sites are located. According to the Q4 2023 assessment results, only certain sites in the U.S. are located in water-stressed areas.

Ta Chen, on a standalone basis, is a specialized manufacturer of stainless steel pipes and pipe components, and is classified in the secondary processing industry that does not cause a high level of pollution. Additionally, we have set up wastewater treatment equipment, dust collectors, etc. for pollution prevention, strengthened the level of training and equipment operating skills of environmental protection personnel according to the onsite operations. We also engage certified testing agencies recognized by the Environmental Protection Administration (EPA) for periodic inspections. With these comprehensive pollution control measures, the Company has been fully compliant with the emission/discharge standards of the EPA. The wastewater treatment plant, which began construction in 2019, was completed and licensed for use in 2023. A new biological treatment facility was added to treat nitrate-nitrogen in wastewater. The regulatory threshold is 50 ppm. The facility maintains levels below 10 ppm; if the level exceeds 10 ppm, an alert is triggered and immediate corrective action is taken to avoid excess. Water recycling and rain/sewage separation projects have been completed. Plans are in place to enhance the quality of recycled water for reuse; however, current test results show the conductivity of the water exceeds the standard and is not yet suitable for reuse. Testing will continue until it meets process reuse standards. Additionally, facilities have been prepared to use recycled water for toilet flushing, with an estimated 100 tons of water recoverable per day. In addition, the pickling processes in the Factory 2 are equipped with a water recycling system, which recycles RO water from the warm water treatment machine and the flushing water for reuse. The warm water treatment machine’s cladding iron plate was raised, and another recycling sink has been installed to collect the flushing water. The centralized water collection is sufficient to meet the water requirements of the rinsing tank for 16 hours of operation, reducing water usage by approximately 38.8% every 16 hours, saving around 3.57 tons of water. Plans are also in place to recycle and reuse acid pickling solution to reduce wastewater discharge.

In 2024, the Ta Chen Group withdrew 632.08 million liters of water (all municipal water). Of this, 7.52 million liters came from water-stressed areas, accounting for 1.19% of total water withdrawal. In 2024, the volume of water discharged off-site was 258.26 million liters, all of which was legally and compliantly discharged to surface water and third-party facilities. For example, Ta Chen's wastewater, after approval from the competent authority, is discharged into surface water (the Erren River) and must meet discharge standards. The Environmental Protection Bureau regularly sends personnel to inspect the quality of the wastewater at the discharge outlet. There were no environmental violations related to water resources in 2024.

In 2024, the water withdrawal intensity of the Ta Chen Group was 0.0070 million liters per NTD million, the discharge intensity was 0.0029 million liters per NTD million, and the water consumption intensity was 0.0041 million liters per NTD million.

Water consumption in 2024 was 373.82 million liters. There are three main factors that led to water consumption. The most important factors were the evaporation of steam generated during cooling and the dissipation of water used for air-conditioning system. A smaller proportion of water loss is attributed to domestic wastewater generated by the employees, which was discharged into the septic tanks and then to the sewers outside the factories, and the water contained in the factories’ sludge. Based on the number of employees and water in the sludge, the domestic wastewater and water contained in the sludge in 2024 has been collectively estimated to be less than 5 million liters. Regarding the wastewater treated by the wastewater treatment plant, the main source was acidic or basic liquid waste produced from surface treatment in the pickling process. As the output of such liquid waste has a positive correlation with the number of working days but has no direct association with the production volume, there is no significant difference in the amount of wastewater treated, managed, and discharged every year (since the number of working days does not change a lot).

(Unit: million liters / %)

Type	2022	2023	2024
Water Withdrawal (Municipal Water)	109.80	95.83	632.08
Water Discharge (Surface Water, Primary Treatment)	28.14	27.48	258.26
Water Consumption	81.66	68.35	373.82
Water Withdrawal from Water-Stressed Areas	-	-	7.52
Proportion of Water Withdrawal from Non-Water-Stressed Areas	100%	100%	98.81%
Proportion of Water Withdrawal from Water-Stressed Areas	0.00%	0.00%	1.19%

Note 1: Scope of water resource data coverage: For 2022–2023, data pertain to the parent company only; for 2024, all consolidated subsidiaries have been included, except for Nash Metals, LLC, which came under control through acquisition on December 31, 2024.

Ta Chen's effluent is tested twice annually, as required by regulations, and all test results meet effluent discharge standards, as is shown in the table below. For test results of Right Way Industrial, please refer to the Right Way Industrial Sustainability Report.

Ta Chen Test Items	Effluent Discharge Standards	December 2023	June 2024	December 2024
		D01 discharge outlet	D01 discharge outlet	D01 discharge outlet
Chemical Oxygen Demand (COD) (mg/L)	100	19	15.9	19.8
Suspended Solids (SS) (mg/L)	30	11.2	4	3.4
Water Temperature (°C) Note 1.	< 35;< 38	23.7	34.4	22.9
Hydrogen Ion Concentration Index (pH)	6.0~9.0	8.4	8.6	8.3

Note: The standard for the temperature of effluents:
1. Below 38°C (applicable from May to September).
2. Below 35°C (applicable from October to April of the following year).

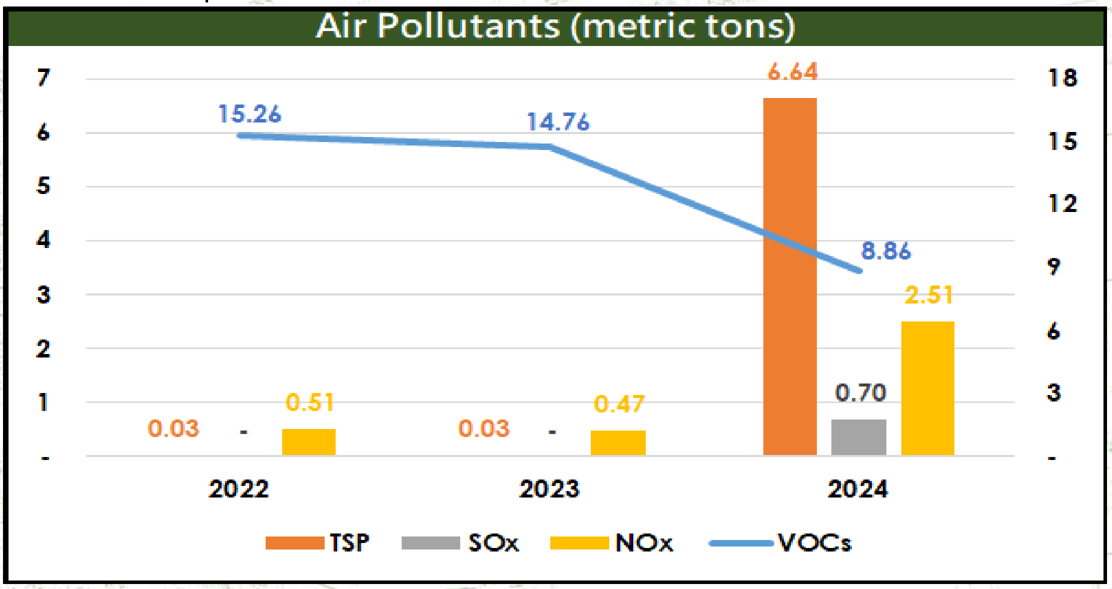
5-5 Air Quality Management

Ta Chen Steel Group complies with environmental regulations by measuring the emissions of various air pollutants. The results of these emissions tests, along with information on raw materials, fuels, and product usage in the production process, are regularly reported online. In 2024, the Ta Chen Group's air pollutant emissions statistics included data from group companies, resulting in larger year-on-year variation. Among the air pollutants reported during the reporting year, Volatile Organic Compounds (VOCs) accounted for the largest share, with emissions totaling 8.86 metric tons. Total Suspended Particulates (TSP) amounted to 6.64 metric tons, Oxides of sulfur (SOx) were 0.7 metric tons, and Oxides of nitrogen (NOx) were 2.51 metric tons, bringing the total to 18.71 metric tons. As for the other emissions that shall be disclosed pursuant to the SASB Standards (like PM10, CO, MnO, Pb, PAHs), test and disclosure of such emissions are not required by regulations, so there is no relevant data.

metric tons	2022	2023	2024
VOCs	15.26	14.76	8.86
TSP	0.03	0.03	6.64
SOx	0	0	0.70
NOx	0.51	0.47	2.51

Note 1: Scope of air pollutant data: 2022–2023 pertain to the parent company only; 2024 includes all consolidated subsidiaries, except TKA and Nash Metals, LLC, which came under control through acquisition on December 31, 2024.

This year, Ta Chen's Plant No. 2 switched to eco-friendly and non-regulated chemicals for film coating thinners and treatment agents in its processes, resulting in reduced air pollution emissions from about 3,500 tons per quarter to about 1,700 tons. Additionally, flow meters were installed on air pollution control equipment to measure emissions more accurately and enable early response management. Future plans include introducing countercurrent prevention equipment for the nitric acid scrubbing towers in the pickling plant to further reduce air pollutant emissions.



5-6 Waste Management

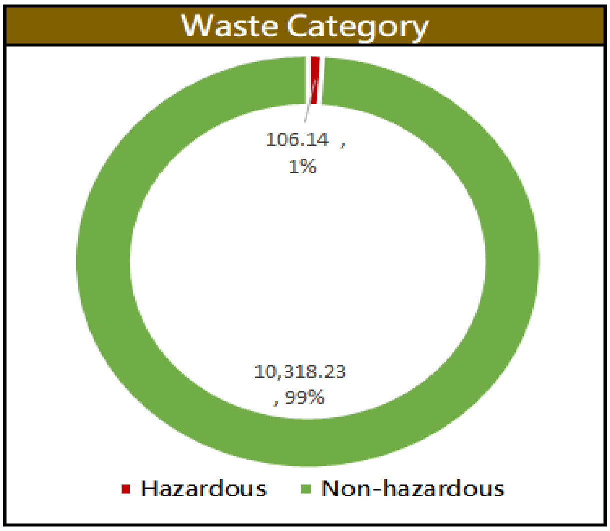
To ensure that all industrial waste is properly and safely handled and disposed of, all companies of Ta Chen Steel Group adhere to the Waste Disposal Act to mitigate the impact of our operations on the environment. In addition, scraps produced at our stainless steel manufacturing factory are also recycled as raw materials for stainless steel cast pipe accessories. Other waste generated during the processes that we cannot recycle is entrusted to legally approved treatment facilities. In addition, we have been working with recycling service providers to increase the types of materials we can recycle to further reduce resource wastage. Upholding the spirit of recycling and reuse, the waste of sludge was categorized as recyclable waste and sent to sludge treatment facilities, where it was processed through thermal treatment to be converted into raw materials for concrete or bricks. Ta Chen's (standalone) total waste in 2024 amounted to 856.2 metric tons, with hazardous waste accounting for 0% and non-hazardous waste for 100%. The recycling and reuse rate was 74.6%. Waste intensity was 0.089 metric tons per NTD 1 million in standalone revenue; hazardous waste intensity was 0 metric tons per NTD 1 million in standalone revenue, and non-hazardous waste intensity was 0.089 metric tons per NTD 1 million in standalone revenue.

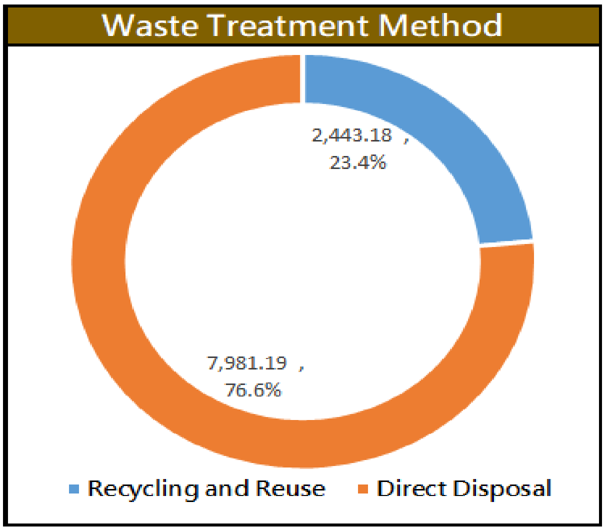
Ta Chen Group's total waste in 2024 amounted to 10,424.37 metric tons, with hazardous waste accounting for 1% and non-hazardous waste for 99%. The recycling and reuse rate was 23.4%. In 2024, Ta Chen Group's waste intensity was 0.115 metric tons per NTD 1 million in consolidated revenue; hazardous waste intensity was 0.001 metric tons per NTD 1 million in consolidated revenue, and non-hazardous waste intensity was 0.114 metric tons per NTD 1 million in consolidated revenue.

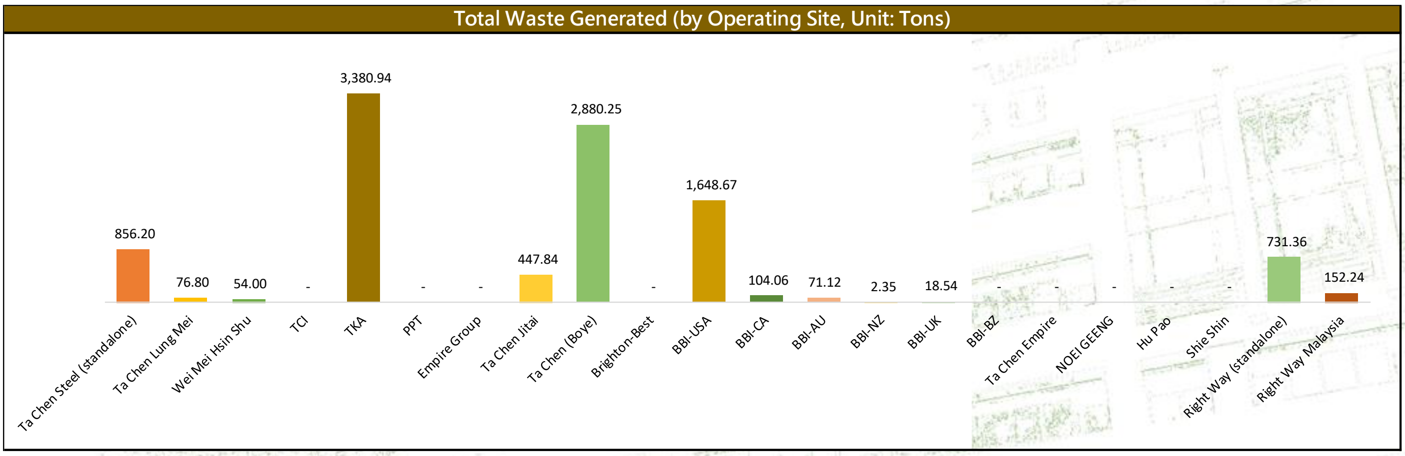
(Unit: metric tons)

Hazardous / Non-hazardous	Recycling / Disposal	Method	2022	2023	2024
Hazardous	Recycled	Preparing for Reuse	-	-	23.83
		Recycling	-	-	-
		Other Recycling Methods	-	-	-
	Directly Disposed Of	Incineration (with energy recovery)	-	-	6.59
		Incineration (without energy recovery)	-	-	6.42
		Landfill	-	-	46.65
		Other Disposal Methods	-	-	22.65
Non-hazardous	Recycled	Preparing for Reuse	-	-	801.12
		Recycling	575.29	506.74	1,157.32
		Other Recycling Methods	-	-	460.91
	Directly Disposed Of	Incineration (with energy recovery)	-	-	407.44
		Incineration (without energy recovery)	71.32	137.18	189.71
		Landfill	68.92	102.32	4,306.54
		Other Disposal Methods	-	-	2,995.19

Note: Scope of waste data: 2022–2023 pertain to the parent company only; 2024 includes all consolidated subsidiaries, except TCI, PPTH, ERI Group, and Nash Metals, LLC, which came under control through acquisition on December 31, 2024.







Ta Chen continues to promote packaging reduction measures. Except for a few customers with special requirements to use iron containers, more than 90% of customers adopt simplified packaging, which has reduced packaging material costs by approximately 80%. The iron containers are reused, and the lifting straps are also recycled together with the containers. The originally planned method for securing iron mesh inside shipping containers was reassessed and found to pose safety concerns. In addition, the plastic plugs required for corner protection involve special specifications, making them difficult to source, so wood remains the primary material used. Apart from the allocating method of container for the shipments to the US warehouse, we will also coordinate the delivery date with the customers in the principle of “delivery upon full container capacity” to increase the shipment efficiency. We also plan the standard volume for orders. This standard volume enables the filling of one full container. It raises the proportion of full containers and reduces the waste of space. The wooden pallets and the iron butterfly baskets used for the outsourced products delivered by the suppliers will also be reused. The use of plastic sheaths has been reduced by eliminating the use of header sheaths due to a change in the method of hoisting. Used lubricating oil from the factory can be recycled and reused after treatment, wastewater can also be recycled and reused, smelting and casting generate waste sludge, but the new process can reduce sludge production, and all waste materials are returned to the smelting furnace. In the cutting plant, defective products are not only sold as scrap but are also repurposed into materials of different specifications according to required product thicknesses, thereby reducing waste generation. Curtain fabric scraps from Ta Chen Lung Mei Home Life began to be used as cushioning materials at the end of 2024.

Appendix Ⅰ: GRI Standard Index

5-6-1 Statement of use GRI

Statement of use	For the period between 2024/1/1 to 2024/12/31, Ta Chen Stainless Pipe Co., Ltd. has already referenced the information in the GRI Index of the GRI Reporting Standard.
GRI 1	GRI 1：General Disclosures 2021

5-6-2 GRI 2：General Disclosures 2021

Standard	Disclosure Item	Corresponding chapter		Page no.	Description
The organization and its reporting practices					
2-1	Organizational details	2	About Ta Chen Stainless Pipe Co., Ltd.	15-16	
2-2	Entities included in the organizational sustainability report	1-4	Disclosure Scope of this Report	14	
2-3	Reporting period, frequency and contact person		About this Report	2	
2-4	Restatement of information				No reinstatement of information has been made for the Report
2-5	External assurance	Appendix VI	Auditor's Limited Assurance Report	82	
Activities and workers					
2-6	Activities, value chain and other business relations	3	Value Chain Management	28	
2-7	Employees	4-1	Talent Attraction and Development	43	
2-8	Workers who are not employees	4-1	Talent Attraction and Development	43	
Governance					
2-9	Governance structure and composition	2-4	Corporate Governance	24	
2-10	Nomination and selection of the highest governance unit	2-4	Corporate Governance	24	
2-11	Chair of the highest governance body	2-4	Corporate Governance	24	
2-12	Role of the highest governance body in overseeing the management of impacts	2-4	Corporate Governance	24	
2-13	Delegation of responsibility for managing impacts	2-4	Corporate Governance	24	
2-14	The role of the highest governance unit in sustainability reporting	1-3 2-4	Analysis of Material Issues Corporate Governance	8 24	
2-15	Conflicts of interests	2-4	Corporate Governance	24	
2-16	Communication of critical concerns	2-4	Corporate Governance	24	
2-17	Collective knowledge of the highest governance body	2-4	Corporate Governance	24	
2-18	Evaluation of the performance of the highest governance body	2-4	Corporate Governance	24	
2-19	Remuneration policy	2-4	Corporate Governance	24	
2-20	Process to determine remuneration	2-4 4-2	Corporate Governance Wage and Benefits	24 47	
2-21	Annual total compensation ratio	4-2	Wage and Benefits	47	
Strategy, policies and practices					
2-22	Statement on sustainable development strategy	1	A word from the President	3	

Standard	Disclosure Item	Corresponding chapter		Page no.	Description
			Management of Sustainability Issues	5	
2-23	Policy commitment (Responsible business conduct, respecting human rights)	1 3-4	Management of Sustainability Issues Supply Chain Management	5 40	
2-24	Embedding policy commitments	1	Management of Sustainability Issues	5	
2-25	Processes to remediate negative impacts	2-6	Legal Compliance and Grievance Mechanism	31	
2-26	Mechanisms for seeking advice and raising concerns	1-2	Stakeholder Engagement	6	
2-27	Compliance with laws and regulations	2-6	Legal Compliance and Grievance Mechanism	25	
2-28	Membership of associations	2-1	Company Overview	15	
Stakeholder engagement					
2-29	Approach to stakeholder engagement	1-2	Stakeholder Engagement	6	
2-30	Collective bargaining agreements				The Company has not entered into any collective bargaining agreement with labor unions

5-6-3 GRI 3：Material issue 2021

Standard	Disclosure Item	Corresponding chapter		Page no.	Description
3-1	Process to determine material topics	1-1	Management of Sustainability Issues Process	5	
3-2	List of material topics	1-3	Analysis of Material Issues	8	
Material issue 1：Financial Performance					
3-3	Management of material topics	1-3	Analysis of Material Issues	8	
GRI 201：Economic Performance 2016					
201-1	Direct economic value generated and distributed	2-3	Management Strategy and Current Standing	55	
201-2	Financial implications and other risks and opportunities due to climate change	2-5 5-1	Risk Management Climate change risk	29 55	
201-3	Defined benefit plan obligations and other retirement plans	4-2	Wage and Benefits	47	
201-4	Financial assistance received from government				No financial subsidies
Topic2：Ethical Management					
3-3	Management of material topics	1-3	Analysis of Material Issues	8	
GRI 205：Anti-Corruption 2016					
205-1	Operations assessed for risks related to corruption	2-6	Legal Compliance and Grievance Mechanism	31	
205-2	Communication and training about anti-corruption policies and procedures	2-6	Legal Compliance and Grievance Mechanism	31	
205-3	Confirmed incidents of corruption and actions taken	2-6	Legal Compliance and Grievance Mechanism		No incidents of corruption

Standard	Disclosure Item	Corresponding chapter		Page no.	Description
2-27	Compliance with laws and regulations	2-6	Legal Compliance and Grievance Mechanism	31	
Topic3：Response to Climate Change					
3-3	Management of material topics	1-3	Analysis of Material Issues	8	
GRI 305：Emissions 2016					
305-1	Direct (Scope 1) GHG Emissions	5-2	Greenhouse Gas Emission Management	58	
305-2	Energy Indirect (Scope 2) GHG Emissions	5-2	Greenhouse Gas Emission Management	58	
305-4	GHG Emissions Intensity	5-2	Greenhouse Gas Emission Management	58	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant emissions	5-5	Air Quality Management	67	
Topic4：Energy Management					
3-3	Management of material topics	1-3	Analysis of Material Issues	8	
GRI 302：Energy 2016					
302-1	Total energy consumption within the organization	5-3	Energy Management	60	
302-2	Energy consumption outside the organization	5-3	Energy Management	60	
302-3	Energy Intensity	5-3	Energy Management	60	
302-4	Reducing energy consumption	5-3	Energy Management	60	
302-5	Reductions in energy requirements of products and services	5-3	Energy Management	60	
Topic5：Talent Attraction and Retention					
3-3	Management of material topics	1-3	Analysis of Material Issues	8	
GRI 202：Market Presence 2016					
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4-2	Wage and Benefits	47	
202-2	Proportion of senior management hired from the local community	4-1	Talent Attraction and Development	43	
GRI 401：Employment 2016					
401-1	New employee hires and employee turnover	4-1	Talent Attraction and Development	43	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4-2	Wage and Benefits	47	
401-3	Parental leave	4-2	Wage and Benefits	47	
Topic6：Occupational Health and Safety					
3-3	Management of material topics	1-3	Analysis of Material Issues	8	
GRI 403：Occupational Health and Safety 2018					
403-1	Occupational Health and Safety Management System	4-3	Safety and Health	50	
403-2	Hazard Identification, Risk Assessment, and Incident Investigation	4-3	Safety and Health	50	
403-3	Occupational Health Services	4-3	Safety and Health	50	
403-4	Worker Participation, Consultation, and Communication on Occupational Health and Safety	4-3	Safety and Health	50	

Standard	Disclosure Item	Corresponding chapter		Page no.	Description
403-5	Worker Training on Occupational Health and Safety	4-3	Safety and Health	50	
403-6	Promotion of Worker Health	4-3	Safety and Health	50	
403-7	Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	4-3	Safety and Health	50	
403-8	Workers Covered by an Occupational Health and Safety Management System	4-3	Safety and Health	50	
403-9	Work-related Injuries	4-3	Safety and Health	50	
403-10	Work-related ill health	4-3	Safety and Health	50	

5-6-4 GRI Standard Index of all Disclosure Item

Standard	Disclosure Item	Corresponding chapter		Page no.	Description
GRI 201：Economic Performance 2016					
201-1	Direct economic value generated and distributed	2-3	Financial Performance	22	
201-2	Financial implications and other risks and opportunities due to climate change	2-5 5-1	Risk Management Climate change risk	29 55	
201-3	Defined benefit plan obligations and other retirement plans	4-2	Wage and Benefits	47	
201-4	Financial assistance received from government	2-3	Financial Performance	22	
GRI 202：Market Presence 2016					
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4-2	Wage and Benefits	47	
202-2	Proportion of senior management hired from the local community	4-1	Talent Attraction and Development	43	
GRI 204：Procurement Practices 2016					
204-1	Proportion of spending on local suppliers	3-4	Supply Chain Management	40	
GRI 205：Anti-Corruption 2016					
205-1	Operations assessed for risks related to corruption	2-6	Legal Compliance and Grievance Mechanism	31	
205-2	Communication and training about anti-corruption policies and procedures	2-6	Legal Compliance and Grievance Mechanism	31	
205-3	Confirmed incidents of corruption and actions taken	2-6	Legal Compliance and Grievance Mechanism		No incidents of corruption
GRI 206：Anti-competitive Behavior 2016					
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices				None
GRI 302：Energy 2016					
302-1	Total energy consumption within the organization	5-3	Energy Management	60	
302-2	Energy consumption outside the organization	5-3	Energy Management	60	
302-3	Energy Intensity	5-3	Energy Management	60	
302-4	Reducing energy consumption	5-3	Energy Management	60	
302-5	Reductions in energy requirements of products and services	5-3	Energy Management	60	
GRI 303：Water and Effluents 2018					
303-1	Interactions With Water as a Shared Resource	5-4	Water Resource Management	65	
303-2	Management of Water Discharge-related Impacts	5-4	Water Resource Management	65	

Standard	Disclosure Item	Corresponding chapter		Page no.	Description
303-3	Water Withdrawal	5-4	Water Resource Management	65	
303-4	Water Discharge	5-4	Water Resource Management	65	
303-5	Water Consumption	5-4	Water Resource Management	65	
GRI 304：Biodiversity 2016					
304-1	Operation sites owned, leased, manage in, or adjacent to, protect areas and areas of high biodiversity value outside protected areas				None is located at the protected areas.
304-2	Significant impacts of the activities, products and services on biodiversity				No impacts.
304-3	Habitats protected or restored.				Not a protected area.
304-4	The IUCN Red List species and national conservation list species with habitats in areas affected by operations				None of such type of species
GRI 305：Emissions 2016					
305-1	Direct (Scope 1) GHG Emissions	5-2	Greenhouse Gas Management	58	
305-2	Energy Indirect (Scope 2) GHG Emissions	5-2	Greenhouse Gas Management	58	
305-4	GHG Emissions Intensity	5-2	Greenhouse Gas Management	58	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant emissions	5-5	Air Quality Management	67	
GRI 306：Waste 2020					
306-1	Waste generation and significant waste-related impacts	5-6	Waste Management	68	
306-2	Management of significant impacts related to waste	5-6	Waste Management	68	
306-3	Waste generated	5-6	Waste Management	68	
306-4	Waste diverted from disposal	5-6	Waste Management	68	
306-5	Waste directed to disposal	5-6	Waste Management	68	
GRI 308：Evaluation of supplier's environment 2016					
308-1	New suppliers that were screened using environmental criteria	3-4	Supply Chain Management	40	
308-2	Negative environmental impacts in the supply chain and actions taken	3-4	Supply Chain Management	40	
GRI 401：Employment 2016					
401-1	New employee hires and employee turnover	4-1	Talent Attraction and Development	43	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4-2	Wage and Benefits	47	
401-3	Parental leave	4-2	Wage and Benefits	47	
GRI 402：Labor/Management Relations 2016					
402-1	Minimum notice periods regarding operational changes	4-1	Talent Attraction and Development	43	
GRI 403：Occupational Health and Safety 2018					
403-1	Occupational Health and Safety Management System	4-3	Safety and Health	50	
403-2	Hazard Identification, Risk Assessment, and Incident Investigation	4-3	Safety and Health	50	

Standard	Disclosure Item	Corresponding chapter		Page no.	Description
403-3	Occupational Health Services	4-3	Safety and Health	50	
403-4	Worker Participation, Consultation, and Communication on Occupational Health and Safety	4-3	Safety and Health	50	
403-5	Worker Training on Occupational Health and Safety	4-3	Safety and Health	50	
403-6	Promotion of Worker Health	4-3	Safety and Health	50	
403-7	Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	4-3	Safety and Health	50	
403-8	Workers Covered by an Occupational Health and Safety Management System	4-3	Safety and Health	50	
403-9	Work-related Injuries	4-3	Safety and Health	50	
403-10	Work-related ill health	4-3	Safety and Health	50	
GRI 405：Diversity and Equal Opportunity 2016					
405-1	Diversity of governance bodies and employees	2-4 4-1	Corporate Governance Talent Attraction and Development	24 43	
405-2	Ratio of basic salary and remuneration of women to men	4-2	Wage and Benefits	47	
GRI 406：Non-discrimination 2016					
406-1	Incidents of discrimination and corrective actions taken				There are no discriminatory incidents.
GRI 407：Freedom of association and collective bargaining 2016					
407-1	Operations and suppliers whose right to freedom of association and collective bargaining may be at risk.				No such risk.
GRI 408：Child labor 2016					
408-1	Operations and suppliers at significant risk for incidents of child labor				No such risk.
GRI 409：Forced or compulsory labor 2016					
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor				No such risk.
GRI 410：Security Practices 2016					
410-1	Security personnel trained in human rights policies or procedures	2-6	Legal Compliance and Grievance Mechanism	31	
GRI 411：Rights of indigenous peoples 2016					
411-1	Incidents of violations involving rights of indigenous peoples				None
GRI 412：Human Rights Assessment 2016					
412-1	Operations which were subject to human rights reviews or impact assessments	2-6	Legal Compliance and Grievance Mechanism	31	
412-2	Employee training on human rights policies or procedures	2-6	Legal Compliance and Grievance Mechanism	31	
412-3	Significant investment agreements and contracts which include human rights clauses or that underwent human rights screening	3-4	Supply Chain Management	40	
GRI 413：Local communities 2016					
413-1	Operations with local community engagement, impact assessments, and development programs	2-1	Company Overview	15	
413-2	Operations with significant actual and potential negative impact on local communities				There are no negative impacts

Standard	Disclosure Item	Corresponding chapter		Page no.	Description
GRI 414：Supplier Social Assessment 2016					
414-1	New suppliers that were screened using social criteria.	3-4	Supply Chain Management	40	
414-2	Negative social impact on the supply chain and actions taken				None
GRI 415：Public policy 2016					
415-1	Political contributions				There have been no political contributions.
GRI 416：Customer Health and Safety 2016					
416-1	Assessment of the health and safety impacts of product and service categories	3-3	Product Development and Quality Management	38	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services				None
GRI 417：Marketing and Labeling 2016					
417-1	Requirements for product and service information and labeling	3-3	Product Development and Quality Management	38	
417-2	Incidents of non-compliance concerning product and service information and labeling				None
417-3	Incidents of non-compliance concerning marketing communications				None
GRI 418：Customer Privacy 2016					
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data				None

Appendix Ⅱ: SASB Standards Index

Industry type	Extractives and Minerals Processing (EM)		
Industry	Iron Steel Producers (IS)		
Metric Code	**Accounting Metric**	**Corresponding Chapter/Description**	**Page no.**
EM-IS-110a.1	Disclosure of the following information on GHG emissions: (1) GHG emissions (Scope 1). (2) Percentage of emissions in areas subject to regulations limiting GHG emissions in total emissions.	(1) 5-2 Greenhouse Gas Emission Management (2) Our business locations are not located in areas subject to regulations limiting GHG emissions.	58
EM-IS-110a.2	Description of short-term, mid-term, and long-term strategies/plans and emission reduction goals for Scope 1 emissions as well as the analysis of behavior in contradiction with the goals.	5-2 Greenhouse Gas Emission Management	58
EM-IS-120a.1	Disclosure of the weight of the following air pollutants discharged: (1) CO, (2) NOx (excluding N_2O). (3) SOx, (4) PM10. (5) MnO, (6) Pb. (7) VOCs. (8) PAHs.	(1) 5-5 Air Quality Management (2) Air pollutant emissions such as CO, MnO, Pb, PM10, and PAHs are not subject to regulatory testing or reporting requirements, so there is no relevant data	67
EM-IS-130a.1	Disclosure of the following information on energy consumption: (1) Total energy consumption. (2) Percentage of grid-supplied electricity consumption. (3) Percentage of renewable energy-generated electricity consumption.	● Standalone (1) 100,667.94 GJ (2) 81.12% (3) 0% ● Group (1) 2,336,689.73 GJ (2) 25.59% (3) 0%	60 61 62 63
EM-IS-130a.2	Disclosure of the following information on fuel consumption: (1) Fuel consumption. (2) Percentage of the consumption of electricity generated by burning coal. (3) Percentage of natural gas-generated energy consumption. (4) Percentage of renewable fuel-generated energy consumption.	● Standalone (1) 19,008.04 GJ (2) 0% (3) 74.45% (4) 0% ● Group (1) 1,738,651.13 GJ (2) 0% (3) 96.53% (4) 0%	60 61 62 63
EM-IS-140a.1	Disclosure of the following information on water resource withdrawal: (1) Water withdrawal. (2) Percentage of water withdrawn from regions with (high and extremely high) baseline water stress.	(1) 632.08 Million Liters (2) 1.19%	65
EM-IS-150a.1	Disclosure of the following information on waste: (1) Weight of waste generated. (2) Percentage of hazardous waste. (3) Percentage of waste recycled.	● Standalone (1) 856.2 metric tons (2) 0% (3) 74.6% ● Group (1) 10,424.37 metric tons	68

Industry type	Extractives and Minerals Processing (EM)		
Industry	Iron Steel Producers (IS)		
Metric Code	**Accounting Metric**	**Corresponding Chapter/Description**	**Page no.**
		(2) 1% (3) 23.4%	
EM-IS-320a.1	Disclosure of the following information on occupational injuries for (a) full-time employees and (b) contract employees: (1) Total recordable incident rate (TRIR). (2) Occupational death rate. (3) Near miss frequency rate (NMFR).	(a) Full-time employees (1) TRIR = 0.99 (2) Occupational death rate = 0 (3) NMFR = 1.01 (b) Contractors (1) TRIR = 0 (2) Occupational death rate = 0 (3) NMFR = 0	53
EM-IS-430a.1	Description of the process for managing iron ore or coking coal sourcing risks arising from environmental or social issues:	The metric is not applicable since the Company purchases stainless steel sheets for subsequent processing.	
EM-IS-000.A	Disclosure of the following information for (1) basic oxygen steelmaking processes (primary steelmaking) and (2) electric arc furnace processes: Raw steel production. Percentage in raw steel production.	We are not engaged in raw steel production, and thus the metric is not applicable.	
Metric Code	**Activity Metric**	**Corresponding Chapter/Description**	**Page no.**
EM-IS-000.B	Total Iron Ore Production	We are not engaged in iron ore production, and thus the metric is not applicable.	
EM-IS-000.C	Total Coking Coal Production	We are not engaged in coking coal production, and thus the metric is not applicable.	

Appendix Ⅲ: Sustainability Disclosure Indicators of Steel and Iron Industry

Number	Indicator	Type of indicator	Status of disclosure in the year	Unit	Notes
I	Total energy consumption, percentage of externally purchased electricity, use rate of renewable energy, Total self-developed and self-use energy (Note 1)	Quantification	● Standalone Total energy consumption: 100,667.94 GJ Percentage of purchased electricity: 81.12% Renewable energy utilization rate: 0% Total self-generated energy for its own use: 0 GJ ● Group Total energy consumption 2,336,689.73 GJ Percentage of purchased electricity 25.59% Renewable energy utilization rate 0% Total self-generated energy for its own use 0 GJ	Gigajoules (GJ), percentage (%)	
II	Total fuel consumption, percentage of coal, percentage of natural gas and renewable energy	Quantification	● Standalone Total fuel consumption: 19,008.04 GJ Percentage of coal: 0% Percentage of natural gas: 74.45% Percentage of renewable fuel: 0% ● Group Total fuel consumption: 1,738,651.13 GJ Percentage of coal: 0% Percentage of natural gas: 96.53% Percentage of renewable fuel: 0%	Gigajoules (GJ), percentage (%)	
III	Total fuel consumption, percentage of coal, percentage of natural gas and renewable energy	Quantification	Total water withdrawal: 632.08 (10^3 m^3) Total water consumption: 373.82(10^3 m^3)	thousand cubic meters	
IV	Weight of waste generated, percentage of hazardous wastes and recycling percentage	Quantification	● Standalone (4) 856.2 metric tons (5) 0% (6) 74.6% ● Group (4) 10,424.37 metric tons (5) 1% 23.4%	Metric tons (t), percentage (%)	
V	Explanation on number of people and percentage for occupational disasters	Quantification	Number of people suffering from occupational disasters: 52 Occupational disaster rate: 1.02%	Number of person, Percentage (%)	
VI	Production capacity of main products based on product category	Quantification	Stainless steel products: 187,347 metric tons Screws and nuts: 173,618 metric tons Aluminum products: 238,110 metric tons Window coverings: 12,094 square feet System furniture: 1,745 units Other products: 1,515 metric tons	Vary from product category	

Note 1: Self-developed and self-used total energy volume is defined based on the Renewable Energy Development Act, Implementation Regulations Governing Renewable Energy Certificates or related delegated regulations.

Appendix Ⅳ: Climate-related information of TWSE/TPEx listed companies

1. Climate-related information implementation

項目	對應章節	頁碼
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	5-1 Climate Change Risk	55
2. Describe how the identified climate risks and opportunities affect the business, strategy and finance of the Company (short-, mid-, and long-term).	5-1 Climate Change Risk	56
3. Describe the financial impact of extreme climate events and transformation actions.	5-1 Climate Change Risk	57
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	5-1 Climate Change Risk	56
5. If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used shall be explained.	5-1 Climate Change Risk	56
6. If there is a transformation plan in response to the management of climate-related risks, describe the content of the plan, and the indicators and goals used to identify and manage physical risks and transformation risks.	5-1 Climate Change Risk	57
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be explained.	5-1 Climate Change Risk	57
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	5-1 Climate Change Risk	57
9. GHG inventories, assurance status, and reduction goals, strategies, and concrete action plans (to be specified in 1-1 and 1-2 separately).	5-2 Greenhouse Gas Emission Management	58-59

2. TCFD Disclosure Index

Aspect	TCFD Recommended Disclosure Items	Page
Ⅰ、Governance	1. How the BOD Oversees Climate-Related Issues. 2. How Management Assesses and Manages Climate-Related Issues.	55
Ⅱ、Strategy	1. Company-Identified Short-, Medium-, and Long-Term Climate-Related Risks and Opportunities. 2. Impacts of Climate-Related Issues on the Company's Business Model, Strategy, and Financial Planning. 3. Scenario Analysis (including 2°C or more stringent scenarios).	56-57
Ⅲ、Risk Management	1. Identification and Assessment Process for Climate-Related Risks. 2. Climate-Related Risk Management Process. 3. Explain how the above-mentioned risk identification and management processes are integrated into the company's overall risk management system.	56-57
Ⅳ、Indicator and goals	1. Assess whether the indicators are aligned with the company's strategy and risk management. 2. Disclose Scope 1, Scope 2, and Scope 3 (if applicable) greenhouse gas emissions and related risks. 3 Management Objectives and Related Performance.	57-59

Appendix V: Greenhouse Gas Inventory

No.	Organization	2023 (t CO_2e)			2024 (t CO_2e)		
		Category 1	Category 2	Total	Category 1	Category 2	Total
1	Ta Chen Steel (standalone)	1,347.19	9,762.30	11,109.49	1,277.50	10,752.01	12,029.51
2	Ta Chen Lung Mei	1,692.89	563.09	2,255.98	1,119.61	1,207.76	2,327.37
3	Wei Mei Hsin Shu	33.82	41.18	75.00	15.79	38.66	54.45
4	TCI(USA)	2,382.81	1,390.43	3,773.24	3,563.63	1,956.50	5,520.13
5	TKA	2,744.78	20,724.07	23,468.85	75,477.19	32,685.56	108,162.75
6	PPT	971.71	2,483.85	3,455.56	1,142.72	3,082.29	4,225.01
7	ERI-US	0.15	39.10	39.25	0.00	26.00	26.00
8	ERI-AU	0.00	6.67	6.67	0.00	6.67	6.67
9	ERI-Imbail	68.76	0.74	69.50	5.94	0.70	6.64
10	ERI-UK	0.00	0.00	0.00	0.00	0.00	0.00
11	Ta Chen Jitai	2,051.65	7,459.79	9,511.44	1,000.13	7,143.42	8,143.55
12	Ta Chen (Boye)	511.31	7,721.68	8,232.99	106.87	8,045.74	8,152.61
13	Brighton-Best (standalone)	23.22	12.69	35.91	5.06	13.98	19.04
14	Ta Chen Empire	1.14	0.00	1.14	0.56	0.09	0.65
15	BBI-USA	3,641.21	1,379.41	5,020.62	3,415.56	1,820.58	5,236.14
16	BBI-CA	238.75	84.56	323.31	497.17	14.38	511.55
17	BBI-BZ	3.67	0.69	4.36	0.22	8.41	8.63
18	BBI-AU	247.33	237.05	484.38	149.65	314.08	463.73
19	BBI-NZ	26.24	5.03	31.27	102.57	5.17	107.74
20	BBI-UK	31.86	36.45	68.31	123.96	36.41	160.37
21	NOEI GEENG	0.00	0.12	0.12	0.00	0.11	0.11
22	Hu Pao	0.00	0.43	0.43	0.00	0.12	0.12
23	Shie Shin	0.00	0.23	0.23	0.00	0.63	0.63
24	Right Way (standalone)	577.62	2,256.20	2,833.82	479.67	2195.95	2,675.62
25	Right Way Malaysia	907.27	3,492.81	4,400.08	1046.87	3742.10	4,788.97

Note: The 2023 data were verified in accordance with ISO 14064-1 standards and include “Others” gases; the 2024 data were verified in accordance with GHG Protocol standards and do not include “Others” gases.

Appendix Ⅵ: Auditor's Limited Assurance Report

秉承聯合會計師事務所
Legendary & Steadfast Accountancy

INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

The Board of Directors and Stockholders
Ta Chen Stainless Pipe Co., Ltd.

We have undertaken a limited assurance engagement on the disclosed performance indicators in the Sustainability Report ("the Report") of Ta Chen Stainless Pipe Co., Ltd. ("the Company") for the year ended December 31, 2024.

Subject Matter Information and Applicable Criteria

See Appendix 1 for the Company's disclosed performance indicators ("the Subject Matter Information") and applicable criteria.

Responsibilities of Management

The management of the Company is responsible for the preparation of the Subject Matter Information in accordance with Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, Universal Standards, and Topic Standards published by the Global Reporting Initiative (GRI), and for such internal control as management determines is necessary to enable the preparation of the Subject Matter Information that are free from material misstatement resulted from fraud or error.

Auditors' Responsibilities

Our responsibility is to plan and conduct our limited assurance engagement in accordance with Standard on Assurance Engagement 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation of the Republic of China to issue a limited assurance report on whether the Subject Matter Information (see Appendix 1) is free form material misstatement. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, therefore, a lower assurance level is obtained than a reasonable assurance.

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

1. Inquiring of management and the personnel responsible for the Subject Matter Information to obtain an understanding of the policies, procedures, internal control, and information system relevant to the Subject Matter Information to identify areas where a material misstatement of the subject matter information is likely to arise.

2. Selecting sample items from the Subject Matter Information and performing procedures such as inspection, re-calculation, re-performance, observation, and analytical procedures to obtain evidence supporting limited assurance.

台南所/ 70848 台南市安平區永華路二段248號16樓之3 高雄所/ 80284 高雄市苓雅區建國一路109號9樓之3

Inherent Limitations

The Subject Matter Information involved non-financial information, which was subject to more inherent limitations than financial information. The information may involve significant judgment, assumptions and interpretations by the management, and the different stakeholders may have different interpretations of such information.

Independence and Quality Control

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Standard on Quality Management 1 "Quality Management for Public Accounting Firms" issued by the Accounting Research and Development Foundation of the Republic of China, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Conclusion

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

Other Matters

We shall not be responsible for conducting any further assurance work for any change of the Subject Matter Information or the applicable criteria after the issuance date of this report.

The engagement partner on the limited assurance report is Wei-Jer Lo.

Legendary & Steadfast Accountancy
Tainan, Taiwan
Republic of China
August 1, 2025

<u>Notice to Readers</u>

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

SUMMARY OF SUBJECT MATTER INFORMATION

<table>
<tr><th>#</th><th>Subject Matter Information</th><th>Corresponding Section</th><th>Applicable Criteria</th></tr>
<tr><td>1.</td><td><table>
<tr><td>Ta Chen Stainless Pipe Group</td><td>2024</td></tr>
<tr><td>Total energy consumption</td><td>2,336,689.73GJ</td></tr>
<tr><td>Percentage of purchased electricity</td><td>25.59%</td></tr>
<tr><td>Utilization rate (renewable energy/total energy)</td><td>0%</td></tr>
<tr><td>Total self-generated and self-use energy</td><td>0 GJ</td></tr>
</table></td><td>5-3 Energy Management</td><td>Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Paragraph 3, Table 1-6, No. 1</td></tr>
<tr><td>2.</td><td><table>
<tr><td>Ta Chen Stainless Pipe Group</td><td>2024</td></tr>
<tr><td>Total water withdrawn</td><td>632.08 thousand cubic meters</td></tr>
<tr><td>Total water consumption</td><td>373.82 thousand cubic meters</td></tr>
</table></td><td>5-4 Water Resource Management</td><td>Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Paragraph 3, Table 1-6, No. 3</td></tr>
<tr><td>3.</td><td><table>
<tr><td>Ta Chen Stainless Pipe</td><td>2024</td></tr>
<tr><td>Amount of waste generated</td><td>856.20 tones</td></tr>
<tr><td>Percentage of hazardous waste</td><td>0%</td></tr>
<tr><td>Percentage of recycling</td><td>74.6 %</td></tr>
</table></td><td>5-6 Waste Management</td><td>Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Paragraph 3, Table 1-6, No. 4</td></tr>
<tr><td>4.</td><td><table>
<tr><td>Ta Chen Stainless Pipe Group</td><td>2024</td></tr>
<tr><td>Number of people suffering from occupational disasters</td><td>52 people</td></tr>
<tr><td>Occupational disaster rate</td><td>1.02%</td></tr>
</table></td><td>4-3 Safety and Health</td><td>Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Paragraph 3, Table 1-6, No. 5</td></tr>
</table>

(Continued)

<table>
<tr><th>#</th><th>Subject Matter Information</th><th>Corresponding Section</th><th>Applicable Criteria</th></tr>
<tr><td>5.</td><td><table>
<tr><th>Ta Chen Stainless Pipe Group</th><th>2024</th></tr>
<tr><td>Non-methane volatile organic compounds (VOCs)</td><td>8.86 tones</td></tr>
<tr><td>Total suspended particulates (TSP)</td><td>6.64 tones</td></tr>
<tr><td>Oxides of sulfur (SO_x)</td><td>0.70 tones</td></tr>
<tr><td>Oxides of nitrogen (NO_x)</td><td>2.51 tones</td></tr>
<tr><td>Others (including PM_{10}, CO, MnO, Pb, PAHs)</td><td>0.00 tones</td></tr>
</table></td><td>5-5 Air Quality Management</td><td>SASB EM-IS-120a.1 Air emissions of the following air pollutants:
(1)Carbon monoxide (CO)
(2)Oxides of nitrogen (NO_x) (excluding N_2O)
(3)Oxides of sulfur (SO_x)
(4)Particulate matter 10 micrometres or less in diameter (PM_{10})
(5)Oxides of manganese (MnO)
(6)Lead (Pb)
(7)Volatile Organic Compounds (VOCs)
(8)Polycyclic aromatic hydrocarbons (PAHs)

Designated indicator:
Total suspended particulates (TSP)</td></tr>
</table>

(Concluded)