

Ta Chen Stainless Pipe Co., Ltd. Sustainability Report for 2025



Cherish, Innovate, and Endeavor for Improvement

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About this Report

Ta Chen Stainless Pipe Co., Ltd. (hereinafter referred to as “Ta Chen Stainless Pipe”) has published the 2025 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 2025 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 2025 (from January 1 to December 31, 2025). For detailed disclosure scope, please refer to “1-4 Disclosure Scope of this Report.”

Date of Publication for the Previous Issue: August 31, 2025

Date of Publication for this Issue: August 31, 2026

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 CEO for approval to conclude the internal auditing process. The 2025 ESG Report was independently subjected to a limited assurance engagement by Legendary & Steadfast Accountancy in accordance with Assurance Standard 3000, “Assurance Engagements Other than Audits or Reviews of Historical Financial Information.” The corresponding assurance report is disclosed in 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:

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Message from the CEO

Ever since Ta Chen Stainless Pipe's initiation in 1986, more than 40 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 Group's consolidated revenue has exceeded NTD 100 billion.

The major revenue and profit of Ta Chen Stainless Pipe Group mainly come from the US market, 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. In 2025, affected by the U.S. tariff increases and expectations of interest rate cuts, selling prices gradually reflected the impact of the tariffs. Customers also began to progressively resume their normal purchasing patterns, resulting in an overall positive operating trend throughout 2025.

Within the U.S. sales channels for the Group's three major products, the monthly production capacity of cold-rolled aluminum coil sheets had increased to 31,000 tons by the end of December 2023. The hot-rolled aluminum coil production line project at the Texas plant, which was launched in the second half of 2023, is proceeding on schedule. It is expected to be completed and begin trial runs gradually in the first half of 2026. At that time, the integrated industrial aluminum coil plant will have a monthly production capacity of approximately 31,000 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 deliver 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 Minerals Initiative (RMI) Program 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 energy consumption, pickling, air pollution, noise pollution, etc. In 2025, the annual energy saving reached 304,300 kWh by replacing old machinery and improving operating current and pressure. The solar power installation project at the Taiwan manufacturing sites was completed and became operational in 2025. Total solar power generation in 2025 amounted to 2.8352 million kWh, of which 2.6863 million kWh was sold externally, and 148,900 kWh was consumed internally. In the future, all generated electricity will be utilized for self-consumption.

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.

CEO of Ta Chen Stainless Pipe
Rung-Kun Shieh

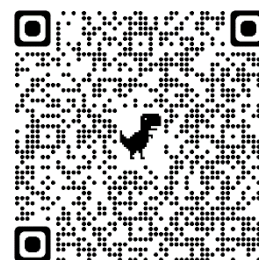


1. Management of Sustainability Issues

1-1 Management Process of Sustainability Issues

Ta Chen has established a systematic framework for managing sustainability topics, guided by the approach to determining material topics set out in the GRI Standards 2021. The governance framework is overseen by the CEO. The Finance Department serves as the exclusive (or concurrently) dedicated unit responsible for ethical corporate management and sustainable development, facilitating cross-departmental coordination and monitoring the progress of sustainability topics. Each department identifies the sustainability-related risks and opportunities within its area of responsibility, develops action plans for improvement, and implements them following a review and approval by senior management.

The material topic determination process comprises seven stages. Each year, Ta Chen considers the IFRS Sustainability Disclosure Standards, the GRI Standards, the SASB Iron & Steel Producers Industry Standard, the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), topics of concern among international steel industry peers, and sustainability information disclosure requirements applicable to companies listed in Taiwan. The seven stages are described below:



Sustainable Development
Best Practice Principles

Phase	Item	Description
Phase 1	Identify Key Stakeholders	Members of the Sustainability Report Disclosure Team conduct an assessment based on the five attributes set out in the AA1000 Stakeholder Engagement Standard (AA1000 SES): "Responsibility, Influence, Tension, Diverse Perspectives, and Dependency". Through this assessment, they identify five key stakeholder groups: shareholders, customers, employees, suppliers, and banks.
Phase 2	Identify Candidate Sustainability Topics	Drawing on the GRI Standards, the SASB Iron & Steel Producers Industry Standard, the TCFD recommendations, and sustainability reports published by industry peers, the Company identifies 18 candidate sustainability topics for subsequent assessment.
Phase 3	Survey Stakeholder Concerns	The relevant departments conduct stakeholder surveys across the five key stakeholder groups to assess the level of external concern for each sustainability topic. The survey results serve as an external basis for determining material topics.
Phase 4	Analyze the Significance of Sustainability Impacts	Nine senior executives independently assess the severity and probability of the economic, environmental, and social impacts associated with each sustainability topic to establish a basis for the Company's internal impact evaluation.
Phase 5	Determine Material Topics	The Sustainability Report Disclosure Task Force consolidates the assessment results from the two dimensions, prioritizes the sustainability topics, and determines six material topics: Financial Performance, Climate Change Response, Energy Management, Occupational Health and Safety, Ethical Corporate Management, and Talent Attraction and Retention.
Phase 6	Map Material Topics to GRI Disclosures and Define Impact Boundaries	Each material topic is mapped to the relevant disclosures under the GRI Standards. The Company then defines the scope of the associated impacts across its own operations and the upstream and downstream segments of its value chain to determine the Report's disclosure scope for the current year.

Phase 7	Embed Material Topics into Governance and Accountability	The results are submitted to the Board of Directors for deliberation. The Board reviews and approves the material topics to be disclosed in the Report together with the sustainability targets linked to senior executive remuneration.
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1-2 Stakeholder Engagement

Identification of major stakeholders

In accordance with the five attributes set out in the AA1000 Stakeholder Engagement Standard (AA1000 SES), namely Responsibility, Influence, Tension, Diverse Perspectives, and Dependency, Ta Chen assesses the relevance of each stakeholder group to the Company's operations. The Sustainability Report Disclosure Team leads the stakeholder identification process. After consolidating input from each department, the Team conducts its assessment and identifies shareholders, customers, employees, suppliers, and banks as the five key stakeholder groups for the reporting year. Upon completion of the Report each year, the stakeholder engagement outcomes and the results of the material topic assessment are submitted to the Board of Directors for review.

Material Event Management Mechanism

Ta Chen defines a "material event" as any event or circumstance that could have a material actual or potential impact on the Group's operations, financial performance, the environment, society, or the rights and interests of its stakeholders. Such impacts may become apparent either immediately or over time. Such potential material events are identified through cases received via grievance mechanisms, feedback gathered through stakeholder communication channels, and ongoing monitoring of the Group's operations. Material events are determined based on the following six assessment dimensions:

Assessment Dimension	Determination Criteria
Stakeholder Concern	Widespread media coverage, heightened public attention across social media, or substantial concerns raised by NGOs, civil society organizations, a large number of customers, or employees.
Financial or Operational Impact	Decreased revenue, increased costs, asset losses, production disruptions, or share price volatility (including a drop in the share price that causes the Company's market capitalization to fall below its net asset value).

Legal and Regulatory Compliance Risk	Violations of material environmental, labor, or corporate governance laws and regulations, resulting in regulatory penalties, remediation requirements, or public disclosure obligations.
Environmental and Social Impact	Sensitive environmental and social issues, including significant greenhouse gas emissions, pollution incidents, community opposition, major occupational accidents, human rights violations, and supply chain exploitation.
Corporate Reputation and Brand Impact	Reputational damage, including a downgrade in ESG ratings, inclusion on negative lists, customer attrition or investor divestment.
Internal Stakeholder Impact	Significant personnel changes, large-scale employee departures, labor-management disputes, whistleblowing cases, ethical risks, or gender equality-related issues.

Once an event has been confirmed as material, the relevant department reports the matter to the CEO in accordance with the applicable delegation of authority. The CEO confirms the appropriate response procedures and corrective measures. The matter is subsequently submitted to the Board of Directors at its next meeting either as a discussion item or a report item.

Key Stakeholder Engagement

Ta Chen regularly engages with its key stakeholder groups through diverse communication channels and responds to the issues raised. The Company's stakeholder engagement activities during the reporting period are summarized below.

Of particular note, the focus of investor communications was adjusted during the reporting period. While the long-term significance of climate change has remained unchanged, the Company placed greater emphasis this year on explaining its operational resilience amid macroeconomic risks (inflation and interest rate fluctuations) and geopolitical risks (tariff impacts) to better respond to stakeholders' immediate concerns.

Stakeholder: Shareholders	
Significance to Ta Chen	Shareholders play an important oversight role in encouraging Ta Chen to pursue stable growth and sustained profitability. They are particularly concerned with the Company's financial performance, corporate governance, and the completeness of its sustainability disclosures.
Relevant Departments	Finance Department and CEO's Office
Engagement Methods and Frequency	General meeting (annually); Board meetings (quarterly); information updates on the Market Observation Post System (MOPS) (as needed); and corporate website updates (as needed)
Key Topics of Concern	Financial Performance, Ethical Corporate Management, Information Security, Energy Management, and Occupational Health and Safety
Engagement Outcomes During the Reporting Period	During the reporting period, the Company held one annual general meeting and one investor conference. Investors were provided with ample opportunities to participate, and the results were published on MOPS and the Company's website.

Stakeholder: Customers	
Significance to Ta Chen	Ta Chen's business model centers on distribution-based sales. Customer needs shape the Company's product portfolio and service model and are a fundamental driver of business growth.
Relevant Departments	Sales Department
Engagement Methods and Frequency	Customer satisfaction surveys (annually); customer visits and visits to the Company's facilities (as needed); customer audits (annually); and telephone and email communications (at any time)
Key Topics of Concern	Financial Performance, Information Security, Product Responsibility, Energy Management, and Occupational Health and Safety
Engagement Outcomes During the Reporting Period	The Company analyzed customer feedback on satisfaction levels and developed corresponding improvement measures. The customer satisfaction survey score for the reporting period was 91.76 points.

Stakeholder: Employees	
Significance to Ta Chen	Employees' professional capabilities and work performance provide essential support for the continued expansion of Ta Chen's global operations.
Relevant Departments	Human Resources Department and Employee Welfare Committee
Engagement Methods and Frequency	New employee orientation and training (as needed); online suggestion form on the Company's intranet (available at any time); employee suggestion boxes at plant sites (available at any time); and labor-management meetings (quarterly)
Key Topics of Concern	Financial Performance, Diversity, Equity and Inclusion, Talent Attraction and Retention, and Occupational Health and Safety
Engagement Outcomes During the Reporting Period	Four labor-management meetings were held during the reporting period. Employee Welfare Committee meetings were also convened to discuss the implementation of employee welfare initiatives.

Stakeholder: Suppliers	
Significance to Ta Chen	Suppliers collaborate with the Company to ensure the supply of raw materials required for product manufacturing. As upstream partners supporting the stable operation of Ta Chen's distribution model, suppliers are also an important extension of the Company's sustainable supply chain management.
Relevant Departments	Procurement Department
Engagement Methods and Frequency	Supplier questionnaire surveys (annually); external communications mailbox, telephone, and email (annually); and supplier audits (as needed)
Key Topics of Concern	Financial Performance, Ethical Corporate Management, and Climate Change Response
Engagement Outcomes During the Reporting Period	During the reporting period, the Company conducted supplier questionnaire surveys among key suppliers representing more than 90% of Ta Chen Stainless Pipe's total purchase amount on a standalone-company basis. The response rate was 100%. Suppliers were classified based on their survey responses, and the Company continues to follow up with suppliers based on the assessment results.

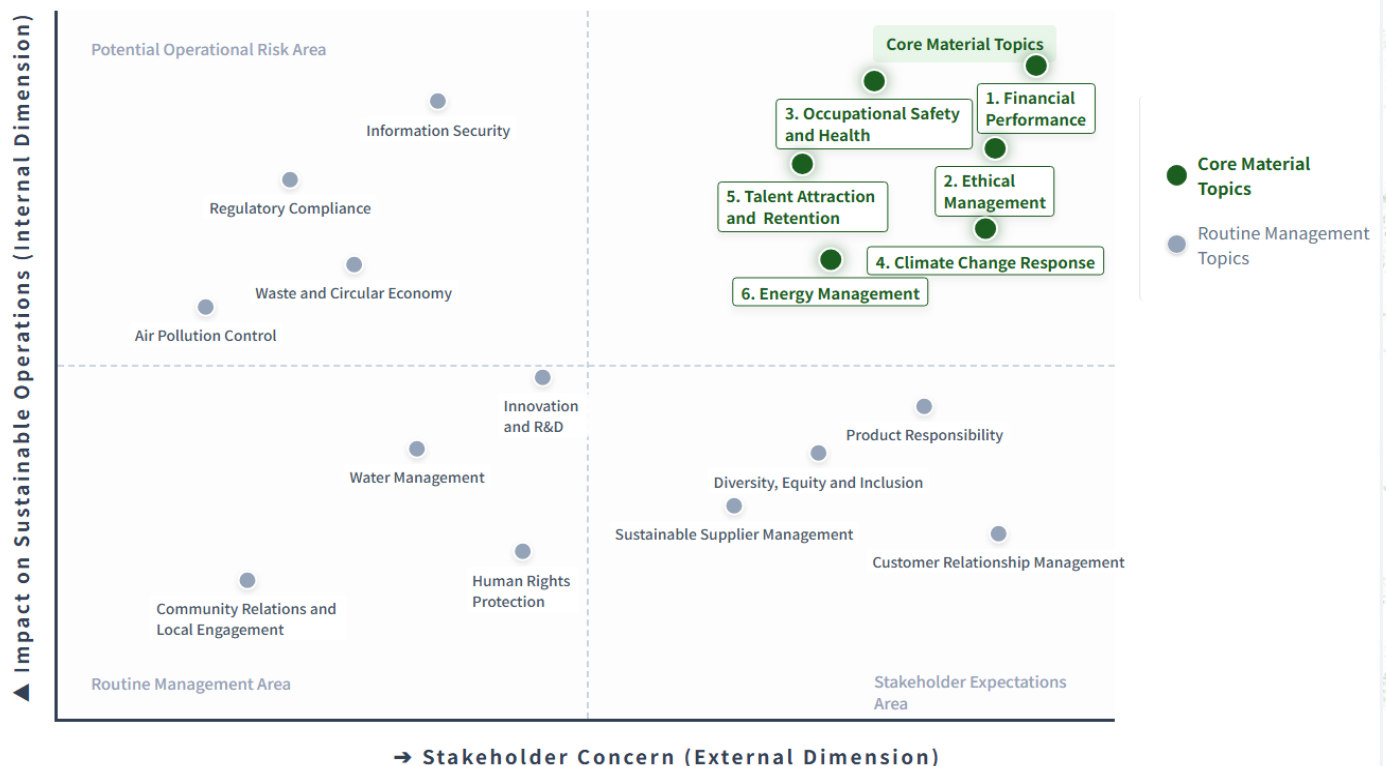
Stakeholder: Banks	
Significance to Ta Chen	Banks support Ta Chen's operational expansion and financing needs and expect the Company to maintain sound overall financial health and provide comprehensive climate-related financial disclosures.
Relevant Departments	Finance Department
Engagement Methods and Frequency	Telephone and email communications (as needed); and meetings with banks (as needed)
Key Topics of Concern	Financial Performance, Ethical Corporate Management, Climate Change Response, Product Responsibility, and Occupational Health and Safety
Engagement Outcomes During the Reporting Period	As part of banks' credit assessment processes, the Company completed sustainability-related questionnaires and self-assessments regarding relevant sustainable development topics.

1-3 Analysis of Material Issues

Results of the Material Topic Determination Process

In accordance with the materiality assessment approach under the GRI Standards and taking into account the characteristics of its industry, Ta Chen developed a questionnaire to assess stakeholder concerns regarding sustainability topics among its five key stakeholder groups. Nine senior executives then independently evaluated the impact of each topic on Ta Chen's sustainable development. The Sustainability Report Disclosure Team consolidates the assessment results from the two dimensions and determines six material topics. The six material topics are submitted to the Board of Directors annually for review and approval and, once approved, serve as the Company's annual disclosure topics. There were no material changes to the Company's material topics during the reporting period compared with the previous year.

Material Topics	GRI Mapping	Responsible Department(s)	Corresponding Section
Financial Performance	GRI 201	Finance Department	2-3 Financial Performance
Climate Change Response	GRI 305, TCFD	Environment, Health and Safety Department	5-1 Climate Change Risks
Energy Management	GRI 302	Environment, Health and Safety Department	5-3 Energy Management
Occupational Safety and Health	GRI 403	Human Resources Department / Occupational Safety and Health Department	4-4 Safety and Health
Ethical Management	GRI 205, 206	Finance Department and CEO's Office	2-4 Corporate Governance
Talent Attraction and Retention	GRI 401, 404	Human Resources Department	4-1 Talent Attraction and Development



Management Guideline for Material Issues

Once the confirmed material topics have been mapped to the GRI Standards, each department determines the indicators, management approaches, and performance results to be disclosed. The impact scope of each topic (economy, environment, and people), the nature of its positive and negative impacts (actual/potential), and the corresponding management approach are described below:

Financial Performance

Corresponding Standard: GRI 201 Impact Boundary: Customers, Ta Chen Group, Suppliers

Management Approach

Ta Chen's distribution-based sales model is its core competitive advantage. Through its U.S. subsidiary TCI, which serves as its distribution platform, the Company serves customers in the United States and operates one of the largest stainless steel distribution platforms in the country. Management measures include: continuously expanding product categories and product offerings to meet customers' needs for one-stop purchasing and rapid delivery; expanding the customer base and product portfolio through acquisitions to improve operating efficiency; and establishing stable partnerships with suppliers under a supply chain management framework built on reasonable profits and long-term orders. Once completed, the integrated Texas mill for industrial aluminum coils and sheets will have a monthly production capacity of up to 31,000 metric tons, further strengthening the Company's market share in the United States.

Impact Nature Analysis

Dimension	Impact Description	Positive	Negative	Actual	Potential
Economy	Sound financial performance enhances shareholder value, strengthens market confidence, and provides financial support for business growth.	✓		✓	
Economy	Poor financial performance undermines stakeholders' confidence in Ta Chen and hinders sustainable development.		✓		✓
Environment	Sound financial performance facilitates capital expenditure for environmental sustainability.	✓		✓	
Environment	An excessive focus on short-term financial targets at the expense of environmental protection may lead to the overexploitation of resources.		✓		✓
People	Sound financial performance enables the Company to improve employee compensation and benefits, thereby increasing employee satisfaction and loyalty.	✓		✓	
People	Excessive cost reductions may adversely affect employee benefits and working conditions, thereby harming labor rights.		✓		✓

Ethical Management

Corresponding Standards: GRI 205, GRI 206 Impact Boundary: Employees in Taiwan and other countries, Shareholders, Business Partners

Management Approach

Ta Chen Group has established subsidiaries and affiliated companies in Europe, the United States, China, Australia, and New Zealand. These multinational operations depend on sound corporate governance as a foundation. Management measures include: establishing an Audit Committee and a Remuneration Committee to oversee the Company's operations and review performance evaluation and remuneration policies for directors and managerial personnel, with zero violations as the target; and establishing a grievance channel through which the head of the CEO's Office receives grievances and submits them to the CEO. Current policy documents related to ethical corporate management include the Ethical Corporate Management Best Practice Principles, Human Rights Policy, Supplier Code of Conduct, and Sustainable Development Best Practice Principles.

Impact Materiality Analysis

Dimension	Impact Description	Positive	Negative	Actual	Potential
Economy	A culture of integrity strengthens corporate reputation, attracts investors and business partners, and promotes business development.	✓		✓	
Economy	Failure to effectively implement ethical corporate management may give rise to compliance risks, resulting in customer attrition and reputational damage.		✓		✓
People	Embedding a culture of integrity helps foster a fair workplace while safeguarding the rights and interests of employees and suppliers.	✓		✓	
People	Governance deficiencies may give rise to internal ethical risks and undermine employees' trust in the Company.		✓		✓

Climate Change Response

Corresponding Standards: GRI 305, TCFD Impact Boundary: Ta Chen Group, Suppliers, Communities

Management Approach

Recognizing the impacts of climate change on global supply chains and physical assets, Ta Chen identifies physical risks and transition risks in accordance with the TCFD framework. Management measures include: conducting climate-related scenario analysis to assess the potential operational and financial impacts of climate risks over the short, medium, and long term; setting greenhouse gas management targets and tracking annual Scope 1 and Scope 2 emissions performance; and continuing to assess the Scope 3 emissions boundary while requiring key suppliers to provide carbon emissions information. During the reporting period, the solar power generation system at the Company's Taiwan facilities was completed and put into operation. It generated 2,835,200 kWh of electricity during the year, marking an important milestone in reducing electricity-related emissions intensity. (See 5-1 Climate Change Risks and 5-2 Greenhouse Gas Management for details.)

Impact Materiality Analysis

Dimension	Impact Description	Positive	Negative	Actual	Potential
Environment	Effective climate risk management can reduce the risk of asset damage and supply chain disruptions resulting from extreme weather events.	✓		✓	

Environment	Failure to control greenhouse gas emissions effectively will exacerbate negative impacts on the global climate system.		✓	✓	
Environment	Failure to respond to climate-related disclosure requirements in a timely manner may result in lost orders or less favorable financing terms.		✓		✓
Economy	Proactive positioning for the low-carbon transition can reduce future carbon fee costs and help the Company secure preferential green financing terms.	✓			✓
Economy	Tighter carbon fee regulations or an expansion in the scope of the Carbon Border Adjustment Mechanism (CBAM) may increase operating costs.		✓		✓
People	Climate-related physical risks may affect the occupational safety and health of on-site personnel.		✓		✓

Energy Management

Corresponding Standard: GRI 302

Impact Boundary: Ta Chen Group

Management Approach

Ta Chen integrates energy efficiency assessments into the equipment procurement process and purchases equipment that meets the highest specifications to manage electricity use, pickling processes, air pollution, and related resource consumption. Management measures include: replacing aging machinery and equipment to improve operating current and pressure, resulting in electricity savings of 304,300 kWh during the reporting period; and operating the solar power generation system at the Company's Taiwan facilities, which generated 2,835,200 kWh of electricity during the year, of which 148,900 kWh was self-generated and consumed on site. The Company plans to transition all generated electricity to on-site self-consumption in the future to increase the proportion of renewable energy consumed on-site. (See 5-3 Energy Management for details.)

Impact Materiality Analysis

Dimension	Impact Description	Positive	Negative	Actual	Potential
Environment	Promoting energy conservation measures and renewable energy can reduce electricity consumption intensity and greenhouse gas emissions.	✓		✓	
Environment	Excessive reliance on fossil fuels without advancing the energy transition will result in continued emissions and exposure to carbon fee risks.		✓	✓	
Economy	Energy conservation initiatives reduce unit electricity costs and improve overall manufacturing efficiency and profitability.	✓		✓	
Economy	Rising electricity prices or unstable energy supplies may directly affect Ta Chen's manufacturing costs.		✓		✓
People	The installation of renewable energy facilities, such as solar power systems, creates local	✓			✓

employment opportunities and provides a positive example for the community.

Occupational Safety and Health

Corresponding Standard: GRI 403 Impact Boundary: Employees, Contractors

Management Approach

Ta Chen regards occupational health and safety as a fundamental responsibility in safeguarding employee rights and recognizes that its occupational health and safety performance directly affects customer audit results and order stability. Management measures include: establishing an occupational health and safety management system in accordance with applicable laws and regulations and regularly conducting plant safety inspections and risk identification; providing employees with occupational health and safety education and training to strengthen workplace safety awareness; and establishing emergency response procedures to ensure that response mechanisms can be activated promptly in the event of an accident. Performance tracking indicators include: Lost Time Injury Rate (LTIR), Serious Occupational Injury Rate, and Occupational Injury Rate. (See 4-4 Safety and Health for details.)

Impact Materiality Analysis

Dimension	Impact Description	Positive	Negative	Actual	Potential
People	A sound occupational health and safety management mechanism can reduce the risk of occupational injuries to employees and contractors.	✓		✓	
People	Inadequate occupational health and safety management may result in workplace accidents that cause irreversible physical or psychological harm to employees and their families.		✓	✓	
People	A strong occupational health and safety culture enhances employees' sense of belonging and supports talent retention and attraction.	✓			✓
Economy	Meeting occupational health and safety management requirements helps the Company successfully pass customer audits and maintain order stability.	✓		✓	
Economy	Major occupational accidents may give rise to financial risks, including losses from work stoppages, legal proceedings, and failure to pass customer audits.		✓		✓
Environment	Improper management of chemicals and process wastewater at plant sites may pose a risk of pollution to the surrounding environment.		✓		✓

Talent Attraction and Retention

Corresponding Standards: GRI 401, GRI 404 Impact Boundary: Employees

Management Approach

Ta Chen recognizes that a stable talent pipeline is a core prerequisite for supporting the continued growth of the Group's global operations. Management measures include: providing employee benefits that are superior to those offered by industry peers, including specific measures such as complimentary vegetarian lunches, to strengthen talent retention; establishing a systematic career development mechanism and enhancing employees'

professional competencies through education and training; conducting pay equity reviews to ensure the implementation of the principle of equal pay for equal work; and fostering employees' sense of belonging through diversity and inclusion policies to enhance overall organizational vitality. (See 4-1 Talent Attraction and Development, 4-2 Employee Communication, and 4-3 Wage and Benefits for details.)

Impact Materiality Analysis

Dimension	Impact Description	Positive	Negative	Actual	Potential
People	Effective talent attraction and retention mechanisms ensure that the Company has the human capital required to continue expanding its global operations.	✓		✓	
People	If compensation and development opportunities are not competitive with the market, the loss of key talent may affect business continuity.		✓		✓
People	A diverse and inclusive working environment increases employee engagement and strengthens organizational innovation.	✓			✓
Economy	A stable talent pipeline supports Ta Chen's long-term development objectives by expanding its U.S. distribution network and upgrading its manufacturing operations.	✓		✓	
Economy	Talent shortages in key positions may delay market expansion or equipment upgrade plans and affect the Company's overall competitiveness.		✓		✓

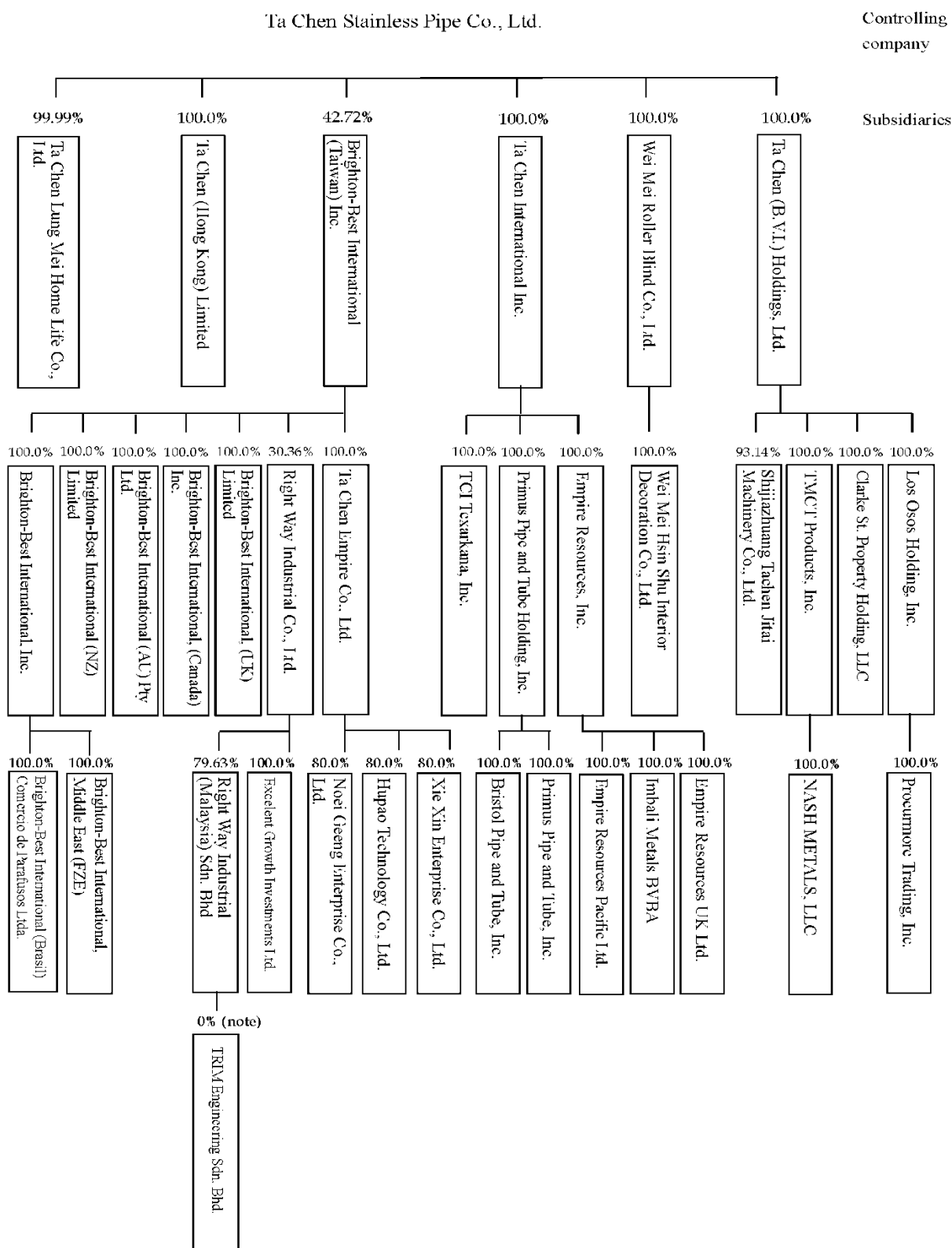
Alignment of Stakeholder Concerns with Material Topics

The correspondence between the material topics for the year and the primary concerns of each key stakeholder group is as follows:

Stakeholder	Key Topics of Concern	Response Section
Shareholders	Financial Performance, Ethical Corporate Management, Information Security, Energy Management, and Occupational Health and Safety	2-3, 2-4, 2-7, 5-3, 4-4
Customers	Financial Performance, Information Security, Product Responsibility, Energy Management, and Occupational Health and Safety	2-3, 2-7, 3-3, 5-3, 4-4
Employees	Financial Performance, Diversity, Equity and Inclusion, Talent Attraction and Retention, and Occupational Health and Safety	2-3, 4-1, 4-2, 4-3, 4-4
Suppliers	Financial Performance, Ethical Corporate Management, and Climate Change Response	2-3, 2-4, 5-1
Banks	Financial Performance, Ethical Corporate Management, Climate Change Response, Product Responsibility, and Occupational Health and Safety	2-3, 2-4, 5-1, 3-3, 4-4

1-4 Disclosure Scope of this Report

The Company's Investment Structure



Note: A liquidation application was filed on December 24, 2025, and the related liquidation procedures are still in progress.

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. Information disclosure is consistent with the scope of the consolidated financial statements. Among the subsidiaries, Brighton-Best International (Taiwan) Inc. is an OTC-listed company that independently issues its own sustainability report. Therefore, this report only provides a brief disclosure of the subsidiary's sustainability performance. For detailed information, please refer to Brighton-Best's sustainability report. 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 the comparability of information, the Report generally discloses data for the most recent three years. However, for certain performance indicators, as relevant information was not collected through the system in earlier years, only data for 2024-2025 is disclosed.

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	Ta Chen International Inc. and its subsidiaries	Full Disclosure
Listed Subsidiaries	Shijiazhuang Tachen Jitai Machinery Co., Ltd. and Ta Chen (Boye) Machinery Co., Ltd.	Full Disclosure, as Ta Chen (Boye) Machinery Co., Ltd. was divested in 2025, only information for 2024 is disclosed.
Subsidiaries Engaged in Manufacturing, Logistics, Sales, and Other Business Activities	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 (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, 2025)

Company name	Ta Chen Stainless Pipe Co., Ltd.	Chairman	Li-Yun Hsieh
Date founded	1986/11/27	Paid-in Capital	NTD 25.843 billion
Stock symbol	2027	No. of employees	4,756 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
2025	Completion of the new plant construction and solar power generation installation project at the Rende, Taiwan manufacturing site.

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, following the expansion of the hot-rolling production line at Ta Chen Steel's Texas aluminum plant monthly hot-rolling capacity increased 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. In addition, the Company expects to obtain ASI Performance Standard Certification in 2026, promoting responsible aluminum production and sourcing while ensuring the sustainable development of the aluminum industry.

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.

Development Strategy

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

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 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.

Ta Chen adopts an "optimal quality-cost balance" procurement strategy. For industrial stainless steel pipes, the primary considerations are dimensions and durability. Accordingly, the Company procures raw materials that meet the required specifications at reasonable costs, enabling precise cost control. Provided international standards are met, the Company capitalizes on raw material price differentials across global markets to maintain the price competitiveness of its products in the U.S. market. Ta Chen Stainless Pipe's suppliers own nickel laterite mines and operate vertically integrated production facilities, enabling them to achieve lower production costs than electric arc furnace steelmakers in Taiwan. By allocating an appropriate share of its procurement to these suppliers, the Company secures high-quality raw materials at competitive prices.

During the reporting period, the Company acquired a local stainless steel pipe manufacturing facility in the United States. Although manufacturing costs in the United States are high and cost efficiency is relatively low, the primary purpose of the acquisition was to consolidate Ta Chen's market share and pricing power in the U.S. industrial pipe market. The Company maintains its distribution channel advantages through its merger and acquisition strategy, avoids price-cutting competition, and strengthens its operational resilience.

Through sound financial management and disciplined capital expenditure, Ta Chen has established a globally competitive supply chain. For the U.S. aluminum coil and sheet market, the Company has adopted a strategy of "vertical integration and local supply". Since 2018, it has undertaken a series of major investment projects at the Texarkana aluminum mill in Texas, with cumulative investment exceeding US\$800 million. These investments are intended to transform the facility into one of North America's largest self-sufficient aluminum alloy rolling mills. The Group's factory expansion project has taken into account the investment effect and possible risks. Any major capital expenditure shall also be reported to the Audit Committee for review and to the Board of Directors for approval.

- Cold-Rolling Line: The expansion of the second cold-rolling line was completed at the end of 2023, and the line was progressively brought into operation. This expansion will increase monthly cold-rolling capacity by approximately 13,000 metric tons, bringing total monthly capacity to approximately 31,000 metric tons and significantly strengthening the Company's supply capacity in the U.S. industrial aluminum sheet market.
- Hot-Rolling Line: The hot-rolling expansion project is also progressing smoothly, with completion and trial operations scheduled to take place in stages during the first half of 2026. Monthly hot-rolling capacity is expected to increase from the current 18,000 metric tons to 31,000 metric tons, further enhancing raw material self-sufficiency and the benefits of upstream and downstream integration.

Once the entire hot-rolling line is fully operational, cold-rolling and hot-rolling capacity at the Texas mill will be fully matched (1:1). The mill will no longer rely on externally sourced hot-rolled feedstock and will achieve 100% in-house production. This development will not only effectively reduce raw material procurement costs and improve the overall gross margin, but will also enable Ta Chen to further expand its market share in the high-tariff U.S. trade environment by leveraging its "local manufacturing" advantage. The Company's future target is to capture an 80% share of the U.S. aluminum coil and sheet distribution market.

This investment of more than US\$800 million represents not only an expansion of production capacity, but also Ta Chen's commitment to the regional economy. In terms of tax revenue and employment, the operation of the Texas mill has created hundreds of high-paying technical positions in the local community and provides a stable contribution to local tax revenue. In terms of supply chain risk mitigation, local production can effectively reduce exposure to tariff costs amid frequent fluctuations in international trade tariffs, thereby maximizing the economic benefits for stakeholders.

Fair Competition and Legal Compliance (GRI 206-1)

Leveraging the advantages of local production at its Texas aluminum mill and its highly efficient B2B e-commerce distribution platform, Ta Chen is committed to providing customers with stable and cost-competitive products. The Company's long-term business vision is to achieve an 80% share of the U.S. aluminum coil and sheet distribution market. We fully recognize that the greater a company's market influence, the greater the social responsibility it must bear. Ta Chen strictly complies with the fair trade and anti-trust laws applicable in all jurisdictions where it operates, ensuring that all business expansion activities are founded on enhancing supply chain efficiency and customer value.

- **Compliance Management Mechanism:** We have established rigorous internal audit and compliance monitoring systems that prohibit all forms of price fixing, bid rigging, and agreements that restrict competition.
- **Transparent Trading Platform:** Our digital trading platform provides transparent, real-time pricing information, ensuring that all customers make purchases in a fair and open environment while reducing market distortions arising from information asymmetry.
- **Legal Compliance Record:** In 2025, Ta Chen was not involved in any legal actions concerning anti-competitive behavior, anti-trust, or monopoly practices, nor did it receive any related sanctions or penalties from the competent authorities.

The core driver of our goal to achieve a high market share is the supply chain resilience created by "local production". Amid international trade barriers and high tariffs, Ta Chen seeks to protect U.S. customers from international market volatility and import shortages through 100% in-house production at its Texas mill, thereby safeguarding the economic stability of the entire industrial value chain.

Smart Manufacturing and Digital Transformation

Ta Chen Group began as a trading business and later expanded into stainless steel pipe manufacturing. However, the Group did not confine itself to the role of a traditional manufacturer. Instead, it used digital technology to establish a comprehensive "industrial products e-commerce platform", develop its distribution network, build an online sales platform, and introduce an e-commerce sales model for industrial products. The Group has digitalized the core concept of its triangular framework of "Taiwan-based operations, globalized production, and globalized distribution". More than 80% of the Group's orders are currently placed online, realizing a B2B e-commerce distribution model for industrial products and significantly improving supply chain transparency and operational efficiency. The Group continues to expand its product offerings to drive revenue growth. 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. This constitutes the core operating strategy of Ta Chen Group. Its subsidiaries also focus primarily on developing market distribution channels.

In addition to developing distribution channels, Ta Chen Group actively integrates smart technologies into its manufacturing processes. The Group uses smart production scheduling, integrates information from its production sites worldwide, and applies big data analytics to optimize production sequences, shorten lead times, and reduce energy consumption. For digitalized inventory and distribution channel management, the Group leverages its online distribution platform to connect inventory information across distribution channels in real time, enabling precise inventory management and transforming the traditionally high inventory burden into an inventory turnover advantage.

On the manufacturing side, the Group has digitalized production information and introduced paperless operations. Slitter tooling setup instructions and work order information, which were previously recorded manually on whiteboards, are now converted into digital files by software and displayed directly on screens. The Group has encoded the operating logic of experienced employees into the software, preventing standards from becoming inconsistent when employees leave or when knowledge is passed on orally. This enables seamless operational continuity and SOP standardization. Digitalization effectively prevents slitting errors caused by manual transcription mistakes. In the past, a handwritten error nearly resulted in approximately NT\$60,000 in scrap losses. Following systemization, this type of "cost of poor quality" and "raw material waste" can be eliminated at the source. This not only improves production efficiency, but also demonstrates the tangible environmental benefits of reducing process waste through management measures.

Under the "Production Line Optimization and Relocation Plan" for the Company's Taiwan facilities, the production line at the valve plant is scheduled to complete its relocation to the new plant by the end of 2025; the

office, quality control, and plant facilities units are expected to complete their relocation by March 2026. To prevent supply interruptions during the relocation, the Company adopted a "prebuild inventory" strategy. Production capacity was increased before the relocation to establish sufficient inventory, and inventory management was used to mitigate the risk of operational disruptions associated with the plant relocation, ensuring that customer deliveries would not be affected throughout the relocation process.

Ta Chen has developed its own optical character recognition (OCR) system, which automatically recognizes and extracts information from PDF documents such as material certificates and arrival notices. The extracted data is transferred directly into the system for review by sales personnel, substantially reducing reliance on manual data entry and the associated error rate, thereby achieving process automation and paperless operations.

Regarding the governance principles for emerging technologies such as AI, an open yet cautious application strategy has been adopted. Currently, the approach is non-prohibitive, with no blocking of AI tools or cloud storage. However, at the system level, measures such as token usage control are implemented to prevent data leakage. At present, AI visual recognition technology has been applied to the OCR project; internally, efforts are underway to integrate generative AI with the knowledge management system to assist newcomers in onboarding and problem-solving.

As digitalization advances, the Company continues to strengthen its information-security management and protects stakeholders' information assets through a sound management system and grievance mechanism. Continued investment in digital transformation not only enhances financial performance, but also advances low-carbon operations by reducing the use of paper documents, optimizing transportation routes, and enabling more precise production control. In the future, Ta Chen Group will remain committed to narrowing the digitalization gap across industries. By strengthening supply chain resilience, the Group aims to encourage its upstream and downstream business partners to advance together toward sustainable operations.

Trade and Industry Association Participation

Ta Chen actively participates in relevant trade and industry associations to stay abreast of the latest domestic and international trends, changes in government laws, regulations, and developments in the steel industry. Through this participation, Ta Chen also works closely with local businesses to promote mutual growth and maintains communication with relevant stakeholders as it advances sustainable development. Details of the trade and industry associations supported or joined during 2025 are provided below:

Association	Ta Chen's Role	Membership Fees (NT\$)	Main Purpose/Activities
Taiwan Steel & Iron Industries Association	General Member	144,000	To foster unity and development within the steel industry, support the government's economic development initiatives, contribute to the nation's foreign exchange earnings, coordinate relations within the industry, and advance common interests.
Tainan City General Industrial Association	General Member	16,800	To promote sustainable operations by assisting industries with digital transformation and encouraging contributions to society, while serving as an important communication bridge between government and industry.
Xintian Industrial Park Manufacturer Association	General Member	2,000	To unite businesses within the industrial park, foster a spirit of mutual support, strengthen collaboration among businesses, enhance industrial competitiveness, and promote local economic development.

The domestic steel industry generally issues new price quotations twice a month, resulting in a lag in market information. Through its extensive U.S. distribution network, Ta Chen has access to what it refers to as "yesterday's" real-time market intelligence. Industry associations frequently seek Ta Chen's insights into U.S. market conditions, including price trends and customer buying interest. As a result, Ta Chen has become a key source of market intelligence for Taiwan's steel industry, enabling the industry to respond more quickly to changing market conditions. Ta Chen is not merely a distribution channel. It is also an important information bridge connecting Taiwan's steel industry with international markets. By sharing real-time market intelligence, Ta Chen helps its Taiwanese supply chain partners respond to international volatility, thereby demonstrating tangible social impact.

Community investments

To promote social harmony, Ta Chen actively participates in community development and related charitable activities, continually gives back to society each year through the results of its operations, and invites employees to participate; during the reporting period, Ta Chen Group donated approximately NT\$34.387 million in total, while employees donated approximately NT\$892,300. Beneficiaries of these donations and services include infants and young children, older adults, and persons with disabilities. In Taiwan, Ta Chen also supports domestic cultural development and cultural and artistic activities. In 2025, it contributed NT\$5.54 million to cultural and arts associations and arts alliances to support charitable touring screenings by the Formosa 3D Mobile Cinema. By continually expanding and creating new content from its visual archive, the program promotes ecological, environmental, and life education, uses visual media to broaden young people's horizons and inspire their personal development, and helps create a sustainable future for Taiwan; BBI-USA donated US\$200,000, equivalent to approximately NT\$6.77 million, to the Natural History Museum of Los Angeles County to help cover the cost of caring for the museum's collections; TCI donated US\$25,000, equivalent to approximately NT\$775,000, to The Hole in the Wall Gang Camp, which provides overnight summer camp experiences and year-round programs for children with chronic illnesses, including cancer and sickle cell disease, and their families.

Unit: NT\$10,000	2023	2024	2025
Public Welfare Donations	1,697.58	2,232.12	3,527.93

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 1,000 complimentary vegetarian boxed meals were provided daily during the reporting period 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 has long maintained strong ties with the neighboring community (Xintian Village, Rende District). In 2025, the company donated NT\$22,000 to the Community Development Association to support local activities (such as dance competitions), promoting community growth; the Company 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, participating in six events during the reporting period with a total of 178 volunteer attendances. 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.

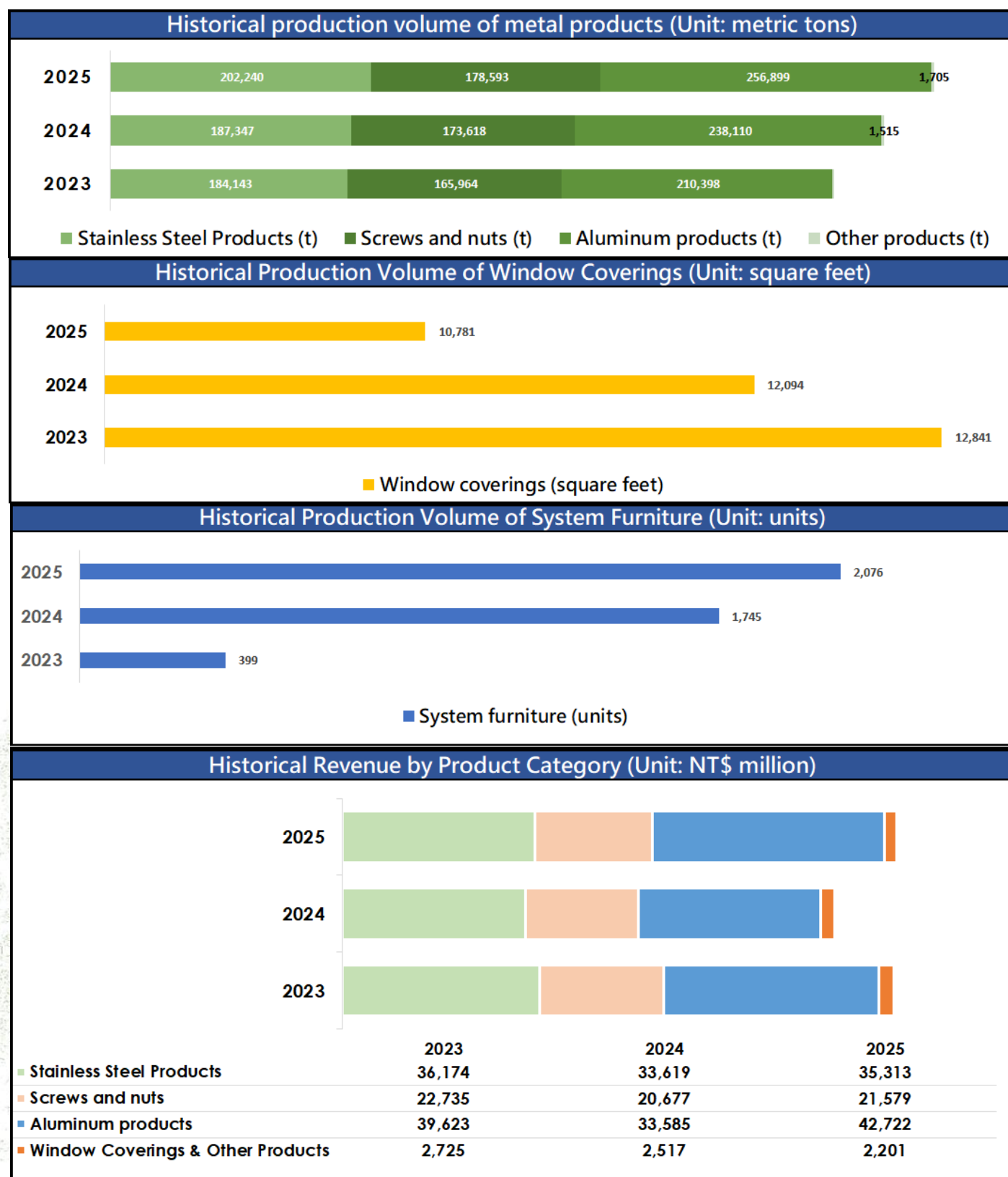
2-2 Overview of Products and Processes

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 65% 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.

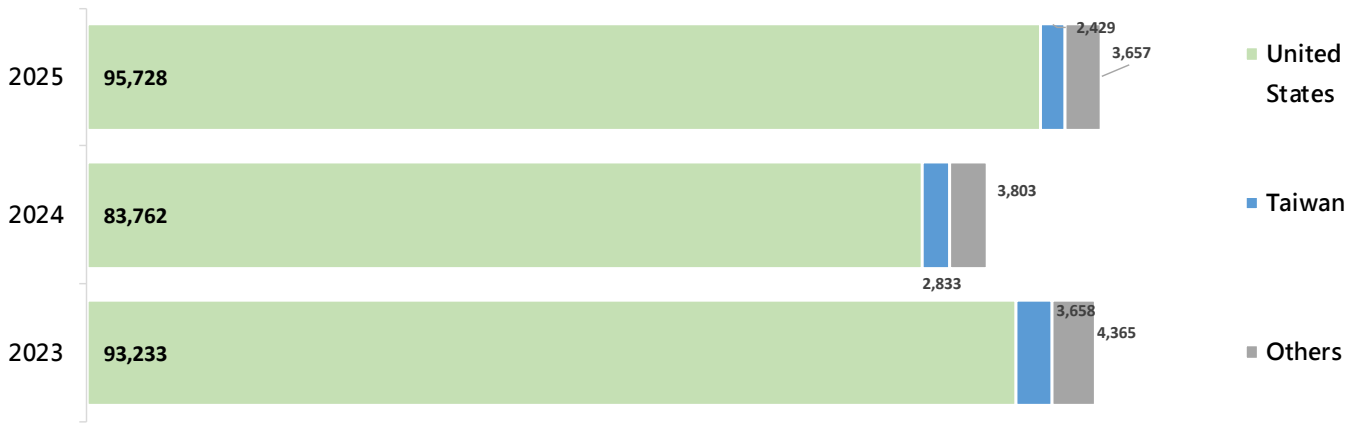
The company is one of the key domestic distributors of seamed stainless steel pipes and accessories. Approximately 100% of our finished products are exported to other countries, primarily the US market. Other regions, including Europe, Australia, Southeast Asia, Africa and Israel, also contribute varying 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. Following progressive improvements from earlier product generations, the specific gravity of the foamed PVC material is now maintained at approximately 0.6 ~ 0.68. Further reductions in specific gravity (lightweighting) have encountered a technical bottleneck. Overcoming this limitation would require substantial changes to the formulation, which would result in higher costs. The current strategy is therefore to maintain this optimized formulation for the time being and focus on consistent quality rather than simply pursuing a lower figure. In addition, a new light-blocking stile has been developed to cover the gaps that remain when the shutter louvers are closed. The structural design was improved by replacing the original complex configuration requiring interlocking male-and-female profiles with a design in which a projecting edge on one side provides the overlap. This design change achieves lightweighting and material reduction at source through structural optimization. With respect to its use of recycled materials, the Company

is committed to promoting the circular economy. However, given the priority placed on customer health and safety and compliance with applicable regulatory requirements, it has strategically chosen to continue using virgin materials to help ensure that its products do not pose a risk of leaching toxic substances.

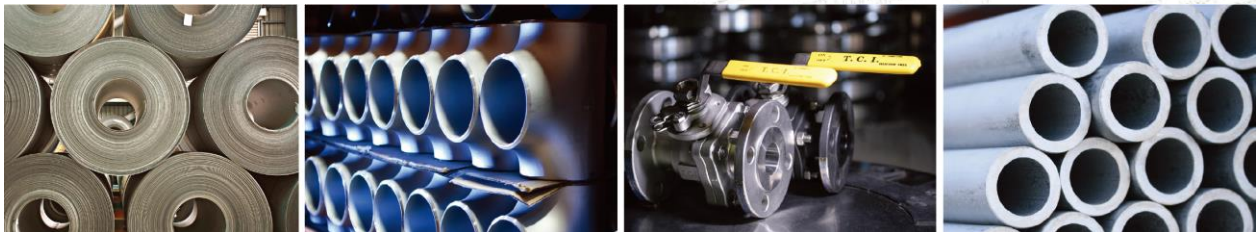


Historical Revenue by Region (Unit: NT\$ million)

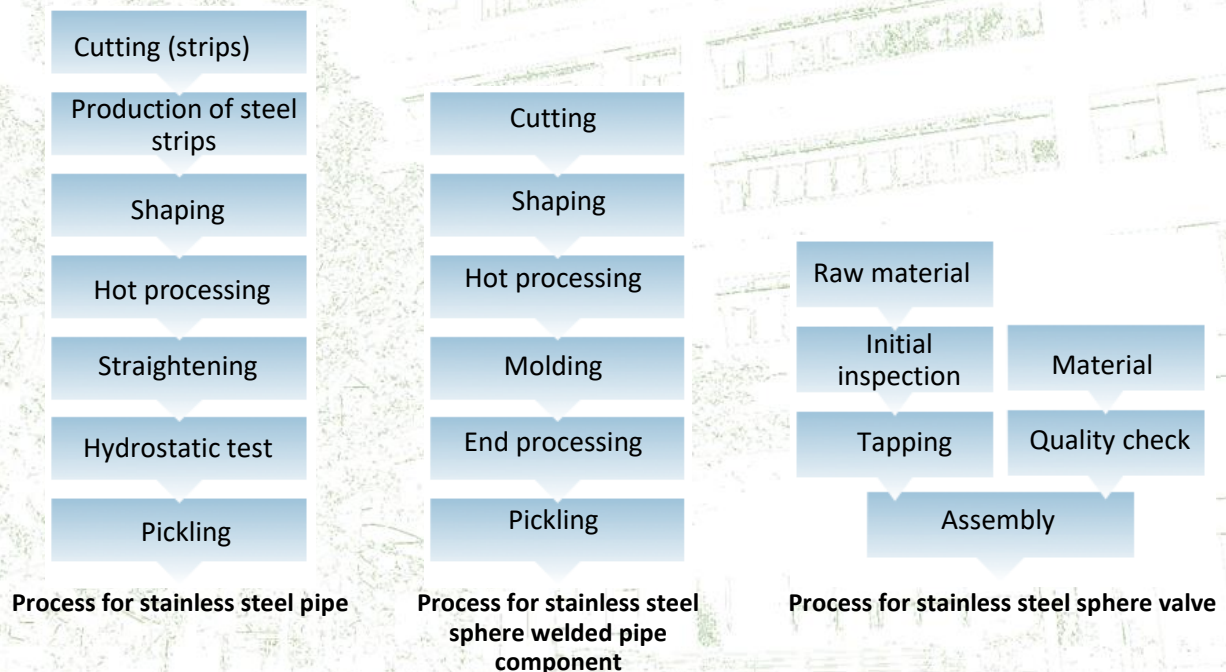


Major Businesses of the Company

- 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:



2-3 Financial Performance

In 2025, due to the impact of additional U.S. tariffs and expectations of interest rate cuts, customer demand stabilized. Sales prices gradually reflected the effect of tariffs, resulting in higher average selling prices and improved product gross margins. Consequently, operating gross profit and net income for the period increased compared with 2024.

Revenue and Profit/Loss (Unit: NTD million)	2023	2024	2025
Operating Revenue	101,257	90,398	101,815
Operating Cost	81,800	73,311	76,639
Operating Gross Revenue	19,457	17,088	25,176
Operating expenses	10,585	10,941	11,115
Other Profits and Losses	(15)	(34)	(6)
Operating profit	8,856	6,112	14,055
Non-operating Revenue (Expenses)	752	453	(3,285)
Profit before tax	9,608	6,565	10,770
Income Tax Expenses	2,798	1,844	2,571
Net income for the period	6,811	4,721	8,199
Other Comprehensive Profits (Losses)	(959)	4,170	(2,512)
Net comprehensive profit and loss for the period	5,851	8,891	5,687
Basic earnings per share (NTD)	2.30	1.53	2.88
Specific Disclosure of Expenditure Items (Unit: NTD millions)	2023	2024	2025
Employee wage and benefits	6,742	7,411	7,978
Dividends and Interest Expenses	5,447	3,668	3,648
Amount of Government Subsidies	0	3,395	0
Direct/Indirect Political Contributions	0	0	0
Community Investment Expenditures	16.98	22.32	35.28

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 oversees tax management, while the Finance Department acts as the execution unit of tax management, ensuring accurate tax filings and payments, reporting internally and externally, and assessing tax risks and impacts.

Effective Tax Rate (Unit: NTD thousand)	2023	2024	2025
Profit before tax	9,608	6,565	10,770
Income Tax Expenses	2,798	1,844	2,571
Income Taxes Paid	3,087	1,745	2,414
Book Effective Tax Rate	29.12%	28.09%	23.87%
Cash effective tax rate	32.13%	26.59%	22.41%



Tax policy

Country-by-Country Report

During the reporting period the breakdown of our global tax contributions by jurisdiction as follows:

Tax jurisdiction (Unit: NTD thousand)	Income tax paid	Current income tax payable
Taiwan	282,122	75,350
US	2,867,521	2,681,386
Asia (excluding Taiwan)	21,586	15,685
Others	31,450	10,543
Total	3,202,679	2,782,964

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 during the reporting period.

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 2025, the Board of Directors held a total of six meetings, with an average attendance ratio of 90%. Below is information on the Board members and a record of their attendance as of the end of 2025. 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 55 of the Annual Report: "important decisions made by the Shareholders' meeting and the Board of Directors."

Title	Name	Frequency of actual attendance	Frequency of proxy attendance	Actual attendance ratio
Chairman	Li-Yun Hsieh	6	0	100%
	Company Representative: Wei-Yi Investment Co., Ltd.			
Director	I-Lan Ou	6	0	100%
	Company Representative: Li Zhi Investment Co., Ltd.			
Director	Shi-Hsien Tu	1	5	17%
Director	Rung-Kun Shieh	6	0	100%
	Company Representative: Ta Ying Cheng Investment Co., Ltd.			
Director	Chao-Jin Tsai	6	0	100%
Director	Yong-Yu Tsai	6	0	100%
Director	Erh-Yi Hsieh	5	1	83%
Director	Mei-Feng Lin	6	0	100%
	Company Representative: Linfangjin Charitable Foundation			
Independent director	Chun-An Hsu	5	1	83%
Independent director	Ming-Chang Shen	6	0	100%

Independent director	Guang-Hsiang Wang	6	0	100%
Independent director	Kuang-Tzu Wang	6	0	100%

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 during the reporting period. 100% of the directors complied with the requirements for further education hours.

Name of course	No. of hours	Directors who participated in the training
Analysis of Global Macroeconomic and Key Industry Trends	6	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, Kuang-Tzu Wang
Embracing the AI Wave: Unlocking the Business Potential of Generative AI	3	Erh-Yi Hsieh
Cross-Generational Talent Management and Practical Implementation of the IFRS Sustainability Disclosure Standards (IFRS S1/S2)	6	Erh-Yi Hsieh
Advancing Sustainable Development through the TPEX Market	3	Erh-Yi Hsieh

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 2025, the self-evaluation weighted scores all exceeded 80 points, indicating good performance of the Board's operations.



Rules for Board of Directors' Performance Evaluation

Executives' Remuneration and Performance

Ta Chen's management makes all significant business decisions only after carefully considering the various risk factors involved. The effectiveness of these decisions is ultimately reflected in the Company's financial performance. Management remuneration is determined based on each executive's professional experience and with reference to prevailing market practices within the industry. In addition, performance-based bonuses are primarily assessed against financial and operational indicators, including profit growth, improvements in operational management quality, and net profit after tax. These are supplemented by comprehensive management indicators, such as organizational leadership and management capabilities, risk management, innovation and integration, and ESG sustainability strategies, as well as other exceptional contributions or significant achievements. Following evaluation, the remuneration proposal is reviewed by the Remuneration Committee and submitted to the Board of Directors for approval. Accordingly, the remuneration of the General Manager and Executive Vice President is linked to their performance in managing and controlling future risks.

Mechanisms for avoiding conflicts of interests

Pursuant to regulations, the Board of Directors' Meeting shall be held at least once each quarter. During the reporting period, 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 over 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. During the reporting period, the average attendance rate of the Audit Committee and the Compensation Committee was 96% and 83%, respectively. The members and their meeting attendance details are as follows:

Audit Committee	Title	Name	Frequency of actual attendance	Frequency of proxy attendance	Actual attendance ratio	Note
	Independent director	Chun-An Hsu	6	0	100%	
	Independent director	Ming-Chang Shen	5	1	83%	
	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	1	1	50%	
	Member	Guang-Hsiang Wang	2	0	100%	

Procedure for Handling Material Inside Information

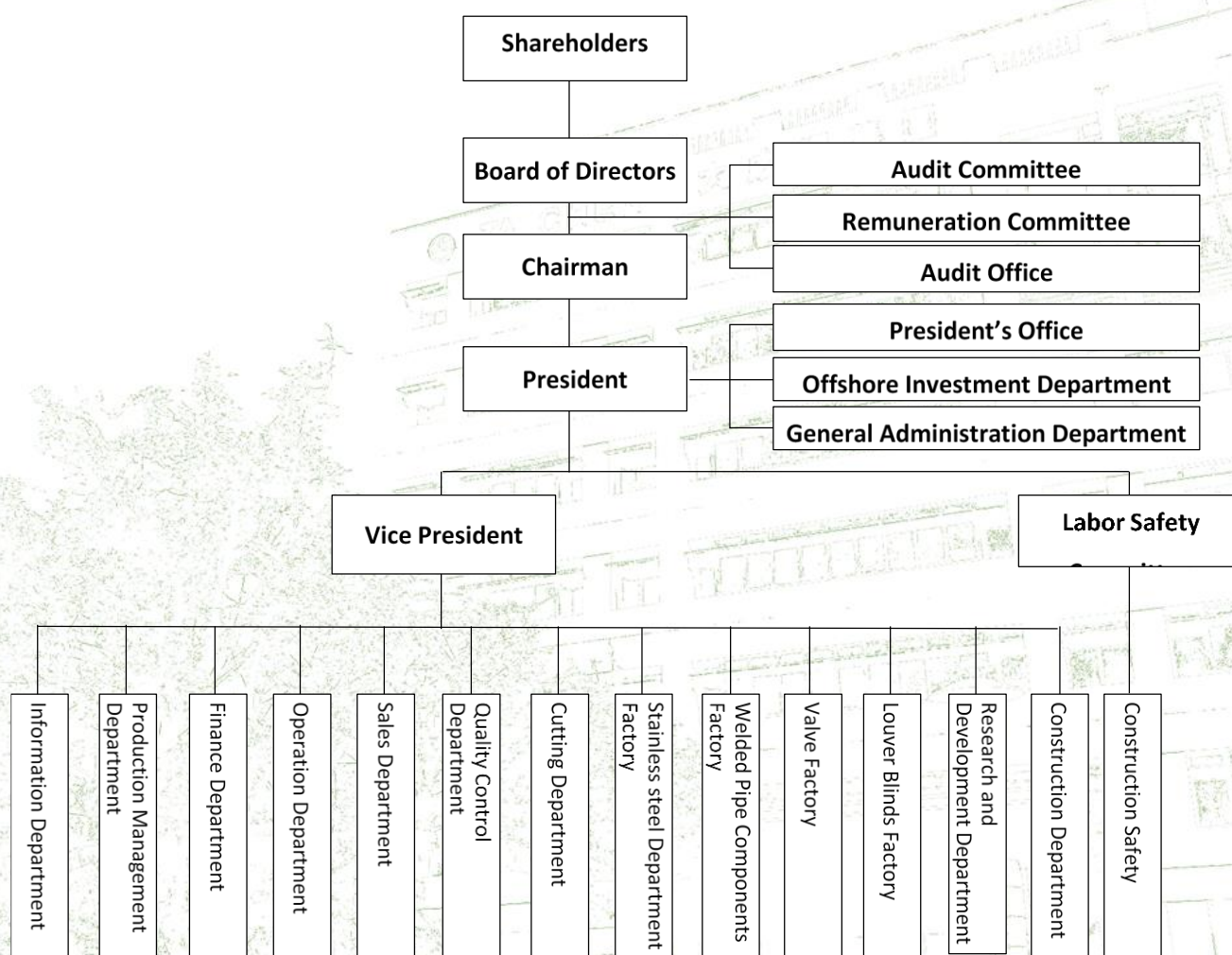
In order to establish a sound mechanism for the handling and disclosing internal material information, the Company has created the Procedures for Handling Internal Material Information. This policy is designed to prevent unauthorized information leaks and ensure the consistency and accuracy of all information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

During the reporting year, 31 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.
CEO'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.

Name of Department	Operation and responsibility
General Administration Department	Mainly responsible for assignments from the CEO 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 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. Business units are the frontline entities for identifying, assessing, and controlling risks. They must fully understand the risks faced by their respective operations and are responsible for supervising and managing related risks within their units.

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, 2025.

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	2025	2024	2023	
Interest Rate	Interest Expense	1,305,156	1,094,946	1,159,200	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)	(1,079,650)	957,343	130,184	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	25,175,174	17,087,621	19,456,797	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.

Since many U.S. customers rely on bank financing for procurement, rising interest rates have increased financial costs, forcing customers to reduce purchase volumes in order to control their financial spending plans. In contrast to domestic steel peers, who often reported losses due to delayed information and lack of U.S. distribution channels, Ta Chen maintained resilience in profitability by directly accessing the U.S. end market, sustaining earnings even under industry-wide loss conditions.

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 international policies and laws.

Compared with previous years, investors' focus in 2025 shifted from carbon emissions to tariff policies, particularly the potential opportunities and challenges arising from the U.S. tariff measures and their impact on the industry. Higher tariffs increased import costs, placing greater pressure on customers' capital allocation and resulting in lower order volumes. In response to the operational risks associated with elevated tariffs, the Ta Chen Group adopted flexible pricing pass-through mechanisms and optimized its supply chain to mitigate the impact of higher import costs.

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 information 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."

With respect to geopolitical risks, in response to the U.S. imposition of tariffs on certain countries, TKA has ceased procuring hot-rolled coils from high-risk countries of origin. Its supply chain has been successfully diversified to include South Africa, South Korea, and other regions, ensuring a stable supply of raw materials and enhancing supply chain resilience. By diversifying sourcing locations, TKA has effectively mitigated the operational risks arising from geopolitical developments and trade tariffs. In Taiwan, to support sales to the U.S. market and avoid tariff-related restrictions, the Group has also proactively excluded high-risk countries of origin from its procurement policy. Approximately 30% of its key raw material sourcing has been shifted to Southeast Asian countries and other unrestricted countries, while alternative supply chains have been established across other regions and within Taiwan. These measures ensure compliance with U.S. regulatory requirements and further strengthen the Ta Chen Group's compliance capabilities and operational flexibility in addressing international trade barriers.

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. During the reporting period, aside from fines totaling NTD 20,821 for traffic violations by company vehicles, 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 CEO. All suggestions made to the CEO are received, processed, and submitted by the responsible supervisor at the CEO's Office to the CEO. Employees may also give suggestions or report any problems regarding internal management to the CEO 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 2025, 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 CEO 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.

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 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.

In response to regulatory requirements, the Internal Audit Department has incorporated the preparation process and content of the Sustainability Report into the scope of its audit activities. The audit cycle is aligned with regulatory requirements to ensure the quality and compliance of non-financial information disclosures.

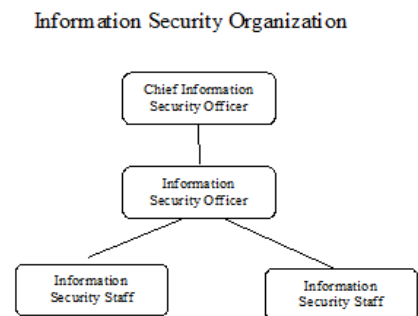


2-7 Information Security

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 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.

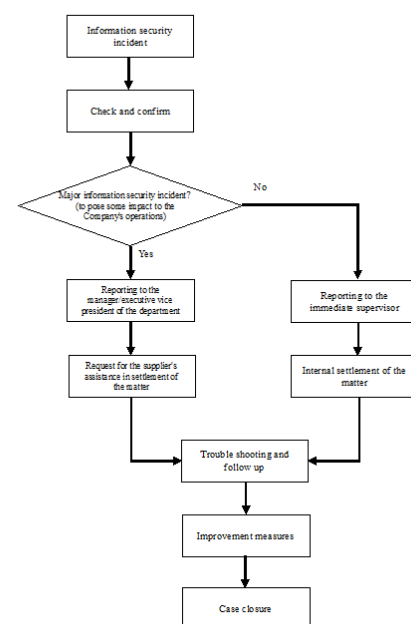
To prevent and reduce information-security risks, the Ta Chen Group has implemented measures across the "Management", "Technology", and "Personnel" dimensions. Under the "Management" dimension, the Group has developed more comprehensive information-security management policies with reference to the international standard ISO/IEC 27001 and the recommended practices in ISO/IEC 27002. It also continuously applies the "Plan, Do, Check, Act" cycle to drive continual improvement and has introduced an external cybersecurity threat detection and management service (SOC monitoring service). The service provides pre-incident threat intelligence, real-time alerts during an incident, and post-incident analysis and recommendations, enabling the Group to

manage security alerts and prevent cyber threats. Security monitoring provides real-time alerts on internal and external threats, enabling prompt incident response and reducing potential damage. Under the "Technology" dimension, the Group works in coordination with its subsidiaries to strengthen network firewalls and network controls, preventing computer viruses from spreading across devices and sites; deploys endpoint antivirus measures according to device type; and regularly conducts vulnerability scans and penetration tests across its overall system architecture to proactively identify, remediate, and mitigate vulnerabilities and potential risks. Following the implementation of the SOC, the Group can proactively identify unusual lateral network traffic and unexpected devices connected to the network, such as unauthorized IoT devices. In addition to strengthening security protection, eliminating unnecessary traffic has effectively reduced bandwidth costs, delivering both information-security and cost benefits. In conjunction with the rollout of Microsoft 365 (M365), multifactor authentication (MFA) has been made mandatory for all external access to email and all VPN connections originating outside Company premises. Device authentication has also been implemented, allowing connections only from Company-approved devices whose passwords are regularly changed. Even if a password is compromised, an attacker cannot easily gain access. This effectively reduces the risk of account takeover and strengthens information-security protection for remote work and cloud services. Under the "Personnel" dimension, the Group conducts social engineering simulations to raise employees' information-security awareness and prevent inadvertent interaction with phishing emails; for external personnel, service agreements with third-party service providers require compliance with confidentiality and network security requirements. Following each social engineering simulation, employees who inadvertently interact with the simulated phishing content receive information-security education and training to reinforce their awareness.

The Group has established an off-site disaster recovery site in Taichung. Its location provides sufficient geographic separation from the Tainan headquarters to meet disaster recovery requirements. The site is dedicated to supporting the Group's operational systems in Asia. In 2025, the Group successfully completed a disaster recovery validation exercise. The exercise simulated the "complete loss of the headquarters site". Core systems and the supporting operating environment were successfully recovered at the Taichung site using hyperconverged infrastructure and snapshot technology. Data integrity was verified, confirming the Group's capability to recover operations from its off-site disaster recovery site.

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

Major Cybersecurity Incident Reporting Procedure



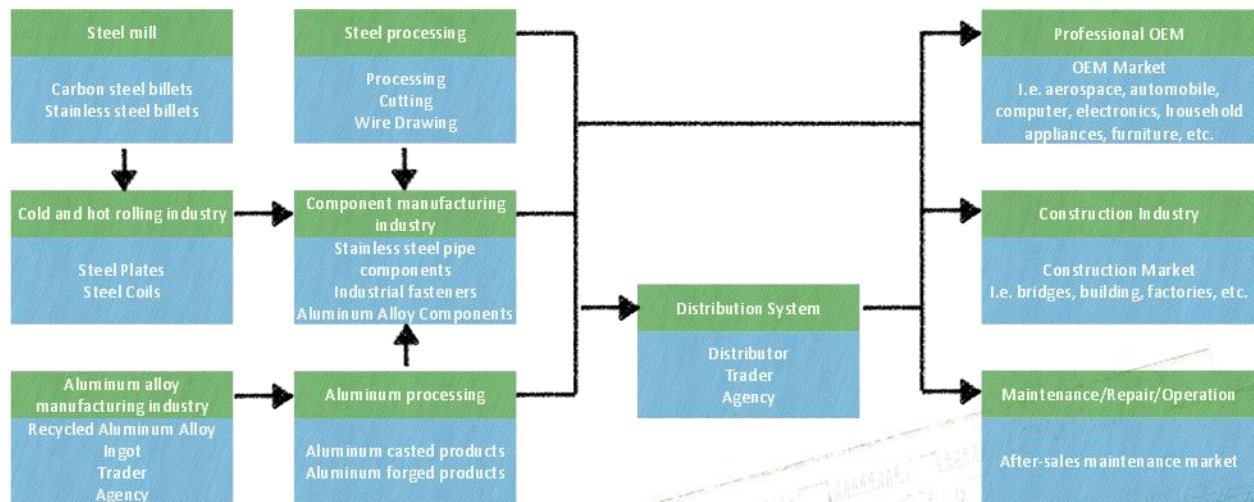
any information security leakage incidents in 2025, and no losses were incurred to the Company or its customers in 2025.

Ta Chen Group's information security team also conducted education and training on information security in 2025, 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 current utilization rate of recycled aluminum in the production process is 65%. In alignment with ESG sustainability objectives, the Company aims to increase the recycled aluminum utilization rate to 75% in the future. 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.

Over the past decade, BBI has continuously carried out warehouse integration, implementing a “Green Logistics and Warehouse Optimization” strategy. The company shifted from operating small leased warehouses acquired through mergers to purchasing land and building large-scale logistics centers. This approach stabilizes daily operations by avoiding risks of landlords raising rents or refusing renewals, while also contributing to carbon reduction in logistics by minimizing internal transfers and distribution between warehouses, thereby reducing inefficient transportation. Moreover, with consolidated and larger shipment volumes, BBI gains stronger bargaining power with trucking companies and improves logistics efficiency. Through “warehouse centralization” and “self-built large logistics centers,” the company not only enhances operational efficiency but also structurally reduces transportation-related carbon emissions generated by internal transfers.

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. The Company has established a practice of flexibly utilizing contracts with shipping companies on a regular basis, 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

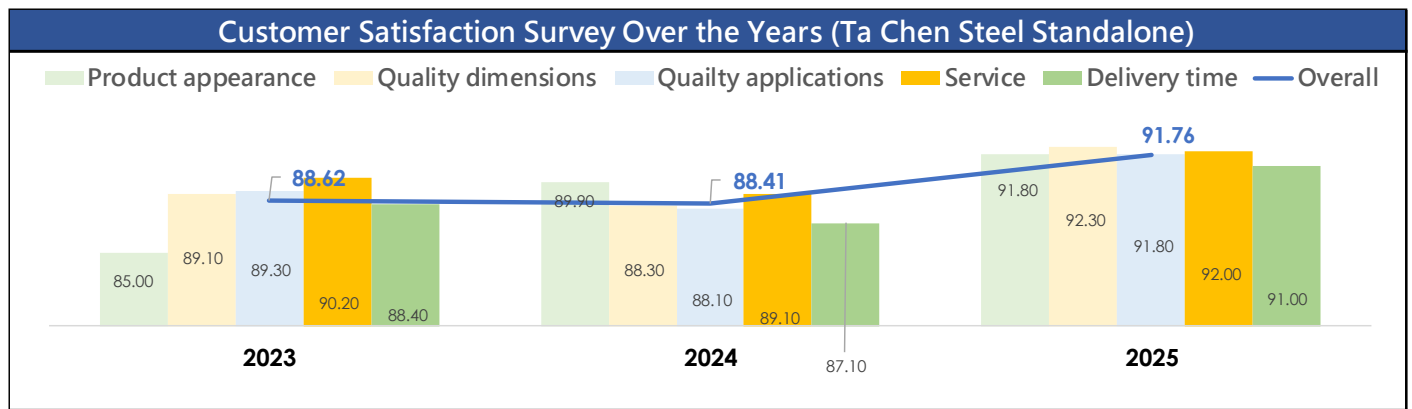
Surveys for TCI and other customers have been carried out in isolation to ensure that the results better reflect customers' opinions and feedback. The survey covers five aspects: product appearance, quality dimensions, quality application, service, and delivery time. If the average result falls below 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 2025, Ta Chen's individual entity achieved a customer satisfaction survey score of 91.76 points. Compared with the previous year, improvements were observed across all evaluation aspects, meeting customers' requirements and expectations.

Ta Chen has established a rigorous and transparent "Customer Complaint Handling Mechanism" to ensure that every customer complaint receives a prompt response and, where appropriate, compensation, while using in-depth root cause analysis to turn each case into an opportunity for continual internal improvement.

- I. **Prompt Response and Protection of Customer Rights and Interests:** When customers report product non-conformities (including appearance defects, dimensional tolerance issues, short shipments, or commingling of scrap grades), the responsible department immediately classifies the case as "urgent" and initiates complaint handling procedures. Based on the circumstances of each complaint, the Company proactively provides appropriate solutions, including refunds, price adjustments, or replacement with products that meet specifications, to safeguard customers' rights and interests. Customer satisfaction and acceptance of the resolution are continuously monitored.
- II. **Systematic Root Cause Analysis and Cross-Functional Collaboration:** For each customer complaint, the Quality Control and Production units initiate cross-functional collaboration and require the nonconforming products to be returned to the plant for physical inspection, pressure testing, and analysis. The investigation traces each issue back through every stage of the operating process (including operator packing practices, environmental conditions such as temperature and humidity, scrap segregation controls, and the processing methods used by contract manufacturers) to identify the true root cause.
- III. **Implementing the PDCA Cycle to Drive Concrete Quality Improvements:** Based on customer complaint investigation findings, Ta Chen proactively upgrades its software, hardware, and management mechanisms to prevent similar issues from recurring. Specific achievements include:
 - **Introducing Digitalization and Error-Proofing to Prevent Packing Omissions:** To address shortages caused by packing multiple orders together, Ta Chen has reiterated the discipline of "one order, one packing operation" and instructed the IT Department to upgrade the mobile packing application. The newly added functions for "photographic records at each layer change" and "system-generated error-proofing prompts" establish dual verification for every packing layer, helping prevent manual packing omissions through system-based controls.
 - **Implementing Visual Management and Technology-Enabled Inspection to Prevent Material Commingling:** To prevent the commingling of 304L and 316L scrap, Ta Chen has fully implemented "color-coded visual management", using blue and green paint to clearly distinguish scrap pipe fittings and their designated collection bins. In addition, scrap must be tested using a handheld positive material identification (PMI) analyzers before being deposited into a collection bin. A photograph showing the test reading together with the scrap bin must be taken and retained on file for verification, ensuring 100% accuracy in material segregation.
 - **Strengthening Supply Chain Quality Management to Address Dimensional Tolerance Issues:** To address angle and dimensional tolerance nonconformities caused by springback characteristics during outsourced processing, Ta Chen conducts 100% inspection at its plant to screen out nonconforming products. It also communicates customers' standard measurement methods to contract processors and assigns personnel to provide on-site guidance on inspection techniques, working with suppliers to raise product quality standards.
 - **Adapting Climate-Responsive Packaging Protection Upgrades to Prevent Moisture-Related Defects:** To address moisture-related spotting that may occur under specific climatic conditions (such as production during the rainy season or delivery to certain countries), Ta Chen has fully switched to "smaller cartons" for pipe fittings of specified sizes (such as 4 inches and below). This provides greater physical protection and significantly reduces the impact of long-distance ocean transportation and ambient humidity on product appearance.

Through these robust corrective actions and effectiveness monitoring, Ta Chen transforms every instance of customer feedback into an opportunity for quality improvement and continues to provide customers worldwide with products and services that meet the highest standards.



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 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, all of our products exported to the US and Canada are compliant with this specification. 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 re-inspection 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 2025, 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).

All stainless steel valve products comply with the American Petroleum Institute (API) API 607 fire safety standard, ensuring that when used in petroleum pipelines and chemical plants, the valves will not be damaged or cause liquid leakage even in the event of a fire under specific high-temperature conditions. 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 hexavalent chromium (Cr(VI)), 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 42.57% of valve sales during the year.

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. International customers have shifted their audit approach from "on-site facility visits" to primarily "document reviews" and "remote video audits". Customers no longer focus solely on quality. They also require policy documents and supporting evidence relating to human rights, anti-slavery, ethical corporate management, anti-corruption, and conflict minerals. Ta Chen publishes the ESG information available on its corporate website to respond promptly to customer questionnaires and requests for documentation. Although some customers do not use the EcoVadis platform, they still require written ESG reports that offer a comparable level of detail and rigor. Because Ta Chen has established comprehensive ESG policy documentation, it can effectively meet international customers' increasingly stringent requirements for document reviews and remote audits and ensure its qualification within their supply chains. This year, in response to the requirements of the Middle Eastern market, the Company also applied for relevant product certifications and underwent video-based or on-site assessments conducted by third-party organizations.

Ta Chen has not only established rigorous laboratory and instrument management systems, but also places strong emphasis on the professional training of quality control inspectors. Through "Internal Audits and Training" and "External Professional Certification", Ta Chen continues to strengthen the accuracy, consistency, and credibility of its test results.

- I. Implementing Instrument Calibration and Internal Laboratory Audits: Ta Chen has established stringent "Instrument Calibration Procedures and Acceptance Criteria", which specify calibration intervals, comparison procedures using reference standards, and maximum permissible errors for different types of measuring equipment (such as torque wrenches, workshop-grade engineer's squares, and universal testing machines). To implement these standards, the Quality Control Department regularly provides "Measuring and Inspection Equipment Calibration Training", delivered personally by in-house experts to ensure that inspection personnel are proficient in instrument identification and coding conventions, practical calibration procedures, and system maintenance. In addition, Ta Chen regularly conducts "Internal Laboratory Audit Exercises". Through hands-on assessments and oral examinations, these exercises evaluate inspectors' accuracy in verifying measuring and inspection equipment and cross-referencing production test data, thereby ensuring the effective operation of the laboratory quality control system.
- II. Strengthening Operational Competence and Safety for Specialized Testing Equipment: To ensure 100% accuracy in metal grade identification (such as differentiating between 304 and 316), Ta Chen makes extensive use of handheld positive material identification (PMI) analyzers for quality control. To ensure the reliability of inspection data and extend equipment service life, Ta Chen regularly provides specialized training on "PMI Operating Safety Precautions". Trainees must pass a practical operating assessment to ensure that they can use the analyzers correctly and are thoroughly familiar with all prohibited practices and safety precautions, thereby eliminating operator-induced errors at source.
- III. Investing in External Professional Accreditation and Strengthening the Quality Control Talent Pool: In addition to providing robust internal training, Ta Chen selects high-performing employees to attend advanced external professional courses and is implementing an ISO/IEC 17025 laboratory accreditation program. The Company expects to obtain accreditation in September 2026. Once accredited, Ta Chen will enhance the international credibility and acceptance of its test reports, reduce the cost and time associated with relying on external third-party organizations for batch-by-batch reviews, and strengthen its in-house testing capabilities. Ta Chen fully funds key technical personnel from the Quality Control Department to attend the "Elite Training Program in Instrument Calibration,

Dimensional Metrology, and Hardness Testing". All participating employees successfully passed the practical assessments and obtained certificates of competency. This investment in talent has not only significantly strengthened the team's professional expertise in precision measurement and hardness testing, but also demonstrates Ta Chen's firm commitment to cultivating leading quality control specialists and continually enhancing its inspection and testing capabilities.

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 queries 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.

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, 2025, 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	81	3
Overseas	244	121
Total	325	124

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.



Sustainable Supply Chain

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%.

Supplier Code of Conduct

Sustainability Risk Assessment

Ta Chen, on a standalone basis, categorizes major suppliers by raw materials, materials, and indirect materials. For suppliers with transactions in 2025, 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:

Supplier Screening	Definition	2024	2025
Total number of Tier-1 suppliers	Suppliers of raw materials, materials, and indirect materials with whom we transact directly.	264	288
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	8
Percentage of total spend on significant suppliers (%)		90 %	90 %

To assess sustainability risks within our supply chain, Ta Chen distributed 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
Occupational Health and Safety	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 8 significant Tier-1 suppliers, 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. In the future, we will plan and implement follow-up actions for C-grade suppliers. The detailed classification results are as follows:

Result Classification	Percentage of Unmet Questions	Number of Suppliers
A Grade	0-5%	6
B Grade	5%-10%	2
C Grade	Greater than 10%	0

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. During the reporting period, Ta Chen Group's local procurement ratio was 55.24%.

During the reporting period, a Taiwanese cold-rolled steel mill was added as one of Ta Chen's key suppliers, accounting for approximately 20% to 25% of total procurement. Through strategic collaboration, the supplier provides services similar to an internal warehouse, enabling more efficient inventory replenishment and supply chain coordination. This arrangement not only shortens lead times but also reduces Ta Chen's inventory holding costs and associated risks. In addition to enhancing supply chain responsiveness and optimizing inventory management, it further strengthens the resilience of local sourcing and supports a more agile and sustainable supply chain.

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 controversial 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 as including 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.

Compliance with International Human Rights Standards and Regulations

In response to the requirements of the Modern Slavery Acts in Canada, Australia, and the United Kingdom, the distribution side has conducted surveys with the top ten suppliers—covering more than 90% of U.S. procurement value—by sending out human rights and modern slavery questionnaires. This serves as due diligence under the Modern Slavery Acts for key suppliers. These suppliers mainly include Ta Chen Steel in Taiwan and major domestic suppliers in the United States, demonstrating the Group's emphasis on human rights risks in its global operations.

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 international 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 respects and supports the protection of internationally proclaimed human rights, including the principles stated 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 its employees and partnering suppliers to share the same values and follow these standards. This policy was approved by the Chairman and is published on the Company's website. Moreover, it has been communicated to all employees of the parent company, and Mr. Rung-Kun Shieh, the CEO and Board Member, has been assigned to oversee 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 2025.



Human Rights Policy

Ta Chen Group respects employees' right to 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, all employees, except those at the managerial level and above, are eligible to be covered by the collective agreement, hold regular meetings, and renew the collective agreement every three years. 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, 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 82.8%. Although the remaining companies have not established labor unions or entered into collective agreements, they convene labor-management meetings on a quarterly basis and maintain transparent communication channels. The resolutions adopted at these labor-management meetings apply to all employees.

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, Ta Chen strictly complies with government labor laws and regulations. Before onboarding, new employees' documents are reviewed to ensure that no one under the age of 16 is hired, employees' personal identification documents are not withheld, and no forced or compulsory labor is imposed. The company also conducts periodic audits of its facilities to prevent excessive working hours and provides written labor contracts and employee policies in languages that employees can understand. Ta Chen also continues to promote diverse recruitment channels and attract talent from a wide range of backgrounds. In 2025, the Group employed 25 people with disabilities, representing 0.53% of its total global workforce. 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.

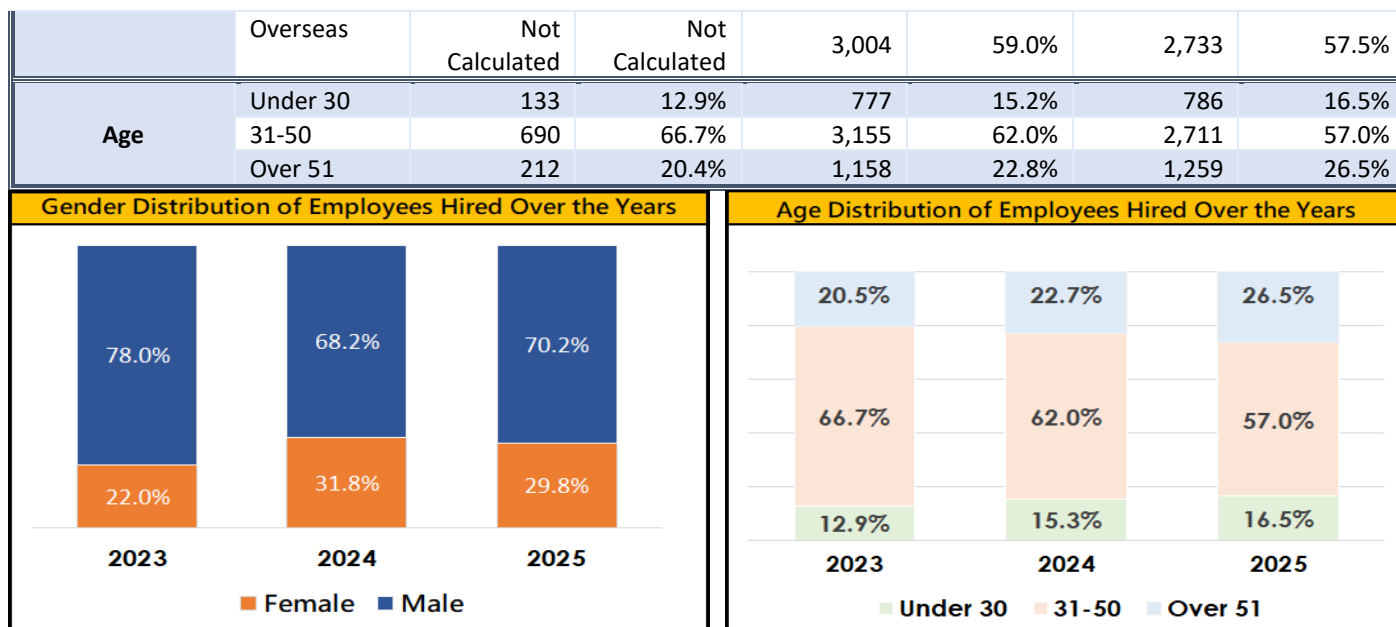
Item	Category	2023		2024		2025	
		Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
Total number of new employees		64	6.1%	722	14.2%	796	15.1%
Gender	Male	55	6.8%	539	15.5%	638	19.1%
	Female	9	3.9%	183	11.2%	158	11.2%
Age	Under 30	34	22.8%	320	41.8%	375	47.7%
	31-50	28	4.1%	327	10.8%	349	12.9%
	Over 51	2	1.0%	75	6.7%	72	5.7%
Location	Taiwan	64	6.2%	263	12.6%	209	10.3%
	Overseas	Not Calculated	Not Calculated	459	15.2%	587	21.5%

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 Breakdown

Since 2024, the information collection scope of this report has been progressively expanded to all subsidiaries included in the consolidated financial statements. The coverage rate is 100%. As a result, figures disclosed this year may differ significantly from previous years. In 2025, the total number of Ta Chen Group employees was 4,756. The difference compared to the previous year is primarily due to a reduction in headcount resulting from the disposal of a subsidiary. Among them, 3,341 were male employees (70.2%), and 1,415 were female employees (29.8%). Manufacturing, warehousing, and transportation roles are mostly labor-intensive, resulting in higher number of male employees. The gender ratio has not changed significantly over the past three years. A total of 4,632 employees are employed under permanent contracts; 117 employees are employed under temporary contracts; 7 employees are employed under no guaranteed-hours contracts; and there are 0 dispatched workers. For Ta Chen Group, all non-managerial employees are categorized into STEM-related positions and non-STEM-related positions for workforce disclosure purposes: In 2025, there were 25 female STEM employees, accounting for 17.2% of STEM employees. In the previous year, there were 14 female STEM employees, accounting for 24.6%. The difference between the two reporting periods was primarily due to the scope of calculation: the previous year's data only covered Ta Chen's individual entity, while the reporting period's data covered the Ta Chen Group.

Item	Classification	2023		2024		2025	
		Number of People	Percentage	Number of People	Percentage	Number of People	Percentage
Number of Employees	Male	807	78.0%	3,469	68.2%	3,341	70.2%
	Female	228	22.0%	1,621	31.8%	1,415	29.8%
	Total	1,035	100%	5,090	100%	4,756	100%
Permanent Employees (Non-Fixed Term)	Male	728	70.3%	2,924	57.4%	3,220	65.8%
	Female	227	22.0%	1,360	26.8%	1,412	29.3%
Temporary Employees (Fixed-Term Contract)	Male	79	7.6%	534	10.5%	115	2.4%
	Female	1	0.1%	261	5.1%	2	0.04%
No Guaranteed--Hours Contract Employees	Male	0	0.0%	11	0.2%	6	0.1%
	Female	0	0.0%	0	0.0%	1	0.02%
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	1,035	100%	2,086	41.0%	2,023	42.5%



In 2025, there were 749 employees at the junior supervisor position and above, with women accounting for 26.7% of all managers. Among senior (Level 1) executives, the proportion of female managers was 28.8%, while among mid-level managers, the proportion of female managers was 34.4%. Among senior executives, 94.6% were local residents.

Item	Classification	2023		2024		2025	
		Number of People	Percentage	Number of People	Percentage	Number of People	Percentage
Senior (Level 1) executives	Male	26	72.2%	86	74.1%	79	71.2%
	Female	10	27.8%	30	25.9%	32	28.8%
Mid-level managers	Male	57	72.1%	160	68.0%	166	65.6%
	Female	22	27.9%	75	32.0%	87	34.4%
Junior (Level 1) supervisors	Male	87	85.3%	300	79.4%	304	79.0%
	Female	15	14.7%	78	20.6%	81	21.0%
Professionals	Male	171	84.2%	518	56.8%	445	54.9%
	Female	32	15.8%	393	43.2%	366	45.1%
Direct personnel	Male	466	75.8%	2,405	69.7%	2,347	73.4%
	Female	149	24.2%	1,045	30.3%	849	26.6%

Item	Classification	2023		2024		2025	
		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	8	22.2%	40	34.5%	34	30.6%
	Over 51	28	77.8%	76	65.5%	77	69.4%
Mid-level managers	Under 30	1	1.3%	1	0.4%	5	2.0%
	31-50	51	64.6%	140	59.6%	152	60.1%
	Over 51	27	34.1%	94	40.0%	96	37.9%
Junior (Level 1) supervisors	Under 30	2	2.00%	17	4.5%	18	4.6%
	31-50	73	71.6%	264	69.8%	242	62.9%
	Over 51	27	26.4%	97	25.7%	125	32.5%
Professionals	Under	9	4.4%	175	19.2%	130	16.0%
	31-50	162	79.8%	590	64.8%	521	64.3%
	Over 51	32	15.8%	146	16.0%	160	19.7%
Direct personnel	Under 30	121	19.7%	584	16.8%	633	19.8%
	31-50	396	64.4%	2,121	61.6%	1,762	55.1%
	Over 51	98	15.9%	745	21.6%	801	25.1%

Note: Senior executives include Chairman, Executive Vice President, Manager, and Deputy Manager; mid-level managers include Section Chief and Deputy Section Chief; junior supervisors 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 2025, 794 employees resigned, with an overall voluntary turnover rate of 13.8%, including 15.0% for male employees and 11.2% for female employees. The Company's employee turnover rate in 2025 remained broadly consistent with that of the previous year. Going forward, the Company will continue to strengthen its employee retention initiatives, including enhancing employee benefits and welfare programs, with the aim of reducing employee turnover.

Item	Classification	2023		2024		2025	
		Number of People	Percentage	Number of People	Percentage	Number of People	Percentage
Total number of general employee resignations		71	6.8%	853	16.7%	794	16.7%
Gender	Male	57	7.0%	616	17.8%	616	18.4%
	Female	14	6.0%	237	14.6%	178	12.6%
Age	30 and below	24	16.1%	305	39.8%	293	34.5%
	31–50	28	4.1%	418	13.8%	376	11.8%
	51 and above	19	9.1%	130	11.6%	125	10.7%
Work Location	Taiwan	71	6.9%	352	16.9%	284	14.0%
	Overseas	Not Calculated	Not Calculated	501	16.7%	510	18.7%
Total number of voluntary employee resignations		Not Calculated	Not Calculated	705	13.8%	659	13.8%
Gender	Male	Not Calculated	Not Calculated	506	14.6%	501	15.0%
	Female	Not Calculated	Not Calculated	199	12.2%	158	11.2%
Age	30 and below	Not Calculated	Not Calculated	270	35.1%	245	31.2%
	31–50	Not Calculated	Not Calculated	348	11.5%	318	11.7%
	51 and above	Not Calculated	Not Calculated	87	7.7%	96	7.6%

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 individually, during the reporting year, quality-related training courses covered topics including "Instrument Calibration, Geometric Measurement, and Hardness Testing," "Calibration of Measuring Instruments and Gauges," "Handheld Spectrometer Operation Training," and "Quality Inspection and Measurement," with participants from the Quality Control Department, manufacturing facilities, and laboratories. In addition to conducting monthly environmental, health and safety (EHS) communications and training, the manufacturing plants also develop

project-based training programs related to their production processes, covering topics such as "Chemical Skin Protection," "Crane Operation," "Polishing and Hanging Operations," "Plate Joining Operations," "Use of Exhaust Hoods for Surface Treatment Degreasing," and "Pipe Cutting Operations."

In 2025, the amount invested in education and training was approximately NTD 11,545,500, with an average training cost per person of approximately NTD 2,428. The total number of training participants (excluding OJT) was 6,155 and the total number of training hours was 16,119.2, resulting in an average of 3.4 training hours per person. By job level, the average training hours were 4.8 for senior executives, 4.3 for mid-level managers, 4.9 for entry-level supervisors, 3.1 for professionals, and 3.2 for direct personnel. The average training hours for male employees were 4.1, and for female employees, 1.7.

Summary Table of Training Hours		2023		2024		2025	
		Hours	Average hours	Hours	Average hours	Hours	Average hours
Education and training hours	Senior (Level 1) Executives (Female)	36.0	3.60	60.0	2.31	132.0	4.1
	Senior (Level 1) Executives (Male)	59.5	2.29	240.0	4.07	398.0	5.0
	Mid-Level Managers (Female)	59.0	2.68	396.0	6.29	311.5	3.6
	Mid-Level Managers (Male)	330.0	5.79	1,319.8	9.50	777.0	4.7
	Entry-level (Junior) Managers (Female)	31.0	2.07	741.5	10.44	268.5	3.3
	Entry-level (Junior) Managers (Male)	849.0	9.76	2,487.0	10.19	1,626.5	5.4
	Professional Personnel (Female)	42.0	1.31	857.2	2.24	571.5	1.6
	Professional Personnel (Male)	1,821.5	10.65	1,780.8	3.58	1,944.8	4.4
	Direct Personnel (Female)	224.5	1.51	355.9	0.42	1,138.7	1.3
	Direct Personnel (Male)	1,061.5	2.28	2,440.0	1.41	8,950.7	3.8
Training Hours by Job Level Statistics	Senior (Level 1) Executives	95.5	2.65	300.0	3.53	530.0	4.8
	Mid-Level Managers	389.0	4.92	1,715.8	8.49	1,088.5	4.3
	Entry-level (Junior) Managers	880.0	8.63	3,228.5	10.25	1,895.0	4.9
	Professional Personnel	1,863.5	9.18	2,638.0	2.99	2,516.3	3.1
	Direct Personnel	1,286.0	2.09	2,795.9	1.09	10,089.4	3.2
Training Hours by Gender Statistics	Female	392.5	1.68	2,410.6	1.73	2,422.2	1.7
	Male	4,121.5	5.08	8,267.6	3.10	13,697.0	4.1

Note: Scope of training hours coverage: for 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%. In 2025, the reporting boundary covered the parent company and its subsidiaries included in the consolidated financial statements, representing 100% coverage.

4-2 Employee Engagement

The Company values sound labor-management relations and regularly convenes labor-management meetings on a quarterly basis. Each meeting comprises eight management representatives and eight labor representatives. Four meetings were held in 2025, covering topics including revisions to the Employee Handbook and adjustments to work start and end times in connection with inventory counts. Labor-management communication channels remain open and effective. Through regular meetings, both parties build on stable labor-management relations to jointly foster a friendly and harmonious workplace and enhance business competitiveness.

Overseas subsidiaries have developed comprehensive employee handbooks in accordance with stringent local labor laws and regulations (such as those in the United States), protecting employee rights and reducing litigation risk. For example: TCI has established an Employee Handbook as required under U.S. law, clearly setting out matters such as benefits, responsibilities, and working hours. This provides both management and employees with clear written standards governing their respective rights and obligations. The handbook is updated as circumstances evolve.

The U.S. subsidiaries use a shared human resources system. The system includes a built-in grievance reporting channel through which employees can directly report issues such as bullying and harassment. This provides a digital communication channel in addition to labor union channels, while safeguarding employee privacy and the right to raise concerns.

Ta Chen respects the views of migrant workers and is committed to complying with applicable laws and requirements, including the RBA Code of Conduct, and preventing forced labor. The Company has implemented "Native-Language (Thai/Indonesian) Consent Forms" based on the principle of freely chosen employment and provides related welfare measures.

4-3 Wage and Benefits

Benefits

In addition to providing labor insurance, health insurance, and related leave systems in accordance with regulations, Ta Chen Steel has established an Employee Welfare Committee to manage employee benefits and related activities, as well as to offer fixed welfare measures. These include domestic travel for employees, holiday bonuses and gifts, birthday cash gifts, condolence payments, and subsidies for marriage, funerals, and childbirth. The company also provides childcare leave beyond regulations: when employees' children aged 0–3 experience health issues requiring parental care, employees may apply for childcare leave through their department supervisors. During this leave, salaries are not deducted, with a maximum of seven days per year. In 2025, a total of 18 employees from Ta Chen, Brighton-Best (Taiwan), and Ta Chen Empire applied for childcare leave and used this benefit, with a cumulative usage of 867 hours throughout the year. Additionally, the company collaborates with reputable postpartum care centers to provide preferential programs, supporting employees in balancing family care and work, thereby implementing a friendly workplace policy. 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. In addition to the benefits described above, the Company has adopted the "Employer Pays Principle" for costs incurred by migrant workers in Taiwan (monthly service fees, periodic health examination fees in Taiwan, and document renewal fees). The Company assumes primary responsibility for service charges and administrative fees arising in Taiwan and makes payments directly to the employment service agency, rather than requiring migrant workers to bear these costs. Ta Chen also subsidizes return airfare upon completion of the service period under migrant workers' fixed-term employment contracts and provides a "Retention Bonus Program" as a retention measure, demonstrating a tangible response to evolving global human rights expectations. At the same time, Ta Chen guarantees that every migrant worker may retain possession of personal documents such as government-issued identification, passports, and bank passbooks, and enjoys full freedom of movement. The Company also ensures that all migrant workers receive complete information on all

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 breast-feeding room
Life care	Paid Annual Leaves/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

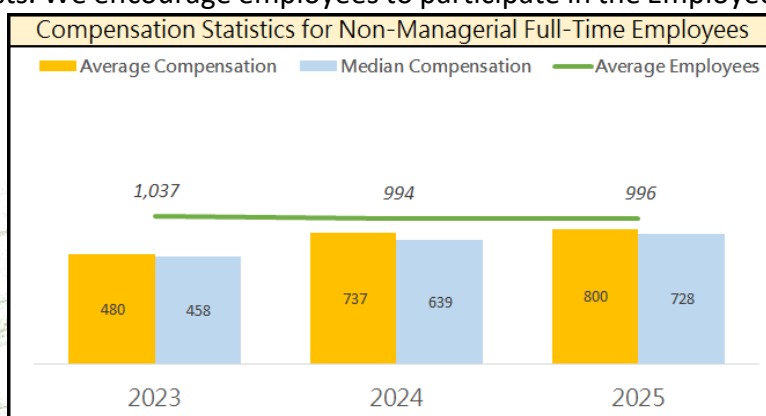
terms and conditions of employment in their native language before departing from their country of origin, thereby safeguarding the rights and interests of every migrant worker.



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 equal pay for equal work with 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, during the reporting period is NTD 28,590, 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 1.13 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 Taiwan Stock Exchange's Instructions for Reporting Salary Information of Full-time Non-Manual Employees, Ta Chen calculated the average employee salary on a standalone basis. Following review and verification by the independent auditors, the weighted average number of full-time non-managerial employees in 2025 was 996. The average salary of full-time non-managerial employees was NT\$800 thousand, representing an increase of NT\$63 thousand compared with NT\$737 thousand in the previous year. The median salary of employees in 2025 was NT\$728 thousand, an increase of NT\$89 thousand from NT\$639 thousand in the previous year. The increase primarily reflected adjustments to compensation and benefits in response to prevailing industry salary levels.

In 2025, the ratio of the CEO's annual total compensation to the median annual total compensation of employees (excluding the CEO) at Ta Chen was 19.26. In addition, the percentage increase in employee compensation was analyzed by calculating the year-over-year compensation growth rate for employees at the Taiwan headquarters who were continuously employed throughout both the reporting period and the previous year. These growth rates were ranked to determine the median. The ratio of the CEO's compensation growth rate to the median compensation growth rate of employees (excluding the CEO) was 0, primarily because the CEO's compensation growth rate was 0% in 2025. The compensation figures referred to above include base monthly salary and variable bonuses (excluding employee stock trust benefits). To avoid distortions arising from employees who did not receive compensation for a full year (such as employees hired during the previous year or those who left during the reporting period), as well as employees hired in the previous year for whom year-over-year compensation growth could not be calculated, employees who were not continuously employed throughout both the previous year and the reporting period were excluded from the analysis. This approach was adopted to ensure that the reported median more accurately reflects the actual circumstances.

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	1.0	1.0	1.0	1.04	1.03	1.04	1.13	1.0
Full-Time Employees' Average Monthly Salary Difference Ratio (Female - Male) (%)	-13.9%	-13.9%	-32.3%	-13.8%	36.3%	-3.7%	-22.2%	796.7%	5.4%
Median Employees' Average Monthly Salary Difference Ratio (Female - Male) (%)	-10.6%	-18.0%	-36.4%	-3.2%	12.9%	-4.8%	-15.5%	750.2%	5.9%
Full-Time Employees' Average Bonus Difference Ratio (Female - Male) (%)	-8.7%	-39.6%	-30.3%	-16.3%	8.6%	43.7%	-19.0%	133.3%	87.4%
Median Employees' Average Bonus Difference Ratio (Female - Male) (%)	-5.7%	-16.7%	-57.6%	12.3%	16.3%	68.3%	-	128.5%	15.5%
Average Monthly Salary Ratio for Senior (Level 1) and Above Managers (Female / Male)	0.75	1.57	0.61	-	0.78	0.75	-	-	0.60
Average Monthly Salary Ratio for All Managers (Excluding Senior (Level 1) and Above) (Female / Male)	0.91	1.09	0.96	1.15	1.04	-	-	-	0.67
Average Monthly Salary Ratio for Non-Managerial Personnel (Female / Male)	0.91	0.83	0.99	1.07	1.2	1.04	0.89	-	1.06
Average Annual Salary Including Bonus for Senior (Level 1) and Above Managers (Female / Male)	0.82	1.45	0.92	-	0.83	0.75	-	-	0.71
Average Annual Salary Including Bonus for All Managers (Excluding Senior (Level 1) and Above) (Female / Male)	0.86	0.83	0.91	1.18	1.01	-	-	-	0.73
Average Annual Salary Including Bonus for Non-Managerial Personnel (Female / Male)	0.93	0.83	0.93	1.01	0.98	1.08	0.8	-	1.07

Note: Scope of compensation coverage: all consolidated subsidiaries have been included, coverage rate is 100%.

Pension Contribution

To safeguard employees' retirement benefits, the Company complies with the Labor Standards Act and the Labor Pension Act in Taiwan. For employees covered under the old pension scheme, the Company contributes a monthly retirement reserve equivalent to 2% of the total monthly salaries of eligible employees. These funds are deposited into a dedicated account with the Bank of Taiwan under the name of the Labor Pension Reserve Supervisory Committee. Before the end of each fiscal year, if the balance in the account is estimated to be insufficient to cover pension payments for employees expected to become eligible for retirement in the following year, the Company will make a one-time contribution to cover the shortfall by the end of March of the following year. For employees covered under the new pension scheme, the Company contributes 6% of each employee's monthly salary to the employee's individual pension account maintained by the Bureau of Labor Insurance in accordance with applicable regulations. In 2025, the Company recognized pension expenses of NT\$413 thousand under the defined benefit plan (old pension scheme) and NT\$28,812 thousand under the defined contribution plan (new pension scheme).

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 82 employees eligible for parental leave without pay. A total of 33 employees applied, 16 were scheduled to return to work within the reporting year, and 12 actually returned, resulting in a return-to-work rate of 75.0%.

Item		2023	2024	2025
No. of employees qualified for unpaid parental leave (Female)	No. of employees qualified for unpaid parental leave (A)	31	35	35
	No. of employees applied for unpaid parental leave (B)	6	22	21
	No. of people expected to be reinstated in the current year C)	2	16	11
	Actual number of reinstated employees (D)	2	12	9
	Number of reinstated employees who remained employed 12 months later (E)	8	6	7
	Parental Leave Without Pay Application Rate (B)/(A)	19.35%	62.86%	60.00%
	Percentage of employees reinstated from unpaid leave (D)/(C)	100%	75%	81.82%
	Percentage of Employees Retained for One Year After Reinstatement (E/D of the previous year)	100%	Note	Note
No. of employees qualified for unpaid parental leave (Male)	No. of employees qualified for unpaid parental leave (A)	55	56	47
	No. of employees applied for unpaid parental leave (B)	3	9	12
	No. of people expected to be reinstated in the current year C)	3	6	5
	Actual number of reinstated employees (D)	3	4	3
	Number of reinstated employees who remained employed 12 months later (E)	4	5	4
	Parental Leave Without Pay Application Rate (B)/(A)	5.45%	16.07%	25.53%
	Percentage of employees reinstated from unpaid leave (D)/(C)	100%	66.67%	60.00%
	Percentage of Employees Retained for One Year After Reinstatement (E/D of the previous year)	80%	Note	Note

Note: Due to organizational changes in 2024 and 2025, the basis for the statistical data was not consistent between the two reporting periods. Therefore, the one-year employee retention rate was not calculated.

4-4 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 1,306 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. Rung-Kun Shieh, the CEO and Board Member, serves as the chairperson, responsible for overseeing 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, Ta Chen ensures that all protective measures are closely aligned with the international standards ISO 45001 and ISO 14001. The Company sets an annual target of zero major occupational accidents, and the target achievement rate was 100% in 2025. The major occupational accidents referred to above are classified as fatal incidents or disasters affecting three or more individuals.

Through the collective efforts of all employees, Ta Chen on a standalone basis achieved outstanding occupational safety and health performance of "zero disabling injuries (FR=0, SR=0)" in 2025. Specific management measures covered the following four areas:

Implementing the PDCA cycle and systematic audit improvements: Through rigorous internal audits and external assessments (including LRQA audits and guidance from the Southern Region Center of the Occupational Safety and Health Administration, Ministry of Labor), Ta Chen continues to identify potential risks and opportunities. Based on audit findings, Ta Chen actively implements inherent safety improvements to its systems and equipment, including: developing multilingual SOPs and personal protective equipment requirements in the respective native languages of migrant workers; strengthening machinery safety guards and interlocking safeguards; implementing "pedestrian-vehicle segregation" at plant sites to reduce risks associated with forklift operations; and rigorously implementing annual self-inspection programs for equipment such as overhead cranes, forklifts, and pressure vessels.

Strengthening emergency response and diversified occupational safety and health training: To ensure resilience in responding to emergencies, Ta Chen conducts full-scale disaster prevention and response drills each year, covering a range of scenarios, including incipient-stage firefighting and emergency evacuation, response to chemical leaks (such as nitric acid and hydrofluoric acid) and first-aid response to cuts and falls at plant sites. In the area of education and training, Ta Chen provides statutory initial training and in-service refresher training for personnel engaged in high-risk operations (such as crane operators, forklift operators, and supervisors in charge of specified chemical substance operations); it also conducts quarterly work environment monitoring (covering noise, dust, chemical substances, and carbon dioxide), with all measurements meeting regulatory requirements.

Contractor management and shared progress in environmental sustainability: Ta Chen regards contractors as important partners in advancing occupational safety. The Company strictly conducts contractor consultative organization meetings before site entry and performs unscheduled on-site spot checks. For high-risk operations (such as rooftop solar panel installation, lifting operations, and hot work), Ta Chen requires personnel to wear fall-protection equipment and ensures that earth-leakage circuit breakers and other safety safeguards are installed. Violations are handled strictly in accordance with the applicable penalty provisions. With respect to environmental management performance, Ta Chen on a standalone basis achieved 100% compliance with regulatory requirements for air pollution, wastewater, and waste reporting in 2025. The Company is also actively installing a parking-lot solar photovoltaic system as part of its efforts to reduce corporate carbon emissions.

Advancing comprehensive workplace health promotion and preventing unlawful infringement: In addition to physical safeguards, Ta Chen places considerable emphasis on employees' physical and mental health. The Company provides on-site health consultations by specialist physicians and organizes a series of health promotion seminars covering practical topics such as "Healthy Sitting Posture and Stretching Exercises", "Smart Eating with My Plate", "Stress Relief and Crisis Management for Interpersonal Conflict", and "Preventing Lower Back Injuries When Lifting Heavy Objects". At the same time, Ta Chen fully implements the "Guidelines for the Prevention of Unlawful Infringement While Performing Duties", strengthens its complaint and reporting mechanisms, and is committed to creating a supportive workplace that safeguards employees' physical, mental, and emotional well-being.

In addition to convening the "Occupational Safety and Health Committee and Environment, Health and Safety Management Review Meeting" quarterly, Ta Chen implements the following measures in accordance with ISO 45001 to reinforce its safety culture and manage risks.

I. Risk Assessment

Ta Chen conducts systematic hazard identification and risk assessments for routine and non-routine operations, contractor activities, and special work environments. Risk assessments are reviewed whenever significant changes occur (e.g., major natural disasters or changes to investment plans). In the absence of such significant changes, reassessments are conducted every three to five

years. Hazard identification and risk assessment are managed as a dynamic process. The following measures are implemented to ensure effective implementation of the assessment results:

- Ad hoc reviews: Risk assessments are updated promptly following accidents, near misses, or changes in operating conditions.
- Incident feedback: Historical near misses (e.g., forklift pipe-handling incidents and steel pipe center-of-gravity shift incidents) have been incorporated into risk assessments, with risk ratings adjusted accordingly to support risk control measures.
- Contractor management: Contractor activities are included within the scope of risk assessment. Before work begins, hazard communication, coordination meetings, and daily toolbox talks are conducted.
- Quantitative tracking: Risk ratings (R values) are used to prioritize improvement actions, with medium- and high-risk items incorporated into improvement programs for regular monitoring.

Hazard identification and risk assessment apply to all employees and contractors. Risk ratings are calculated using the formula $R = P \times S \times C$ (Probability $\times$ Severity $\times$ Control Effectiveness) and are classified according to the following criteria:

Risk Level	Risk Score (R)	Treatment Principle
High	$R \geq 75$	Take immediate corrective action and include the item in a management program
Medium	$50 \leq R < 75$	Complete improvements within a specified timeframe and include the item in an objective management program for follow-up
Low	$25 \leq R < 50$	Continue monitoring and maintain existing controls
Acceptable	$R < 25$	Maintain existing management practices and conduct periodic reviews

Ta Chen completed hazard identification for a total of 869 items across four plants/departments. Of these, 13 items were subject to management controls ($R \geq 25$), accounting for 1.5% of all assessed items. The risk distribution by plant/department was as follows:

Plant/Department	Total Assessments	High ($R \geq 75$)	Medium (50-74)	Low (25-49)	Subtotal Subject to Management Controls
Plant I	568	0	1	11	12
Plant II	155	0	0	1	1
Quality Control Department	21	0	0	0	0
Cutting Plant	125	0	0	0	0
Total	869	0	1	12	13

No high-risk items ($R \geq 75$) were identified during the year. One medium-risk item ($50 \leq R < 75$) was identified, as described below:

Commuting to and from work
Hazard Scenario: A traffic accident occurs while commuting to or from work
Potential Consequences: Injuries or fatalities resulting from a traffic accident
Existing Controls: Awareness campaigns and education and training
Risk Score: $R = 50$ (Medium)
Improvement Direction: Develop dedicated commuting safety measures, such as a safe-driving awareness program or commuting subsidies to encourage carpooling.

A total of 12 low-risk items ($25 \leq R < 50$) were identified, primarily at Plant 1. The hazard types included lifting operations, cuts, flying objects, chemical exposure, noise, and exceedances of environmental regulatory limits. The detailed list is provided below:

Hazard Type	Summary of Hazard Scenario	Risk Score (R)
Collision	Steel pipes may slip during lifting if the optimal balance point is not achieved	40
Struck-by Injury	Lifting a steel coil beyond the overhead crane's rated capacity may cause lifting equipment failure, resulting in a falling load that may strike personnel	25
Struck-by Injury	Pipe fittings may collapse due to an earthquake or deterioration of roofing materials, resulting in personnel being struck by falling objects	48
Cut Injury	Contact with burrs on steel coils during material preparation may result in cuts	38.4
Cut Injury	Contact with the trailing edge of steel strip during strip-end joining operations may result in cuts	32
Flying Debris	Hammering during die replacement may cause metal burrs to be ejected and penetrate an employee's arm	32
Inhalation	A damaged storage drum may leak, and contact between the leaked substance and water may generate hazardous gases that personnel could inhale	25
Chemical Burns	Failure to wear appropriate personal protective equipment during specified chemical substance operations may result in chemical burns	25
Heat Hazard	Performing pickling operations while wearing Level C protective clothing in a hot and humid environment may result in heat-related illness or injury	25
Hearing Loss	Noise generated when pipe fittings are cleaned using a compressed-air blow gun (8-hour work environment monitoring result: 95-96 dBA) may cause hearing damage	40
Other	Use of surface-treatment agents in quantities that exceed the regulatory threshold may result in fines or work suspension	25

Existing controls have been established for all of the low-risk items listed above. For example, improvements made during the reporting period to address the risk of cuts or crushing injuries caused by steel strips tipping over during conventional manual strip-end joining operations provide a concrete example of "source control" and "engineering controls". Ta Chen invested approximately NT\$5.11 million to install six "strip end joiners". The equipment guides the steel strips mechanically, achieving "physical separation between personnel and machinery" and substantially reducing the risk of direct contact. Although the change initially encountered resistance due to employees' long-established operating habits, it gained acceptance following communication with employees. Plant II is also advancing the automation and computerized control of heat-treatment furnace operations. The objective is to remove personnel from machine operating areas, achieve "physical separation between personnel and machinery", and reduce both employee contact risks and physical workloads.

II. Safety Culture: Near-Miss Reporting and Safety Observation

Ta Chen does not rely on rewards or inducements to promote its safety culture. Instead, the Company places the "Iceberg Theory of Accidents" at the core of its education and training and fosters a "non-punitive and non-incentive-based" voluntary reporting culture that encourages employees to proactively identify potential risks. The program operates on a "voluntary reporting" basis and is intended to cultivate employees' occupational safety awareness. Each department completes and submits record forms for near-miss events occurring in its work environment, providing a basis for subsequent review and improvement. Approximately 75 near-miss events were reported across all plants, up from 53 in 2024, indicating a gradual increase in employees' safety awareness. By encouraging employees to proactively identify and report potential hazards within plant premises, Ta

Chen can intervene promptly and address risks before they materialize, thereby putting into practice an occupational safety culture in which prevention takes precedence over remediation.

1. Systematic Root Cause Analysis and Risk Control: A rigorous incident investigation process is initiated for every type of case reported on plant premises (including forklift and overhead crane operations, machinery and equipment abnormalities, material slippage, blind spots along plant traffic routes, and the presence of wildlife within plant premises). The responsible unit uses analytical tools such as "fishbone diagrams" to examine root causes in depth from three perspectives: "human factors, equipment factors, and environmental factors". This ensures that no potential safety gaps are overlooked.

2. Comprehensive Improvements to Systems and Equipment to Prevent the Recurrence of Similar Risks:

- Physical Safeguards and Workplace Upgrades: Ta Chen implements inherent safety enhancements for equipment with potential safety hazards. These measures include installing protective mesh guards on slitting machines; reviewing all plastic fan blades and replacing those at risk of cracking with aluminum blades; modifying floor trenches and piping layouts to eliminate trip hazards; and reinforcing safety barriers and support structures in material storage areas.
- Strengthening SOPs and Safety Awareness: For high-risk operations such as forklift operation, lifting with overhead cranes, and machinery maintenance, Ta Chen requires strict compliance with standard operating procedures and provides targeted occupational safety education and training. For specific tasks involving the hands, the Company has also established requirements for the correct use of personal protective equipment, including cut-resistant gloves and cut-resistant sleeves, and conducts audits to verify compliance and strengthen employees' ability to protect themselves.

3. Follow-up Verification and Horizontal Deployment: After countermeasures have been developed for each reported case, Ta Chen conducts a quantitative comparison through "pre- and post-improvement risk assessments" to verify the actual effectiveness of the improvement measures. Improvement experience and training materials developed at one plant are then "horizontally deployed" to other plants or similar machinery.

III. Proactive Safety Inspections

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.

IV. Contractor Safety Management

Ta Chen established a contractor safety coordination organization and conducts regular meetings with contractors. In addition to providing hazard notifications prior to the commencement of work, Ta Chen implements daily pre-job Toolbox Talks. On-site supervisors and contractors jointly review and confirm the Toolbox Talk control forms, and work may only commence after confirming the required personal protective equipment and safe work behaviors. Furthermore, on-site inspections are conducted during contractor operations within the Company's facilities, and contractors are strictly required to perform self-inspections after completing their work and before leaving the site. In 2025, Ta Chen recorded no occupational injuries involving contractors.

V. 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. Ta Chen, on a standalone basis, promotes a regular and systematic "Monthly Occupational Safety and Health Focus Communication" mechanism to integrate occupational safety awareness into its corporate culture and daily operations of all employees.

1. Systematic, Project-Based Monthly Safety Awareness Program: At the end of each month, the responsible unit convenes a meeting to determine the priority safety awareness topic for the following month. During the first week of the following month, each unit selects its implementation items and develops a specific action plan. On-site education, training, and workplace improvements are carried out during the second and third weeks. During the fourth week, the results of the safety awareness activities are presented, and all units are invited to observe and learn from one another. This mechanism ensures that safety awareness activities do not become merely a formality, but instead constitute project-based actions with clearly defined objectives, implementation steps, follow-up procedures, and performance assessments.
2. Comprehensive and Practice-Oriented Occupational Safety and Health Topics: Safety awareness content is closely aligned with actual plant operations and seasonal risks and covers the following four core areas:
 - i. Operating Standards and Machinery Safety: Under the principle that "Everything Must Follow a Standard", employees are required to strictly comply with machinery safety standard operating procedures and complete pre-start safety checks of pinch-point safeguards, entanglement safeguards, and emergency stop devices. Ta Chen also promotes proper machinery repair and maintenance practices and implements a "self-inspection" system (safety checks conducted before, during, and after operations). For high-risk lifting and rigging operations, the Company strictly applies the management rule "Do Not Lift Unless It Is Safe".
 - ii. Personal Protective Equipment and Health Management: Ta Chen promotes and audits the proper selection and use of personal protective equipment, including safety helmets, protective gloves, and earplugs, to ensure the effectiveness of such protection. In response to high summer temperatures, the Company conducts awareness training on the "Prevention of Heat Exhaustion Hazards", teaching employees how to identify the symptoms of heat-related illness and take the correct emergency cooling measures.
 - iii. Special Hazard Prevention and Emergency Response: To address potential hazards at its facilities, Ta Chen conducts targeted safety awareness campaigns covering fall prevention (including guardrails and the use of safety harnesses) and electrical hazard prevention (including insulation, de-energization, grounding, and the installation of earth-leakage circuit breakers). The Company also regularly conducts training on typhoon preparedness and earthquake preparedness (Drop, Cover, and Hold On) to strengthen employees' emergency response capabilities.
 - iv. Plant Traffic and Contractor Management: Ta Chen strictly regulates vehicle routes and the speed limit within plant premises (20 km/h), as well as the safe operation of forklifts, and actively promotes the traffic safety rule "Do Not Drink and Drive". The Company also extends its safety commitments throughout the supply chain by establishing operating standards for contractor safety management, treating contractors as part of the same family, and working together to safeguard occupational safety in operating areas.
3. To ensure that education and training are genuinely translated into safe behavior, each plant conducts in-service training delivered personally by supervisors or designated instructors and supplemented by on-site explanations using visual and written materials. More importantly, after each safety awareness course, all participating employees are required to complete a written assessment (for example: true/false questions on traffic safety and tests on standard operating procedures for safe work). These assessments verify employees' understanding, while detailed attendance and evaluation records are retained to ensure that every employee internalizes occupational safety knowledge and applies it in actual work. During the reporting year, 522 employees completed occupational safety training.

Through rigorous safety awareness activities and assessments, Ta Chen continues to empower employees and build a resilient safety network based on the principle that "Safety Is Everyone's Responsibility". The Company is committed to achieving mutually beneficial outcomes for sustainable business operations and employee safety and 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. During the reporting period, Ta Chen, on a standalone basis, established nine target management plans and completed 12 safety change applications for equipment and processes, achieving a total of 21 specific improvement initiatives.

To achieve its operational goals of "Zero Accidents" and "Green and Low-Carbon Operations", Ta Chen Stainless Pipe on a standalone basis implemented comprehensive upgrades to plant equipment, the work environment, and employee training as part of its Environment, Health and Safety (EHS) management programs during the reporting period. The key achievements are summarized in the following three areas:

Smart Safeguards and Inherent Safety Upgrades for Equipment

I. Implementation of an AI-Powered Forklift Safety System

1. Ta Chen installed AI-powered safety systems on forklifts used in high-frequency operations within its plants. The system provides pedestrian detection and collision warnings (including blind-spot coverage), as well as detection of driver fatigue and unsafe behaviors (such as smoking and using a mobile phone). These functions substantially reduce the risk of collisions where pedestrian and vehicle routes intersect within plant premises.
2. Implementing Fall and Entanglement Prevention Measures for High-Risk Operations: To protect overhead crane maintenance personnel working at height, Ta Chen completed a project to lower the maintenance walkway along the cross-travel section of the overhead crane at the Large Pipe Plant and comprehensively installed horizontal lifelines and guardrails to prevent falls. Guards were also installed over exposed rotating shafts on packaging machines, while pipe support devices were added to feeders. These measures effectively eliminate the hazards of personnel being caught in or pinched by machinery.
3. Establishing a Plant Safety Monitoring Network: To implement management by walking around and promptly reconstruct the actual causes of occupational safety incidents, Ta Chen installed high-definition safety monitoring cameras throughout the Large Pipe Plant, Square Pipe Plant, and Pickling and Packaging Area. The comprehensive monitoring network improves the timeliness and effectiveness of on-site safety management.

II. Improving Ergonomics and Creating a Supportive Workplace Environment

1. Introducing Lift-Assist Material Handling Equipment: Employees at the Packaging Plant were previously exposed to physical strain from handling heavy loads when replacing inspection sleeves. Ta Chen therefore introduced "ergonomic lift-assist equipment (lifting-assist arms)" with a load capacity of up to 50 kg. The equipment eliminates the need for improper manual exertion and reduces employees' risk of occupational disease.
2. Automating Operating Equipment: Ta Chen purchased a new "tungsten electrode grinder" to replace the conventional manual grinding method. The automated equipment not only improves the precision of grinding angles and production stability, but also eliminates the risks and hazards associated with prolonged manual operation.
3. Implementing Workplace Hygiene and Disease Prevention and Caring for Migrant Workers: During the annual plum rain season, the Pickling Plant site proactively engaged a specialist contractor to carry out preventive vector-control treatment and disinfection. These measures effectively prevent the breeding of disease-carrying mosquitoes and safeguard employee health. As part of its education and training programs, Ta Chen provides newly hired and transferred migrant workers with hazard recognition and safe operating procedure training materials translated into their native languages, ensuring that all migrant workers fully understand workplace hazards and safety requirements.

III. Green Operations: Energy conservation, carbon reduction, and noise control

1. Replacing Fuel-Powered Equipment and Advancing Vehicle Electrification: To improve indoor air quality and reduce carbon emissions, Ta Chen is progressively phasing out conventional diesel forklifts and purchasing electric forklifts equipped with lithium-ion batteries, together with dedicated charging stations. This has helped eliminate indoor exhaust emissions and reduce environmental impacts.
2. Upgrading to High-Efficiency Motors and Achieving Significant Noise Reduction: Ta Chen replaced all aging tube mill motors in the Forming Section with motors equipped with variable-frequency drives and meeting the "IE4 Super Premium Efficiency" class. This effectively improved electricity-use efficiency and significantly reduced machinery operating noise (from 89.9 dB before replacement to 82.2 dB), delivering the dual benefits of energy conservation and noise control.

3. **Optimizing Air Pollution, Wastewater, and Waste Control Equipment:** When installing a new pipe polishing machine at the former Manufacturing Plant 5, Ta Chen simultaneously planned and introduced dedicated "dust collection and control equipment". The Company also redesigned the operating layout for the chemical-dosing equipment and sludge dryer at the wastewater treatment plant, improving chemical-use safety and wastewater treatment efficiency.

In addition, the Cutting Plant implemented the "Machinery and Equipment Inherent Safety Enhancement Program" this year. The program expanded the scope of protection from "partial improvements" to "safety fencing and light curtain safeguards across the entire area", constituting proactive controls for machinery-related caught-in and pinch-point hazards. Some areas around rotating equipment, including slitting machines, flat bar machines, and shearing machines, previously lacked safety fencing. In response to recommendations from the Southern Occupational Safety and Health Center, Occupational Safety and Health Administration, Ministry of Labor, safety fencing around all equipment was completed this year, with isolation measures applied across all rotating machinery. Safety light curtains were installed wherever feasible to automatically shut off power when personnel approach. Physical barriers were used where safety light curtains could not be installed, ensuring that personnel cannot reach rotating parts.

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 2025. In 2025, a total of 98 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 2025, Ta Chen Group's total recordable injury rate (TRIR) was 1.89, lost time injury rate (LTIR) was 0.75. The days away, restricted, or transferred (DART) rate was 1.46. The occupational injury rate was 0.82%, and the lost workday rate was 23.72. In 2025, a total of 76 near-miss incidents were reported, with a near miss frequency rate (NMFR) of 1.46. No cases of occupational disease were reported.

In response to past occupational injuries and the results of risk identification, at Plant II and in the cutting process, handling edge trim generated after steel coil slitting presents the highest risk of cuts because the burrs are sharp and the material must be handled manually. To reduce the incidence of "cuts, lacerations, and abrasions", Ta Chen purchased cut-resistant gloves and cut-resistant sleeves that comply with applicable requirements and made their use mandatory. Supervisors personally tested the protective equipment to verify its performance, providing dual protection for employees' hands and forearms throughout the potential contact range created by arm movement.

As part of its follow-up response to occupational injuries, Ta Chen will review ways to "optimize the medical care and assessment mechanism for occupational injuries" and establish closer cooperation with medical institutions to ensure that employees receive the most appropriate medical advice. To address cases in which employees with minor occupational injuries were required to be hospitalized, resulting in inefficient use of medical resources and unnecessary inaccuracies in lost-time injury statistics, Ta Chen will explore establishing a "designated partner hospital" arrangement with a nearby hospital. The objective is to build mutual trust and ensure that medical dispositions, such as observation or inpatient admission, are appropriate to the actual severity of the injury.

Types of Occupational Injuries	2023	2024	2025	Occupational Injury Rate	2023	2024	2025
Falling/Tumbling	0	1	0	Total Work Hours of the Year	1,891,975	10,482,313	10,388,469
Falling Over	0	4	14	Work-related fatalities	0	0	0
Collision	0	0	6	Work-related Serious Occupational Injuries	0	5	0
Object Flying	0	2	6	Number of cases resulting in lost work time due to occupational injury	2	52	39
Object Collapsing	0	1	0	Number of cases with no lost work time but with restricted work activity/temporary reassignment	0	0	37
Being Hit	0	2	3	Number of cases with no lost work time and no restriction of work activity	0	0	22
Being Caught	0	10	13	Number of Near Misses	26	53	76
Cut/Abrasion Injury	2	5	18	Number of days of lost work time	13	1,899	1,232
Being Stepped On	0	0	0	Number of Recordable Occupational Injuries	2	52	98
Contact With High/Low Temperature	0	2	2	Number of employees at year-end	1,045	5,090	4,756
Contact With Harmful Objects	0	1	1	Mortality Due to Occupational Injuries	0	0	0
Electric Shock	0	0	0	Serious Occupational Injury Rate	0	0.10	0
Explosion	0	0	0	Total Recordable Injury Rate (TRIR)	0.21	0.99	1.89
Object Rupture	0	1	0	Lost Time Injury Rate (LTIR)	0.21	0.99	0.75
Fire	0	0	0	Lost Workday Rate (LWD)	1.37	36.23	23.72
Improper Action	0	11	12	Days Away, Restricted, or Transferred (DART)	0.21	0.99	1.46
Other	0	7	23	Near Miss Frequency Rate (NMFR)	2.75	1.01	1.46
				Occupational Injury Rate	0.19%	1.06%	0.82%

Note: Scope of occupational injury data coverage: for 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; for 2025, the reporting boundary covered the parent company and its subsidiaries included in the consolidated financial statements, representing 100% coverage.

- ✧ Recordable occupational injury events include work-related death, resignation, work restrictions, job transfer, medical treatment beyond first aid, loss of consciousness, or significant injury/illness diagnosed by a physician. Traffic-related incidents are not included.
- ✧ "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 "Work-related 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 = Work-related fatalities × 200,000 ÷ total work hours of the year.
- ✧ Serious Occupational Injury Rate = Work-related serious occupational injuries × 200,000 ÷ total work hours of the year.
- ✧ Total Recordable Injury Rate (TRIR) = number of recordable occupational injuries × 200,000 ÷ total work hours of the year.
- ✧ Lost Time Injury Rate (LTIR) = (Number of lost time injuries resulting from occupational injuries × 200,000) ÷ Total hours worked of the year.
- ✧ Lost Work Day Rate (LWD) = Number of lost workdays × 200,000 ÷ Total hours worked during 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 = (Work-related fatalities + Work-related Serious Occupational Injuries + Number of lost time injuries) ÷ Total number of employees at year-end

Fire Safety Management

With reference to "GRI 403: Occupational Health and Safety 2018" and the National Fire Agency's "Guidance on OSH Indicators for CSR Reporting Towards SDGs", Ta Chen has established a fire safety management system that exceeds statutory requirements. The system covers all employees, as well as contractors and visitors under the Company's supervision and direction, and applies to 100% of Ta Chen's facilities in Taiwan. No fire incidents occurred during the reporting period.

i. Hazard Identification and Risk Control

We conduct routine and non-routine fire hazard identification in high-risk areas associated with metalworking processes, such as high-temperature work areas and chemical storage areas. Applying the hierarchy of controls, we optimize risk controls across five levels: "elimination, substitution, engineering controls, administrative controls, and personal protective equipment".

ii. Public Hazardous Substances Management

All areas where public hazardous substances are stored or handled are provided with the latest Safety Data Sheets (SDS). A "Hazard Identification Card (H-Card)" is also kept at the security office and updated every six months, enabling fire departments to immediately obtain relevant hazard information when entering the site for emergency response. The "daily storage quantity" of public hazardous substances on site is strictly controlled, and designated personnel regularly inspect storage conditions to prevent excessive accumulation from triggering

cascading incidents. An automated reminder mechanism has been established for "Factory Hazardous Substances Declarations", ensuring that accurate declarations are submitted to the local fire authority every six months. Ta Chen achieved 100% compliance with all applicable declaration requirements during the reporting period.

iii. Preventive Measures

Automated maintenance reminders and deficiency-tracking mechanisms are used for fire safety equipment (such as sprinkler systems and fire extinguishers). Under the security supervisor's self-inspection program, storage facilities for public hazardous substances (such as storage tanks and spill containment dikes) are monitored in real time. When an abnormality is detected, the plant manager and administrator are automatically notified.

iv. Emergency Response Mechanisms

Employees are granted the "right to stop work". When workers believe that the work environment presents an immediate risk of fire or personal injury, they have the right to assess the circumstances and either leave the area or stop work. The Company guarantees that no adverse action will be taken against them for doing so. Specialized emergency response drills addressing "public hazardous substance leaks" and "chemical fires" are conducted annually. Participants receive training in the operation of designated fire-extinguishing equipment and the proper donning of firefighting protective clothing. In addition to statutory fire safety equipment, high-risk hazardous chemical work areas are equipped with automatic detection and alarm systems and secondary spill containment measures. These controls are integrated into the PDCA cycle under ISO 45001 to support dynamic improvement.

v. Training and Company-wide Participation

To foster a strong safety culture, Ta Chen regularly provides tiered fire safety training, basic fire safety training for new employees, and annual self-defense firefighting organization drills. Worker representatives account for 50% of the members of the "Occupational Safety and Health Committee", ensuring that frontline employees can directly submit recommendations for improving fire safety risks. Ta Chen also supports fire protection managers in obtaining external certification training. Previously, only one occupational safety employee served as the fire protection manager for the entire Company. Beginning in 2024, Ta Chen decentralized fire protection management responsibilities to individual units, requiring managers at the section manager level or above in each unit to serve as the fire protection manager for their respective areas. This approach addressed the difficulty of having a single occupational safety employee oversee every detail throughout the entire plant. Clearly defined responsibilities enable each unit to independently manage fire safety and maintain an accurate understanding of relevant information. The transition from centralized management to decentralized accountability has strengthened frontline managers' accountability for fire safety.

In accordance with applicable laws, Ta Chen regularly conducts a "Comprehensive Self-Defense Firefighting Organization Drill" each year. During the reporting period, dozens of employees from the various facilities (including Plant I, Plant II, the Curtain Plant, the Valve Plant, and administrative offices) participated in practical drills conducted during the first half of the year (March 20) and the second half of the year (September 23). The drills covered three core areas of protection:

1. Firefighting and Emergency Notification: Employees practiced using fire extinguishers and indoor fire hydrants for initial fire suppression. They also practiced procedures for placing external emergency calls and issuing emergency notifications through the plant's internal public address system.
2. Evacuation and Earthquake Protection: The drills simulated the use of emergency exits and evacuation routes during a disaster, as well as "taking cover in place" in offices and factory buildings during an earthquake, ensuring that personnel can evacuate safely and quickly to designated assembly points.
3. Casualty First Aid and Transport: Employees practiced first-aid bandaging and casualty transport to strengthen frontline emergency care capabilities.

In addition to conducting regular disaster preparedness drills, Ta Chen integrates fire safety into the details of its daily operational management. Designated personnel at each facility conduct "daily inspections" and "periodic equipment verification":

1. Daily Inspections of Fire Sources and Evacuation Facilities: Each facility strictly completes the "Daily Fire Source Self-Inspection Checklist" and the "Fire Prevention and Evacuation Facilities Self-Inspection Record" every day. Designated personnel inspect equipment involving fire sources,

electrical wiring safety, and end-of-shift fire-source controls each day. They also ensure that emergency exit doors remain operable and that stairways and evacuation routes are free of stored items, keeping all evacuation routes unobstructed at all times.

2. Periodic Verification of Fire Safety Equipment: The "Fire Safety Equipment Self-Inspection Checklist" is regularly used to conduct comprehensive inspections of fire extinguishers (safety pins and pressure readings), indoor fire hydrants (hoses and nozzles), automatic fire alarm systems, and emergency public address systems. These inspections ensure that all physical protective facilities remain fully operational and ready for emergency use, without safety concerns arising from damage or deterioration.

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.

In accordance with regulatory requirements, employees undergo regular health examinations. For each examination, the company provides NT\$13,500 to cover testing expenses. Beyond the legally mandated items, employees may select additional tests based on their personal needs, with any excess costs borne individually. After receiving annual health reports, occupational nurses classify employees according to results and provide tiered management. For colleagues with abnormal findings in the 'three highs' (hyperlipidemia, hypertension, hyperglycemia), continuous follow-up is conducted, including arranging on-site physician consultations and offering periodic health education to support improvement. Additionally, the company hires professional strength-training coaches to guide employees in using fitness equipment and encourages participation in physical exercise.

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 personnel responsible 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. The Company also partnered with Chi Mei Medical Center to hold health seminars on a quarterly basis. In 2025, the seminar topics included workplace ergonomics (preventing lower back pain), prevention of unlawful infringement (workplace violence and effective communication), and the Healthy Eating Plate (nutrition and healthy eating education). During the reporting period, four cases were implemented under the Maternal Health Protection Program for female employees.

5. Environment Management

Environment Management

Ta Chen passed the ISO 14001 management system certification in 2024, with a site coverage rate of 22%. The latest certification validity periods are from 11 July 2023 to 10 July 2026 and from 19 July 2024 to 18 July 2027. Upholding the principle of continual improvement under the management system, the Company actively advances various environmental management initiatives to meet the expectations of its stakeholders.

Ta Chen has established environmental, safety, and health management procedures in accordance with environmental laws and regulations promulgated by the Ministry of Environment (such as the Air Pollution Control Act, Water Pollution Control Act, Waste Disposal Act, and Toxic and Concerned Chemical Substances Control Act). Each year, the Company allocates a budget for pollution prevention, waste control and treatment, and other related activities. During the reporting period, Ta Chen Group collected statistical data from all Group companies; consequently, the figures show larger changes compared with prior years. During the reporting year, actual environmental management expenditures amounted to approximately NT\$189 million, accounting for 0.19% of revenue. Of this amount, waste treatment expenses totaled approximately NT\$130 million, accounting for 0.13% of revenue, while environmental management activity expenses totaled NT\$2.117 million, accounting for 0.002% 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. Overall, the Company's environmental management system was implemented successfully in 2025. With respect to pollution prevention, Plant II replaced the coating thinner used in its process with an environmentally friendly chemical that is not subject to regulatory control, reducing the risk of organic solvent exposure. With respect to chemical management, exposure assessments were completed for all chemicals, and a tiered management system was developed based on risk levels to prevent adverse health impacts on workers.

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, which includes: renewable energy, access to clean water, sustainable infrastructure, climate adaptation, sanitation, food security, and education for the underprivileged. As of the end of 2025, investments had been made in projects involving solar energy, wind energy, electric vehicles, and green building standards.

Biodiversity conservation contributes to climate change mitigation and adaptation and has positive implications for global public health and sustainable economic development. The Company has established a Biodiversity and No Deforestation Policy to protect biodiversity, guided by its commitment to sustainable operations and harmonious coexistence with nature. To put these commitments into practice, the Company implemented the following measures in 2025:

1. The Company continued to promote "process digitization" (such as electronic utility bills and e-invoices). In 2025, the Company issued 3,670 e-invoices, reducing carbon emissions by a total of 41.08 kgCO₂e.
2. The Company used environmentally friendly paper and printing inks, ensuring that the sources of its paper products are traceable and not associated with deforestation.
3. None of the Company's operating sites are located within protected areas or other areas of high biodiversity value. Furthermore, its operations and products have not caused any significant impacts on biodiversity.

Although the new plant did not apply for a formal Green Building Label due to certification cost considerations, its design specifications were developed with reference to green-building standards. These features include rooftop solar power generation for self-consumption, LED lighting throughout the building, Grade 1 energy-efficient air-conditioning systems, and reserved piping for rainwater/greywater recycling.



Biodiversity and No
Deforestation Policy

Because Ta Chen adopts a "make-to-stock production" model based on demand forecasts to support the rapid fulfillment requirements of its distribution network, high inventory levels and material-handling activities are unavoidable. The Production Control Department regards "increasing inventory turnover" as a carbon reduction measure. Reducing days of inventory not only improves financial performance by decreasing the amount of capital tied up in inventory, but also directly reduces the number of material-handling movements, thereby lowering forklift fuel and electricity consumption and reducing the use of storage materials, such as wooden dunnage. By incorporating "lean manufacturing" into its climate action strategy, Ta Chen integrates information across upstream and downstream processes to reduce unnecessary material handling and waiting time. This approach enhances operational efficiency while simultaneously reducing energy consumption and the Company's environmental footprint.

Environmental Expenditure Investment (Unit: New Taiwan Dollars)		2023	2024	2025
Capital Investment	R&D for pollution prevention	0	0	0
	Investment in pollution prevention equipment	0	1,997,609	9,700,067
Operating Expenses	Costs of pollution prevention	0	47,326,057	47,668,179
	Costs of waste handling and disposal	6,510,899	106,128,786	129,571,092
	Costs of relevant administrative activities	1,362,542	1,115,247	2,117,155
Total		7,873,441	156,567,699	189,056,494

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 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.

With respect to California's climate disclosure legislation, SB 253 (Climate Corporate Data Accountability Act) requires disclosure of greenhouse gas emissions, while SB 261 (Climate-Related Financial Risk Act) requires disclosure of climate-related financial risks. TCI, a subsidiary subject to these requirements, completed independent third-party verification of its greenhouse gas inventory in April 2026. Enforcement of SB 261 is currently enjoined pending appellate proceedings. The Company will continue to monitor regulatory developments and initiate the necessary assessment and preparation mechanisms, demonstrating the Group's adaptability to emerging regulations in the jurisdictions where it operates and its commitment to compliance.

Climate Risk Identification, Assessment, and Management Process

Risk Item Identification	Key Risk Analysis	Risks and Opportunities Financial Impact Assessment	Planned Responses and Reporting
For Ta chen Group (within the scope of consolidated financial statements) recommendations of the TCFD, IFRS S2 climate-related disclosure, 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: 1–2 years, medium-term: 3–5 years, long-term: over 6 years). The evaluation considers the likelihood of occurrence, potential locations of impact, and the magnitude 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 prioritized. The top three risks and opportunities are identified as key risks, and their identification is confirmed through internal and external discussions.	Taking into account the likelihood of risk/opportunity occurrence and the magnitude of operational impact, the potential financial impact and its magnitude 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.

Climate change risks and opportunities

Each year, Ta Chen group assesses climate change risks (regulation and legal, technology, market, reputation, acute physical, and chronic physical risks) and opportunities to understand the potential operational and financial impacts of significant climate-related risks and opportunities on the Company. The assessment considers where each risk or opportunity factor may arise within the value chain (the Company's own operations, upstream suppliers, or downstream customers), its time horizon (short term: 1-2 years; medium term: 3-5 years; long term: 6 years or more), its likelihood, and its magnitude of impact. The time horizons used in the assessment are determined primarily with reference to the Company's operational planning and target-setting cycles. Following assessment and discussion, four significant risks were identified as requiring a response from the Company (all of which affect the Company's own operations), together with three potential opportunities (all of which affect the Company's own operations). Risks and opportunities affecting the Company's upstream and downstream value chain are currently assessed as less significant.

	Risk factor	Period of occurrence	Financial impact	Responsive strategy
Transition risk	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 Incorporate energy-saving and carbon reduction requirements into procurement policy Continue to pay attention to policy and regulation 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
	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 disaster mechanisms

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 electricity consumption Gradual Shift Toward Self-Consumption of 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 impact of suppliers' climate-related risks on the Company. Give priority to suppliers with climate change adaptation capabilities.

Financial impact of transition actions:

- Carbon pricing mechanism : As the Company's annual emissions have not yet reached the regulatory threshold of 25,000 tCO₂e, internal carbon pricing has not yet been adopted. Although raw material market prices have not yet fully reflected carbon pricing costs, the Company continues to closely monitor the potential risk of future price fluctuations arising from the Carbon Border Adjustment Mechanism (CBAM).

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 engagement 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.

Metrics and Targets

In order to plan the GHG reduction strategies and in response to international trends and the national targets for Net Zero by 2050, Ta Chen Stainless Pipe identifies the climate change risks and opportunities and develops the carbon management reduction plan year by year. Considering the characteristics of the industry and the Group's existing greenhouse gas inventory plan, Ta Chen has established the climate-related target shown in the table below:

Climate Target	Target Boundary	Target	2025 Progress
Greenhouse Gas Emissions Reduction	Scope 2 emissions from all operating activities of entities included in Ta Chen's consolidated financial statements	Base year: 2024 Target year: 2030 Target: 1% reduction from the base-year level Short-term target: 0.15% reduction from the base-year level by 2025 Medium-term target: 0.50% reduction from the base-year level by 2027	The short-term reduction target for 2025 was not achieved due to changes in the organizational boundary and the expansion of plant facilities. Ta Chen will continue implementing greenhouse gas reduction strategies and strive to achieve its annual carbon emissions targets.

The implementation status in 2025 was as follows:

1. Replaced two fixed-speed air compressors at the plant with variable-speed drive air compressors: annual energy savings of 289,073 kWh
2. Replaced metal halide lamps used for plant lighting with LED fixtures: annual energy savings of 15,240 kWh
3. Solar electricity generated and consumed on site: 148,906 kWh for the year

Achievement status in 2025:

Using the 2024 electricity emission factor of 0.474 (kg CO₂e/kWh) announced by the Energy Administration, Ministry of Economic Affairs, the reduction strategies described above reduced emissions by 214.826 tCO₂e. However, the short-term reduction target was not achieved in 2025 due to changes in the organizational boundary and the expansion of plant facilities. Ta Chen will continue conducting greenhouse gas emission inventories and implementing relevant greenhouse gas management strategies, while striving to achieve its annual carbon emissions targets.

5-2 Greenhouse Gas Emission Management

Since 2023, Ta Chen Group has expanded its scope of greenhouse gas inventory in three phases over multiple years. During the reporting period, the Company conducted its GHG inventory in accordance with the GHG Protocol, using the operational control approach to consolidate annual GHG emissions data and establish a comprehensive GHG emissions inventory. Scope 1 and Scope 2 inventories were conducted, and preparations for Scope 3 inventory work were initiated. The GHG inventory for the reporting period has completed the internal audit process. The inventory results of Ta Chen, TCI, TKA, Brighton-Best(Taiwan), Brighton-Best, Ta Chen Jitai, Brighton-Best, Right Way Industrial Taiwan, and Right Way Industrial Malaysia have completed external verification.

Greenhouse Gas Inventory Information

1. The Company on a standalone basis

In 2025, greenhouse gas (GHG) emissions within the organizational boundary of the inventory amounted to 1,350.24 tCO₂e for Scope 1 (representing 10.67% of total emissions) and 11,307.79 tCO₂e for Scope 2 (representing 89.33% of total emissions), for a total of 12,658.03 tCO₂e. The increase was primarily attributable to the completion of new production facilities and higher production capacity in 2025, which resulted in increased energy consumption.

Item/Year	Scope 1 emissions (tCO ₂ e)	Scope 2 emissions (tCO ₂ e)	Scope 1 + Scope 2 emissions (tCO ₂ e)	Scope 1 + Scope 2 emissions intensity (tCO ₂ e per NTD1 million)
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2023	1,347.19	9,762.30	11,109.49	1.16
2024	1,277.50	10,752.00	12,029.50	1.25
2025	1,350.24	11,307.79	12,658.03	1.29

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

Note 2: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 3: Since the company has not obtained renewable energy certificates, the location-based data for Scope 2 is treated the same as market-based data.

Note 4: 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 CO₂e per 1,000 kWh.

2. The Group

In 2025, Scope 1 greenhouse gas emissions were 107,463.99 tCO₂e (accounting for 57.26% of total emissions), and Scope 2 emissions were 80,261.56 tCO₂e (accounting for 42.74% of total emissions), totaling 187,680.55 tCO₂e. 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 ₂ e)	Scope 2 emissions (tCO ₂ e)	Scope 1 + Scope 2 emissions (tCO ₂ e)	Scope 1 + Scope 2 emissions intensity (tCO ₂ e per NTD1 million)
2024	89,530.67	73,097.32	162,627.99	1.80
2025	107,463.99	80,216.56	187,680.55	1.84

Note 1: Scope of direct greenhouse gas emissions data coverage: for 2024, all consolidated subsidiaries have been included except for Nash Metals, LLC, which came under control due to acquisition on December 31, 2024. for 2025, the reporting boundary covered the parent company and its subsidiaries included in the consolidated financial statements, representing 100% coverage.

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).

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: 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. Electricity emission factors were adopted based on the officially published emission factors applicable in each local jurisdiction.

Scope 1 Greenhouse Gas Emissions: Direct Emissions by Type (tCO ₂ e)			
Direct Greenhouse Gas Emissions by Greenhouse Gas Category	GHG Category	2024	2025
	CO ₂	88,755.62	106,722.83
	CH ₄	227.78	200.64
	N ₂ O	223.94	224.80
	HFCs	297.39	315.72
	PFCs	25.94	0
	SF ₆	0	0
	NF ₃	0	0
	Total	89,530.67	107,463.99

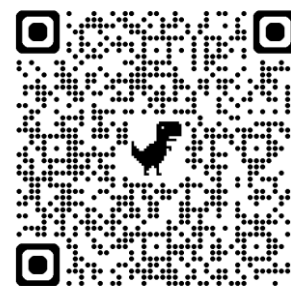
Note 1: Scope of direct greenhouse gas emissions data coverage: for 2024, all consolidated subsidiaries have been included except for Nash Metals, LLC, which came under control due to acquisition on December 31, 2024. In 2025 representing 100% coverage.

Note 2: Since 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 (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃). 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, SF₆, or NF₃.

GHG Emission Assurance Information

The results of GHG inventories of Ta Chen Group (Ta Chen Stainless Pipe, TCI, TKA, Brighton-Best(Taiwan), Ta chen Jitai, Brighton-Best, Right Way Taiwan, Right Way Malaysia) in 2025 were externally verified by SGS Taiwan Ltd. in April 2026, 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 Verification

Item/Year	2024	2025
Scope of assurance	Ta Chen Group (Ta Chen Stainless Pipe, Brighton-Best(Taiwan), Ta chen Jitai, Ta chen Boye, Right Way Taiwan, Right Way Malaysia) Scope 1 and Scope 2	Ta Chen Group (Ta Chen Stainless Pipe, TCI, TKA, Brighton-Best(Taiwan), Ta chen Jitai, Brighton-Best, 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(Taiwan), Right Way Industrial Taiwan, Right Way Industrial Malaysia - Limited assurance level: Ta Chen Jitai, Ta Chen Boye	- Reasonable assurance level: Ta Chen Stainless Pipe, Brighton-Best(Taiwan), Right Way Industrial Taiwan - Limited assurance level: Ta Chen Jitai, TCI, TKA, Brighton-Best, Right Way Malaysia

Other Indirect Greenhouse Gas Emissions (Scope 3) Information

Other indirect greenhouse gas emissions (Scope 3) totaled 47,875 tCO₂e in 2025. For Scope 3 data collection, the Company is progressively working toward Group-wide data coverage. The data and coverage for each category are described below:

Category	Emissions (tCO ₂ e)	Data Coverage
3-1 Purchased Goods and Services	In preparation	
3-2 Capital Goods	In preparation	
3-3 Fuel- and Energy-Related Activities (Note 1)	47,699.03	The Company and its consolidated subsidiaries
3-4 Upstream Transportation and Distribution	In preparation	
3-5 Waste Generated in Operations (Note 2)	175.97	The Company and its consolidated subsidiaries
3-6 Business Travel	In preparation	
3-7 Employee Commuting	In preparation	
3-8 Upstream Leased Assets	In preparation	
3-9 Downstream Transportation and Distribution	In preparation	
3-10 Processing of Sold Products	The data are difficult to collect and cannot yet be reported	
3-11 Use of Sold Products	N/A	
3-12 End-of-Life Treatment of Sold Products	In preparation	

3-13	Downstream Leased Assets	In preparation	
3-14	Franchises	N/A	
3-15	Investments	In preparation	

Note 1: Upstream energy emissions include upstream emissions associated with natural gas, liquefied petroleum gas, gasoline, diesel, fuel oil, propane, and purchased electricity. The emission factors were obtained from the Product Carbon Footprint Information Network of Taiwan's Ministry of Environment.

Note 2: Waste treatment emissions include emissions arising from treatment methods such as incineration and landfilling. The emission factors were obtained from the Product Carbon Footprint Information Network of Taiwan's Ministry of Environment.

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, providing employees with a bright, clean, cool and comfortable dining 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. During the reporting period, approximately 500 employee meals and 1,500 external lunchboxes were provided per day. Based on 246 working days during the reporting period, this amounted to approximately 123,000 employee meals and 369,000 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-CO₂e, while that of a lacto-ovo vegetarian is 4.16 kg-CO₂e. Assuming a lunch contains about 700 kcal, the annual reduction in emissions compared to meat-based meals was approximately 495,936 kg CO₂e.

Number of Meal Portions	Per Day	Per Year	Carbon Reduction Amount
Employee meals	500 portions	123,000 portions	123,984 kgCO ₂ e
External meals	1,500 portions	369,000 portions	371,952 kgCO ₂ e
Total	2,000 portions	492,000 portions	495,936 kgCO ₂ e

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 2026, Ta Chen Group has set a target to reduce electricity usage by 0.3% 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 consumption. We are actively promoting the construction of renewable 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. For the replacement of forklifts used within its plants, Ta Chen has developed a "phased transition to electric forklifts" strategy. Indoor and light-duty operations are prioritized for electrification to improve air quality in the workplace. For heavy-duty

operations, diesel-powered forklifts will remain in use until electric forklift technology becomes sufficiently mature, with enhanced maintenance to balance environmental considerations and operational safety. As of 2025, electric forklifts have been introduced progressively in new plant buildings, particularly for indoor operations on the second floor and above. However, diesel-powered forklifts remain necessary for handling loads exceeding 3 metric tons, such as large steel coils, because of the current limitations of electric forklifts in terms of torque and load capacity. This ensures that operational safety and efficiency are maintained.

Renewable Energy Installation

Since 2017, Ta Chen Group and its subsidiary, Brighton-Best International (Taiwan) Inc., have progressively implemented solar power installation projects. The short-term target prioritizes Ta Chen's plants in Taiwan, where rooftop photovoltaic systems have been installed under a rooftop leasing model. The medium-term target is for all newly installed systems at the Taiwan plants to generate electricity entirely for on-site consumption. Ta Chen Group's long-term renewable energy target is to actively incorporate solar power installations into the construction and renovation of its plants worldwide. The Group aims to install solar panels in all available areas of its plants and plans to deploy energy storage systems in alignment with global trends toward net-zero carbon emissions and renewable energy.

To date, approximately NT\$74.64 million has been invested in solar power generation equipment at the Taiwan plants. In 2025, construction of the solar panel systems in the parking areas of the Zhongshan Plant, Xintian Plant, and Yilin Plant was completed, and the systems were connected to meters and placed into operation. Meter connection at the Zhongshan Plant was completed in March 2025. All electricity generated is currently sold under the feed-in tariff scheme, but an application is underway to convert the system to "self-generation and self-consumption".

With respect to self-generated and self-consumed electricity, two new solar installations commenced operation in 2025. The solar power system at the front-gate parking area of the Yilin Plant (installed capacity: 255.2 kWp) completed meter connection in July, while the rooftop solar power system on the four-story building at the Xintian Plant (installed capacity: 714.47 kWp) officially commenced operation in September. During the reporting period, the two installations generated a combined 148,906 kWh for on-site consumption, representing approximately 0.62% of total annual electricity consumption (23,856,104 kWh) and directly reducing the plants' demand for purchased electricity. Once both solar power systems have completed a full year of operation in 2026, their annual electricity generation is expected to reach approximately 1.3 million kWh, accounting for approximately 5.5% of the Company's total electricity consumption.

As part of its long-term targets, Ta Chen has also launched a solar power installation project at an overseas subsidiary. TCI has installed a solar power system using the warehouse rooftop space at its new headquarters. The system will operate under a self-generation and self-consumption model to reduce reliance on purchased electricity. Construction of the solar power system has been completed. The system has an installed capacity of 0.7 MWp (direct current, DC) and an AC-side capacity of 0.56 MWp (AC). Based on the preliminary assessment conducted during project planning, annual electricity generation is estimated at approximately 1.16 GWh. Under the planning assumptions, the system is expected to supply electricity equivalent to approximately 80% of the building's electricity demand, thereby offsetting a corresponding portion of purchased electricity consumption.

As of the end of the reporting period, the solar power system at TCI's headquarters remained in the testing and acceptance stage and had not yet commenced commercial operation. Accordingly, actual electricity generation had not yet been compared to the building's electricity consumption, and the system was not included in the energy consumption or greenhouse gas emissions statistics for the current reporting period. The system was originally scheduled for completion in January 2026. The actual date of commercial operation will depend on the completion of testing.

Following the introduction of renewable energy, the system is expected to reduce reliance on purchased electricity and indirectly reduce greenhouse gas emissions associated with electricity consumption once it becomes fully operational. However, the associated renewable energy substitution ratio, electricity consumption reduction benefits, and potential carbon reduction benefits are estimates developed during the project planning stage and are not based on data measured under actual operating conditions.

Once the solar power system has completed testing and commenced full operation, Ta Chen will progressively track, evaluate, and disclose its energy performance and impacts on greenhouse gas emissions based on actual

operating data. All related data will be based on actual measurements and used to support the continuous improvement of the Company's energy management and carbon reduction strategies.

Ta Chen is also continuing to invest in the installation of a 300 kW battery energy storage system at the newly constructed Xintian Plant building. The system will be charged with off-peak grid electricity at night and is designed to provide emergency power to critical equipment during power outages, including the server room and biological wastewater treatment system. The system is currently undergoing acceptance testing and is expected to commence operation in the first half of 2026.

Location	Installed Capacity (kWp)	Annual Power Generation (kWh)	Status
Xintian Plant	714.47	1,017,048	The installation was completed and the electricity meter was connected in September 2025, with all electricity generated being used for self-consumption.
Zhongshan Plant	687.25	978,300	The electricity meter was installed in March 2025. As the electricity consumption at the Zhongshan Plant is lower than the amount of electricity generated by the solar power system, the surplus electricity is currently sold to Taiwan Power Company. "Starting in 2026, the electricity generated will be prioritized for self-consumption at the Zhongshan Plant, and any surplus will be sold to Taiwan Power Company.
Yilin Plant Front Gate Parking Lot	255.2	363,277	The electricity meter was installed in July 2025, and 100% of the electricity generated has been used for self-consumption.
Yilin Plant	1499.19	2,134,097	The electricity meter was installed in May 2018. The solar power system operates under a rooftop leasing arrangement.

Energy Consumption

1. The Company on a standalone basis

Energy consumption of Ta Chen Steel (standalone basis) includes purchased electricity, natural gas, gasoline, and diesel. During the reporting period, the total energy consumption, converted into gigajoules (GJ), amounted to 106,206.15 GJ, representing an increase of 5,538.21 GJ compared with 100,667.94 GJ in the previous year. The Company's energy intensity was 10.79 GJ per million New Taiwan dollars (NT\$ million), an increase of 0.33 GJ per NT\$ million compared with 10.46 GJ per NT\$ million in the previous year. The increase was primarily attributable to the completion of new production facilities and increased production capacity in 2025, resulting in higher energy consumption. The energy intensity per unit of product was 2.044 GJ per tonne, a decrease of 0.022 GJ per tonne compared with 2.066 GJ per tonne in the previous year. Going forward, the Company will continue to monitor energy consumption and implement energy-saving strategies to achieve its energy reduction targets. In alignment with national environmental protection policies, the Company completely ceased the use of boilers fueled by low-sulfur fuel oil in 2020. The use of diesel-fueled boilers has also been continuously reduced and replaced with natural gas-fueled boiler systems. In addition, the Ta Chen Group does not use coal as an energy source.

(Unit: GJ)

Ta Chen Stainless Pipe (standalone)	2023		2024		2025	
	Consumption	Ratio	Consumption	Ratio	Consumption	Ratio
Liquefied Natural Gas (LNG)	13,599.23	74.23% of fuel	14,152.42	74.45% of fuel	15,105.84	76.33% of fuel
Automotive Gasoline	2,140.38	11.69% of fuel	2,465.48	12.97% of fuel	2,190.70	11.07% of fuel
Diesel	2,579.57	14.08% of fuel	2,390.14	12.58% of fuel	2,492.53	12.60% of fuel
Total Fuel Consumption	18,319.18	20.48% of energy	19,008.04	18.88% of energy	19,789.07	18.63% of energy
Non-renewable – Electricity (Purchased)	71,141.47	100% of electricity	81,659.90	100% of electricity	85,881.02	99.38% of electricity

Renewable – Purchased Certificates	-	-	-	-	0	0
Renewable – Electricity (Self-Use)	-	-	-	-	536.06	0.62% of electricity
Renewable – Electricity (Purchased)	-	-	-	-	0	-
Renewable – Electricity (Sold)	7,291.1	-	7,233.5	-	7,181.66	-
Total electricity consumption	71,141.47	79.52% of energy	81,659.90	81.12% of energy	86,417.08	81.37% of energy
Total energy consumption	89,460.65	100%	100,667.94	100.00%	106,206.15	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(2024), Ministry of Economic Affairs. 1 cubic meter (m³) 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 Steel (standalone)		2023	2024	2025
Fuel Consumption Intensity	Non-Renewable Fuel Consumption Intensity	1.92	1.97	2.01
	Renewable Fuel Consumption Intensity	0	0	0
	Total Fuel Consumption Intensity	1.92	1.97	2.01
Electricity Consumption Intensity	Non-Renewable Electricity Consumption Intensity	7.45	8.48	8.72
	Renewable Electricity Consumption Intensity	0	0	0.05
	Total Electricity Consumption Intensity	7.45	8.48	8.78
Energy Consumption Intensity	Non-Renewable Energy Consumption Intensity	9.38	10.46	10.73
	Renewable Energy Consumption Intensity	0	0	0.05
	Total Energy Consumption Intensity	9.38	10.46	10.79

2. The Group

During the reporting period, the consolidated company's total energy consumption amounted to 2,568,159.78 gigajoules (GJ), of which total fuel consumption was 1,891,093.34 GJ and electricity consumption was 677,066.44 GJ, accounting for 26.36% of total energy consumption. Renewable energy consumption amounted to 757.68 GJ, accounting for 0.03% of total energy consumption. The energy intensity was 25.22 GJ per million NTD, with electricity consumption intensity of 6.65 GJ per million NTD and fuel consumption intensity of 18.57 GJ per million NTD. In the previous year, Ta Chen Group's total energy consumption amounted to 2,336,689.73 GJ, of which total fuel consumption was 1,738,651.13 GJ, accounting for 74.41% of total energy consumption, while electricity consumption was 598,038.60 GJ, accounting for 25.59% of total energy consumption. Renewable energy consumption was zero. During the reporting period, the consolidated energy intensity was 25.22 GJ per million NTD, representing a decrease of 0.63 GJ per million NTD compared with 25.85 GJ per million NTD in the previous year.

(Unit: GJ)

Ta Chen Group	2023		2024		2025	
	Consumption	Ratio	Consumption	Ratio	Consumption	Ratio
Liquefied Natural Gas (LNG)	145,432.89	72.77% of fuel	1,678,402.02	96.53% of fuel	1,825,358.20	96.52% fuel
Liquefied Petroleum Gas (LPG)	8.19	0.01% of fuel	86.44	0.01% of fuel	81.83	0.004% of fuel
Automotive Gasoline	6,551.5	3.28% of fuel	16,734.35	0.96% of fuel	14,151.02	0.75% of fuel
Diesel	31,012.48	15.52% of fuel	20,312.12	1.17% of fuel	25,343.65	1.34% of fuel
Propane	16,832.01	8.42% of fuel	23,116.20	1.33% of fuel	26,158.64	1.38% of fuel
Total Fuel Consumption	199,837.07	31.15% of energy	1,738,651.13	74.41% of energy	1,891,093.34	73.64% of energy
Non-renewable – Electricity (Purchased)	441,639.99	100% of electricity	598,038.60	100% of electricity	676,308.76	99.89% of electricity
Renewable – Purchased Certificates	-	-	-	-	0	0
Renewable – Electricity (Self-Use)	-	-	-	-	536.06	0.08% of electricity
Renewable – Electricity (Purchased)	-	-	-	-	221.62	0.03% of electricity
Renewable – Electricity (Sold)	7,291.1	-	14,009.24	-	16,613.52	-
Total Electricity Consumption	441,639.99	68.85% of energy	598,038.60	25.59% of energy	677,066.44	26.36% of energy
Total Energy Consumption	641,477.06	100%	2,336,689.73	100%	2,568,159.78	100%

Note 1: Scope of energy consumption data coverage: for 2023 includes the parent company on a standalone basis plus certain subsidiaries and sites; for 2024 includes all consolidated subsidiaries except for Nash Metals, LLC, which came under control through acquisition on December 31, 2024. for 2025 representing 100% coverage.

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(2024), Ministry of Economic Affairs. 1 cubic meter (m³) of natural gas = 8,710 kcal; 1 liter of liquefied petroleum gas = 5,958 kcal; 1 liter of automotive gasoline = 7,520 kcal; 1 liter of diesel = 8,629 kcal; 1 liter of propane = 6,520 kcal.

Note 4: 1 kcal = 4,186J

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

Ta Chen Group		2023	2024	2025
Fuel Consumption Intensity	Non-Renewable Fuel Consumption Intensity	Not calculated	19.23	18.57
	Renewable Fuel Consumption Intensity		0	0
	Total Fuel Consumption Intensity		19.23	18.57
Electricity Consumption Intensity	Non-Renewable Electricity Consumption Intensity	Not calculated	6.62	6.64
	Renewable Electricity Consumption Intensity		0	0.01
	Total Electricity Consumption Intensity		6.62	6.65
Energy Consumption Intensity	Non-Renewable Energy Consumption Intensity	Not calculated	25.85	25.22
	Renewable Energy Consumption Intensity		0	0.01
	Total Energy Consumption Intensity		25.85	25.22

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 Strategies

Following the policy direction of energy saving, the Construction Department and each plant implement energy saving strategies 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 toward becoming a renewable 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 energy consumption of various types of machines and by connecting to the Internet, it becomes possible to capture real-time values of energy consumption and production capacity. With respect to motor upgrades in 2025, Plant I began replacing its existing motors with IE4 (Super Premium Efficiency) motors. Calculations have confirmed the energy-saving benefits, and the motors will be replaced progressively. For air-conditioning systems, the fourth-floor office area of the new plant building is equipped entirely with split-system air-conditioning units carrying a "Grade 1 energy-efficiency rating," rather than a central air-conditioning system, to improve energy efficiency and facilitate zoned-based control. With respect to elevator energy consumption, four elevators, including two large-capacity elevators, were added to the new plant building to meet vertical transportation requirements. These elevators will represent an additional source of electricity consumption in the future.

Due to constraints in their internal logistics routes, the existing plants rely heavily on forklifts for material handling. Forklift operations are the largest source of energy consumption and maintenance issues in the plants' internal logistics. Accordingly, internal logistics planning was incorporated into the design stage of the new plant building. Through a multilevel layout, continuous production flows, and overhead crane system design, the internal logistics routes were optimized to reduce reliance on forklifts at the structural level. This reduces energy consumption and carbon emissions from material handling while delivering the dual benefits of energy conservation and improved operational safety. For example: Plant II redesigned its production flow. The forming, coating application, and heat treatment processes were arranged in a linear production flow, particularly for large products. This reduces the frequency and distance of cross-area material handling, directly lowering the energy consumption of material-handling equipment (forklifts/overhead cranes) while reducing unproductive labor hours and waste caused by inventory accumulation. Plant II uses electric forklifts exclusively, with no diesel-powered forklifts in operation, thereby mitigating Scope 1 emissions from mobile combustion sources. New and replacement machinery is given priority for the use of VFD-controlled motors or servo motors to improve processing precision and reduce electricity consumption.

During the reporting period, three energy-efficiency improvement projects were recognized, delivering combined annual energy savings of 304,313 kWh. Based on an estimated electricity rate of NT\$3 per kWh, these projects generate annual electricity cost savings of approximately NT\$910,000.

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 a certain site in the U.S. is located in water-stressed areas. This site is a logistics warehouse with minimal water consumption; therefore, it has no significant impact.

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 operated normally throughout 2025. The biological wastewater treatment system removes nitrate nitrogen from wastewater. The regulatory limit is 50 ppm, while Ta Chen has established an internal target of maintaining nitrate nitrogen concentrations below 10 ppm. If the concentration exceeds 10 ppm, an alert is triggered and immediate corrective action is taken to prevent any regulatory exceedance. The wastewater treatment plant no longer relies on external vendors for its technical operations, as Ta Chen has developed in-house expertise in managing the microbial cultures. The Company has also established a "Flexible Operating Contingency Plan for the Biological Treatment System". To accommodate order fluctuations and extended holidays, operating methods have been developed to adjust the recirculation rate and carbon-source supply, ensuring that the microbial cultures remain active even during periods of reduced influent flow. This avoids the risk of operational shutdowns associated with reacclimating the microbial cultures and enables the system to remain stable during changes in production capacity and extended holidays, demonstrating Ta Chen's technical self-sufficiency and operational resilience.

Water recycling and rainwater–wastewater separation projects have been completed, with plans to further enhance the quality of recycled water to a level suitable for reuse. However, current testing shows that the conductivity of the treated water exceeds the standard value, preventing reuse at this stage. Continuous testing will be carried out until the water can be reused in production processes. In addition, facilities have been prepared to use recycled water for toilet flushing, with an estimated recovery of 100 tons per day. In addition, Plant II has established a basic collection system for rinse water from the pickling process, allowing the water to be pumped back to the upstream fresh-water tank for reuse. The fresh-water tank previously required a continuous supply of municipal water to maintain overflow and control acidity. Reclaimed water is now used for replenishment instead. This measure is estimated to reduce municipal water consumption by approximately 30% per day. Plant I has also explored the recovery and reuse of pipe rinse water from the pickling process. However, the Company found that biologically treated water contains biofilm-forming matter that may adhere to products and affect their cleanliness. The feasibility of installing a filtration system is currently under evaluation. The Group's water-recycling programs currently have a coverage rate of 22%.

The "green building concept" was incorporated into the design stage of the new plant building, including the installation of dedicated piping for reclaimed water. In terms of infrastructure design, provisions for reclaimed-water piping and water tanks have been incorporated into the rooftop areas on both sides of the newly constructed four-story plant building. The system is designed to reuse treated effluent from the wastewater treatment plant for toilet flushing. Implementation currently faces technical challenges. In particular, reclaimed water following biological treatment can promote biofilm formation, potentially causing pipe blockages, while filtration costs are relatively high. Ta Chen is therefore evaluating the cost-effectiveness of the system and suitable filtration technologies.

The subsidiary TKA uses a "closed-loop cooling water system" for its process water. The system maintains water quality through filtration while continuously recirculating the cooling water. Make-up water is added only when required to compensate for water losses. Because this is a closed-loop system, its water-recycling rate cannot be calculated in the same manner as that of conventional discharge flows. Management therefore focuses

on monitoring trends in make-up water consumption. A flow meter is scheduled to be installed on the new casting line in 2026, after which more precise data will become available.

Water Resource Use

1. Ta Chen Stainless Pipe on a Standalone Basis

During the reporting period, Ta Chen withdrew 107.67 million liters of water, comprising 86.87 million liters of municipal water and 20.80 million liters of groundwater. Water withdrawn from water-stressed areas totaled 0 million liters, representing 0.00% of total water withdrawal. A total of 34.53 million liters of water was discharged off-site. In the previous year, water withdrawal (all from municipal water supplies) totaled 91.48 million liters. Water withdrawn from water-stressed areas totaled 0 million liters, representing 0.00% of total water withdrawal. A total of 29.25 million liters of water was discharged off-site in the previous year.

During the reporting period, Ta Chen Stainless Pipe's water withdrawal intensity was 0.011 million liters/NT\$ million, its water discharge intensity was 0.004 million liters/NT\$ million, and its water consumption intensity was 0.007 million liters/NT\$ million. In the previous year, water withdrawal intensity was 0.010 million liters/NT\$ million, water discharge intensity was 0.003 million liters/NT\$ million, and water consumption intensity was 0.006 million liters/NT\$ million.

(Unit: million liters / %)

Type	2023	2024	2025
Water Withdrawal (Municipal Water)	95.83	91.48	86.87
Water Withdrawal (Groundwater)	0	0	20.80
Water Discharge (Surface Water, Primary Treatment)	27.48	29.25	34.53
Water Consumption	68.35	62.23	73.14
Water Withdrawal from Water-Stressed Areas	0	0	0
Proportion of Water Withdrawal from Non-Water-Stressed Areas	100%	100%	100%
Proportion of Water Withdrawal from Water-Stressed Areas	0.00%	0.00%	0.00%

The final receiving water body for Ta Chen Stainless Pipe's effluent is a surface water body (Erren River). The discharge has been approved by the competent authority and must meet the applicable effluent standards. Testing is conducted twice annually as required by law, and all results presented in the following table complied with the applicable effluent standards. There were 0 environmental fines related to water resources in 2025. For the test results of Right Way Industrial Co., Ltd., please refer to the Right Way Industrial Co., Ltd. Sustainability Report.

Ta Chen Test Items	Effluent Discharge Standards	December 2024	June 2025	December 2025
		D01 discharge outlet	D01 discharge outlet	D01 discharge outlet
Chemical Oxygen Demand (COD) (mg/L)	100	19.8	12.0	19.8
Suspended Solids (SS) (mg/L)	30	3.4	4.2	1.8
Water Temperature (°C) Note 1.	< 35; < 38	22.9	33.4	27.5
Hydrogen Ion Concentration Index (pH)	6.0~9.0	8.3	8.3	8.2

Note: The standard for the temperature of effluents:

- Below 38°C (applicable from May to September).
- Below 35°C (applicable from October to April of the following year).

2. Consolidated Group

During the reporting period, Ta Chen Group withdrew 566.27 million liters of water, comprising 545.47 million liters of municipal water and 20.80 million liters of groundwater. Water withdrawn from water-stressed areas totaled 9.52 million liters, representing 1.68% of total water withdrawal. A total of 183.96 million liters of water was discharged off-site. During the reporting period, Ta Chen Group's water withdrawal intensity was 0.006

million liters/NT\$ million, its water discharge intensity was 0.002 million liters/NT\$ million, and its water consumption intensity was 0.004 million liters/NT\$ million.

During the reporting period, water consumption was 382.31 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 2025 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	2023	2024	2025
Water Withdrawal (Municipal Water)	Not Calculated	632.08	545.47
Water Withdrawal (Groundwater)		0	20.80
Water Discharge (Surface Water, Primary Treatment)		258.26	183.96
Water Consumption		373.82	382.31
Water Withdrawal from Water-Stressed Areas		7.52	9.52
Proportion of Water Withdrawal from Non-Water-Stressed Areas		98.81%	98.32%
Proportion of Water Withdrawal from Water-Stressed Areas		1.19%	1.68%

Note 1: Scope of water resource data coverage: For 2024, all consolidated subsidiaries have been included, except for Nash Metals, LLC, which came under control through acquisition on December 31, 2024. For 2025, the reporting boundary covered the parent company and its subsidiaries included in the consolidated financial statements, representing 100% coverage.

5-5 Air Quality Management

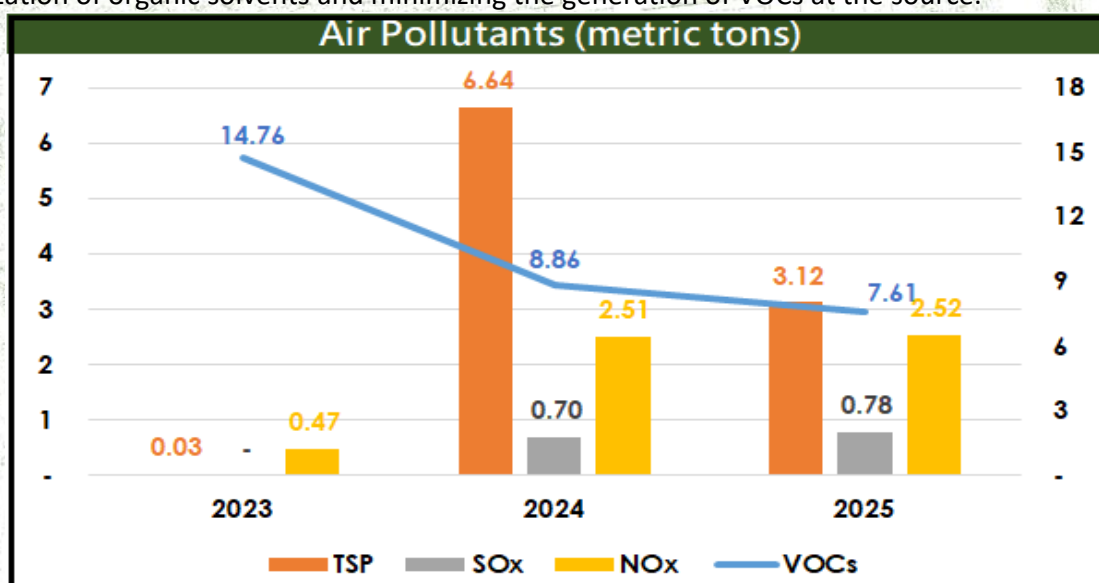
Ta Chen Steel Group complies with environmental regulations by measuring the emissions of various air pollutants. The results of these emissions tests, along with information on raw materials, fuels, and product usage in the production process, are regularly reported online. Among the air pollutants reported during the reporting period, volatile organic compounds (VOCs) accounted for the largest share, with emissions of 7.61 metric tons. Emissions of total suspended particulates (TSP) were 3.12 metric tons, sulfur oxides (SO_x) were 0.78 metric tons, and nitrogen oxides (NO_x) were 2.52 metric tons, bringing total air pollutant emissions to 14.03 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.

(Unit: metric tons)

Items	2023	2024	2025
VOCs	14.76	8.86	7.61
TSP	0.03	6.64	3.12
SO _x	0	0.70	0.78
NO _x	0.47	2.51	2.52

Note 1: Scope of air pollutant data: For 2023 pertain to the parent company only; for 2024 includes all consolidated subsidiaries, except TKA and Nash Metals, LLC, which came under control through acquisition on December 31, 2024. For 2025, representing 100% coverage.

Ta Chen maintains stringent standards for air quality management. At its Taiwan production facilities, all film treatment diluents and treatment agents used in manufacturing processes have been replaced with environmentally friendly, non-regulated chemicals. It resulted 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. In 2025, Ta Chen fulfilled its commitment to install pollution-control equipment for the backwashing of the nitric acid scrubber at its pickling plant. Under the "Pickling Scrubber Optimization Project", the Company tested and designed a two-stage treatment system as a proactive equipment upgrade to prevent sudden releases of large volumes of acid fumes under non-steady-state operating conditions. When intense process reactions generate large volumes of acid fumes, chemicals are added in the first treatment stage for pretreatment, capturing 75% of the acid-fume load. The remaining load is handled by the second treatment stage, enabling the system to respond effectively to sudden high-concentration emissions. The window covering plant uses water-based coatings exclusively, reducing the volatilization of organic solvents and minimizing the generation of VOCs at the source.



5-6 Waste Management

To ensure proper and safe treatment of industrial waste, all companies within Ta Chen Group comply with waste management regulations to minimize environmental impact. Scrap materials generated by the stainless steel plant are reused as raw materials for stainless steel casting pipe fittings, while other waste from manufacturing processes is handed over to legally approved treatment facilities. This ensures that industrial waste is properly managed, disposed of, treated, and recycled, effectively preventing negative environmental impacts. In cooperation with recycling vendors, the Group has expanded the categories of recyclable materials to reduce waste. Upholding the principle of recycling and reuse, sludge waste is transported to sludge treatment facilities under the category of regenerative use, where thermal processes convert sludge into raw materials for concrete or red bricks. The following data are compiled based on weighbridge slips from local waste transporters, treatment manifests, or local government reporting systems, and standardized into metric tons to ensure global data accuracy and compliance with GRI 306 requirements.

1. The Company on a standalone basis

During the reporting period, Ta Chen Steel's individual waste generation totaled 959.23 metric tons, of which 100% was non-hazardous waste. No hazardous waste was produced in the manufacturing processes, resulting in a 0% share. The recycling and reuse rate reached 83.39%. Waste intensity was 0.1 metric tons per NT\$1 million of individual revenue, representing an increase compared to the previous year, primarily due to higher production output.

(Unit: metric tons)

Hazardous / Non-hazardous	Recycling / Disposal	Method	2023	2024	2025
Hazardous	Recycled		0	0	0
	Directly Disposed		0	0	0
	Total Hazardous Waste Generated		0	0	0
Non-hazardous	Recycled	Preparing for Reuse	0	0	0
		Recycling	506.74	638.59	799.97
		Other Recycling Methods	0	0	0
	Directly Disposed Of	Incineration (with energy recovery)	0	140.68	124.7
		Incineration (without energy recovery)	137.18	0	0
		Landfill	102.32	76.93	34.56
		Other Disposal Methods	0	0	0
	Total		746.24	856.2	959.23
	Total Waste Generated		746.24	856.2	959.23
Waste Intensity (tonnes per NT\$ million of standalone revenue)		0.08	0.09	0.10	

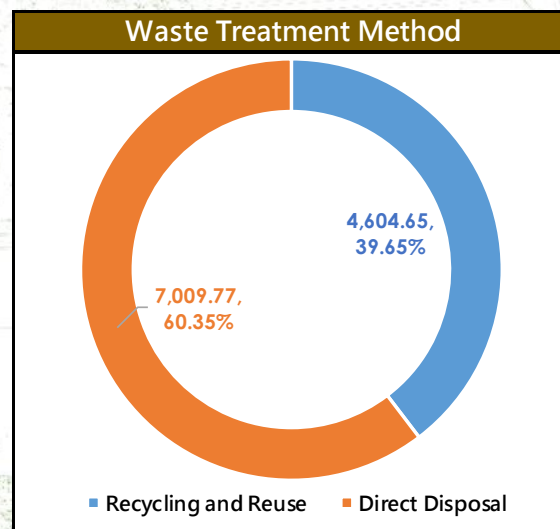
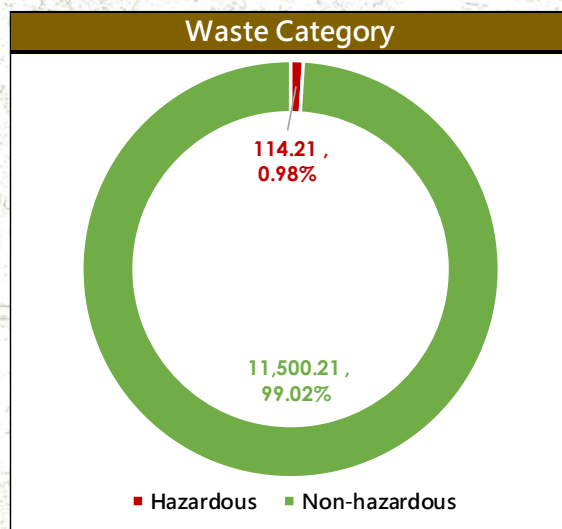
2. The Group

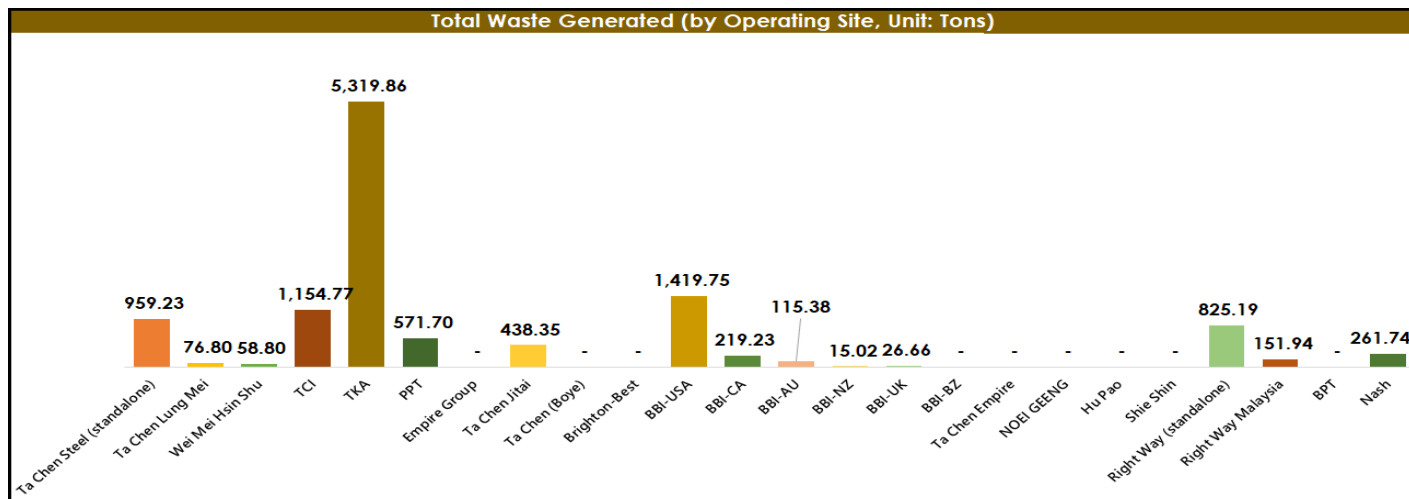
During the reporting period, Ta Chen Steel Group generated a total of 11,614.42 metric tons of waste, of which 0.98% was hazardous waste and 99.02% was non-hazardous waste. The recycling and reuse rate was 39.65%. Waste intensity was 0.11 metric tons per NT\$1 million of consolidated revenue, with hazardous waste intensity at 0.001 metric tons per NT\$1 million of consolidated revenue and non-hazardous waste intensity at 0.11 metric tons per NT\$1 million of consolidated revenue.

(Unit: metric tons)

Hazardous / Non-hazardous	Recycling / Disposal	Method	2023	2024	2025
Hazardous	Recycled	Preparing for Reuse		23.83	26.15
		Recycling		0	0
		Other Recycling Methods		0	0
	Directly Disposed Of	Incineration (with energy recovery)		6.59	0.83
		Incineration (without energy recovery)		6.42	15.96
		Landfill		46.65	58.33
		Other Disposal Methods		22.65	12.94
		Total Hazardous Waste Generated		106.14	114.21
		Hazardous Waste Intensity (tonnes per NT\$ million of consolidated revenue)		0.001	0.001
Non-hazardous	Recycled	Preparing for Reuse	Not Calculated	801.12	754.99
		Recycling		1,157.32	3,131.07
		Other Recycling Methods		460.91	692.44
	Directly Disposed Of	Incineration (with energy recovery)		407.44	373.88
		Incineration (without energy recovery)		189.71	7.01
		Landfill		4,306.54	6,437.28
		Other Disposal Methods		2,995.19	103.54
		Total Non-hazardous Waste Generated		10,318.23	11,500.21
		Non-hazardous Waste Intensity (tonnes per NT\$ million of consolidated revenue)		0.11	0.11
		Total Waste Generated		10,424.37	11,614.42
		Waste Intensity (tonnes per NT\$ million of standalone revenue)		0.12	0.11

Note: Scope of waste data: For 2024 includes all consolidated subsidiaries, except TCI, PPTH, ERI Group, and Nash Metals, LLC, which came under control through acquisition on December 31, 2024. For 2025, the reporting boundary covered the parent company and its subsidiaries included in the consolidated financial statements, representing 100% coverage.





As part of Ta Chen's packaging reduction strategies, more than 90% of customers use minimal packaging. For example: products shipped from the slitting plant are primarily secured and packaged using stainless steel strapping and kraft paper, without excessive packaging, while large raw material sheets receive only basic protection. This practice has been institutionalized as a routine environmental measure and incorporated into the standard operating procedures. It contributes to reductions in Scope 3 emissions associated with downstream transportation and waste while directly reducing packaging material costs by approximately 80%. Iron crates are used only for the special requirements of a small number of customers. The crates are recovered and reused, with the lifting slings collected together with the crates.

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 offcuts generated by Ta Chen Lung Mei are also reused as cushioning materials, supporting resource circularity.

The management of "work-in-process reusable materials (wooden dunnage)" at the Taiwan plants is the next issue to be addressed by the production control team. Large quantities of wooden dunnage are required to separate semi-finished products stacked within the plants. Wooden dunnage is susceptible to damage when exposed to rain and moisture and is currently treated as a consumable material. Once damaged, it can only be discarded or incinerated. Substitution with plastic materials is difficult because of the heavy loads involved, slip-resistance requirements, and the high cost of molds. Given the difficulties associated with "material substitution", the production control team has begun shifting its focus from simply "replacing materials" to adopting "lean management" practices. The aim is to reduce waste by shortening the dwell time of semi-finished products. Accordingly, the management strategy has shifted toward "process improvement", with inventory turnover increased by, for example, reducing dwell time from 2 weeks to 10 days. This reduces the need to stack semi-finished products, thereby directly reducing both the purchase and disposal volumes of wooden dunnage.

TCI is a distributor whose primary consumable material is pallets. TCI's logistics centers in the United States reuse pallets received with incoming shipments. Damaged pallets are repaired using replacement lumber purchased by TCI and then returned to service. This "Repair and Reuse" model extends the service

life of wooden pallets, puts circular resource use into practice, and reduces waste generation. Pallets continue to be used until they are no longer serviceable, maximizing the useful life of each pallet.

The subsidiary TKA is a specialized aluminum coil manufacturer that applies a "circular economy model" to production. Recycled materials account for 65% of its feedstock, comprising "approximately 30% recovered internally" and "approximately 30% purchased externally". A target has been set to keep the proportion of pure aluminum ingots used below 30%.



Appendix I : GRI Standard Index

Statement of use GRI

Statement of use	For the period between 2025/1/1 to 2025/12/31, 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

GRI 2 : General Disclosures 2021

Standard	Disclosure Item		Corresponding chapter	Page no.	Description
The organization and its reporting practices					
2-1	Organizational details	2-1	About Ta Chen Stainless Pipe Co., Ltd.	17	
2-2	Entities included in the organizational sustainability report	1-4	Disclosure Scope of this Report	16	
2-3	Reporting period, frequency and contact point		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	100	
Activities and workers					
2-6	Activities, value chain and other business relations	3-1	Value Chain Management	41	
2-7	Employees	4-1	Talent Attraction and Development	50	
2-8	Workers who are not employees	4-1	Talent Attraction and Development	50	
Governance					
2-9	Governance structure and composition	2-4	Corporate Governance	28	
2-10	Nomination and selection of the highest governance body	2-4	Corporate Governance	28	
2-11	Chair of the highest governance body	2-4	Corporate Governance	28	
2-12	Role of the highest governance body in overseeing the management of impacts	2-4	Corporate Governance	28	
2-13	Delegation of responsibility for managing impacts	2-4	Corporate Governance	28	
2-14	Role of the highest governance body in sustainability reporting	1-1 2-4	Analysis of Material Issues Corporate Governance	5 28	
2-15	Conflicts of interests	2-4	Corporate Governance	28	
2-16	Communication of critical concerns	2-4	Corporate Governance	28	
2-17	Collective knowledge of the highest governance body	2-4	Corporate Governance	28	
2-18	Evaluation of the performance of the highest governance body	2-4	Corporate Governance	28	
2-19	Remuneration policies	2-4	Corporate Governance	28	
2-20	Process to determine remuneration	2-4 4-3	Corporate Governance Wage and Benefits	28 55	
2-21	Annual total compensation ratio	4-3	Wage and Benefits	55	
Strategy, policies and practices					
2-22	Statement on sustainable development strategy	1-1	Management of Sustainability Issues	5	

Standard	Disclosure Item	Corresponding chapter		Page no.	Description
2-23	Policy commitment (Responsible business conduct, respecting human rights)	1-1	Management of Sustainability Issues	5	
		3-4	Supply Chain Management	48	
2-24	Embedding policy commitments	1-1	Management of Sustainability Issues	5	
2-25	Processes to remediate negative impacts	2-6	Legal Compliance and Grievance Mechanism	35	
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	35	
2-28	Membership of associations	2-1	Company Overview	17	
Stakeholder engagement					
2-29	Approach to stakeholder engagement	1-2	Stakeholder Engagement	6	
2-30	Collective bargaining agreements	4	Human Resource Management	50	82.8%

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	10	

Material issue 1 : Financial Performance

3-3	Management of material topics	1-3	Analysis of Material Issues	10	
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GRI 201 : Economic Performance 2016

201-1	Direct economic value generated and distributed	2-3	Management Strategy and Current Standing	26	
201-2	Financial implications and other risks and opportunities due to climate change	2-5 5-1	Risk Management Climate change risk	32 70	
201-3	Defined benefit plan obligations and other retirement plans	4-3	Wage and Benefits	55	
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	10	
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GRI 205 : Anti-Corruption 2016

205-1	Operations assessed for risks related to corruption	2-6	Legal Compliance and Grievance Mechanism	35	
205-2	Communication and training about anti-corruption policies and procedures	2-6	Legal Compliance and Grievance Mechanism	35	
205-3	Confirmed incidents of corruption and actions taken	2-6	Legal Compliance and Grievance Mechanism	35	No incidents of corruption
2-27	Compliance with laws and regulations	2-6	Legal Compliance and Grievance Mechanism	35	

Topic3 : Response to Climate Change

3-3	Management of material topics	1-3	Analysis of Material Issues	10	
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GRI 305 : Emissions 2016

Standard	Disclosure Item	Corresponding chapter		Page no.	Description
305-1	Direct (Scope 1) GHG Emissions	5-2	Greenhouse Gas Emission Management	73	
305-2	Energy Indirect (Scope 2) GHG Emissions	5-2	Greenhouse Gas Emission Management	73	
305-4	GHG Emissions Intensity	5-2	Greenhouse Gas Emission Management	73	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant emissions	5-5	Air Quality Management	85	
Topic4 : Energy Management					
3-3	Management of material topics	1-3	Analysis of Material Issues	10	
GRI 302 : Energy 2016					
302-1	Energy consumption within the organization	5-3	Energy Management	76	
302-2	Energy consumption outside the organization	5-3	Energy Management	76	
302-3	Energy Intensity	5-3	Energy Management	76	
302-4	Reduction of energy consumption	5-3	Energy Management	76	
302-5	Reductions in energy requirements of products and services	5-3	Energy Management	76	
Topic5 : Talent Attraction and Retention					
3-3	Management of material topics	1-3	Analysis of Material Issues	10	
GRI 202 : Market Presence 2016					
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4-3	Wage and Benefits	54	
202-2	Proportion of senior management hired from the local community	4-1	Talent Attraction and Development	50	
GRI 401 : Employment 2016					
401-1	New employee hires and employee turnover	4-1	Talent Attraction and Development	50	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4-3	Wage and Benefits	55	
401-3	Parental leave	4-3	Wage and Benefits	55	
GRI 402 : Labor/Management Relations 2016					
402-1	Minimum notice periods regarding operational changes	4-1	Talent Attraction and Development	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	28 50	
405-2	Ratio of basic salary and remuneration of women to men	4-3	Wage and Benefits	55	
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 in which the right to freedom of association and collective bargaining may be at risk.				No such risk.
GRI 408 : Child labor 2016					

Standard	Disclosure Item	Corresponding chapter		Page no.	Description
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.
Topic6 : Occupational Health and Safety					
3-3	Management of material topics	1-3	Analysis of Material Issues	10	
GRI 403 : Occupational Health and Safety 2018					
403-1	Occupational Health and Safety Management System	4-4	Safety and Health	58	
403-2	Hazard Identification, Risk Assessment, and Incident Investigation	4-4	Safety and Health	58	
403-3	Occupational Health Services	4-4	Safety and Health	58	
403-4	Worker Participation, Consultation, and Communication on Occupational Health and Safety	4-4	Safety and Health	58	
403-5	Worker Training on Occupational Health and Safety	4-4	Safety and Health	58	
403-6	Promotion of Worker Health	4-4	Safety and Health	58	
403-7	Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	4-4	Safety and Health	58	
403-8	Workers Covered by an Occupational Health and Safety Management System	4-4	Safety and Health	58	
403-9	Work-related Injuries	4-4	Safety and Health	58	
403-10	Work-related ill health	4-4	Safety and Health	58	

GRI Standard Index of all Disclosure Item

Standard	Disclosure Item	Corresponding chapter		Page no.	Description
GRI 204 : Procurement Practices 2016					
204-1	Proportion of spending on local suppliers	3-4	Supply Chain Management	48	
GRI 206 : Anti-competitive Behavior 2016					
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices				None
GRI 303 : Water and Effluents 2018					
303-1	Interactions With Water as a Shared Resource	5-4	Water Resource Management	82	
303-2	Management of Water Discharge-related Impacts	5-4	Water Resource Management	82	
303-3	Water Withdrawal	5-4	Water Resource Management	82	
303-4	Water Discharge	5-4	Water Resource Management	82	
303-5	Water Consumption	5-4	Water Resource Management	82	
GRI 306 : Waste 2020					
306-1	Waste generation and significant waste-related impacts	5-6	Waste Management	86	
306-2	Management of significant waste-related impacts	5-6	Waste Management	86	
306-3	Waste generated	5-6	Waste Management	86	
306-4	Waste diverted from disposal	5-6	Waste Management	86	

Standard	Disclosure Item	Corresponding chapter		Page no.	Description
306-5	Waste directed to disposal	5-6	Waste Management	86	
GRI 308 : Evaluation of supplier's environment 2016					
308-1	New suppliers that were screened using environmental criteria	3-4	Supply Chain Management	48	
308-2	Negative environmental impacts in the supply chain and actions taken	3-4	Supply Chain Management	48	
GRI 410 : Security Practices 2016					
410-1	Security personnel trained in human rights policies or procedures	2-6	Legal Compliance and Grievance Mechanism	35	
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	35	
412-2	Employee training on human rights policies or procedures	2-6	Legal Compliance and Grievance Mechanism	35	
412-3	Significant investment agreements and contracts which include human rights clauses or that underwent human rights screening	3-4	Supply Chain Management	48	
GRI 413 : Local communities 2016					
413-1	Operations with local community engagement, impact assessments, and development programs	2-1	Company Overview	17	
413-2	Operations with significant actual and potential negative impact on local communities				There are no negative impacts
GRI 414 : Supplier Social Assessment 2016					
414-1	New suppliers that were screened using social criteria.	3-4	Supply Chain Management	48	
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	44	
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	44	
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) Gross global Scope 1 emissions. (2) Percentage covered under emissions-limiting regulations.	(1) 5-2 Greenhouse Gas Emission Management (2) Our business locations are not located in areas subject to regulations limiting GHG emissions.	73-75
EM-IS-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets.	5-1 Climate Change Risk 5-2 Greenhouse Gas Emission Management	70-73
EM-IS-120a.1	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N2O), (3) SOx, (4) particulate matter (PM10), (5) manganese (MnO), (6) lead (Pb), (7) volatile organic compounds (VOCs), and (8) polycyclic aromatic hydrocarbons (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	85
EM-IS-130a.1	Disclosure of the following information on energy consumption: (1) Total energy consumed. (2) Percentage grid electricity. (3) Percentage renewable.	5-3 Energy Management-Group (1) 2,568,159.78 GJ (2) 26.33% (3) 0.03%	76-81
EM-IS-130a.2	Disclosure of the following information on fuel consumption: (1) Total fuel consumed. (2) Percentage coal. (3) Percentage natural gas. (4) Percentage renewable.	5-3 Energy Management-Group (1) 1,891,093.34 GJ (2) 0% (3) 96.52% (4) 0%	76-81
EM-IS-140a.1	Disclosure of the following information on water resource withdrawal: (1) Total water withdrawn. (2) Percentage of each in regions with High or Extremely High Baseline Water Stress.	5-4 Water Resource Management-Group (1) 566.27 Million Liters (2) 1.68%	82-84
EM-IS-150a.1	Disclosure of the following information on waste: (1) Amount of waste generated. (2) Percentage hazardous. (3) Percentage recycled.	5-6 Waste Management-Group (1) 11,614.42 metric tons (2) 0.98% (3) 39.65%	86
EM-IS-320a.1	Disclosure of the following information on occupational injuries for (a) direct employees and (b) contract employees: (1) Total recordable incident rate (TRIR). (2) Fatality rate. (3) Near miss frequency rate (NMFR).	(a) Direct employees (1) TRIR = 1.89 (2) Fatality rate = 0 (3) NMFR = 1.46 (b) Contractor employees (1) TRIR = 0 (2) Fatality rate = 0 (3) NMFR = 0	65-66

Industry type	Extractives and Minerals Processing (EM)		
Industry	Iron Steel Producers (IS)		
Metric Code	Accounting Metric	Corresponding Chapter/Description	Page no.
EM-IS-430a.1	Discussion 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	Raw steel production, percentage from: (1) Basic oxygen furnace processes (2) Electric arc furnace processes	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	Total energy consumption: 2,568,159.78 GJ Percentage of externally purchased electricity: 26.34% Use rate of renewable energy: 0.03% Total self-developed and self-use energy: 536.06 GJ	Gigajoules (GJ), percentage (%)	
II	Total fuel consumption, percentage of coal, percentage of natural gas and renewable fuel	Quantification	Total fuel consumption: 1,891,093.34 GJ Percentage of coal: 0% Percentage of natural gas: 96.52% Percentage of renewable fuel: 0%	Gigajoules (GJ), percentage (%)	
III	Total water withdrawal and Total water consumption	Quantification	Total water withdrawal: 566.27 (10 ³ m ³) Total water consumption: 382.31(10 ³ m ³)	thousand cubic meters	
IV	Weight of waste generated, percentage of hazardous waste and recycling percentage	Quantification	Weight of waste generated 11,614.42 metric tons Percentage of hazardous waste: 0.98%, Recycling percentage: 39.65%	Metric tons (t), percentage (%)	
V	Explanation on number of people and occupational injury rate	Quantification	Number of people suffering from occupational disasters: 39 Occupational injury rate: 0.82%	Number of people, Percentage (%)	
VI	Production capacity of main products based on product category	Quantification	Stainless steel products: 202,240 metric tons Screws and nuts: 178,593 metric tons Aluminum products: 256,899 metric tons Window coverings: 10,781 square feet System furniture: 2,076 units Other products: 1,705 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	70-71
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	71-72
3. Describe the financial impact of extreme climate events and transformation actions.	5-1 Climate Change Risk	70-71
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	5-1 Climate Change Risk	70-71
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	70-71
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	71-72
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	72
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	72-73
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	73

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.	70-71
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).	71-72
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.	71-72
IV 、Metrics and Targets	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.	71-72

Appendix V: Greenhouse Gas Inventory

No.	Organization	2024 (t CO ₂ e)			2025 (t CO ₂ e)		
		Category 1	Category 2	Total	Category 1	Category 2	Total
1	Ta Chen Steel (standalone)	1,277.50	10,752.01	12,029.51	1,350.24	11,307.79	12,658.03
2	Ta Chen Lung Mei	1,119.61	1,207.76	2,327.37	1,021.08	1,060.42	2,081.50
3	Wei Mei Hsin Shu	15.79	38.66	54.45	14.47	41.15	55.62
4	TCI(USA)	3,563.63	1,956.50	5,520.13	3,140.50	1,919.55	5,060.05
5	TKA	75,477.19	32,685.56	108,162.75	90,922.21	43,429.74	134,351.95
6	PPT	1,142.72	3,082.29	4,225.01	1,201.39	3,079.17	4,280.56
7	ERI-US	0.00	26.00	26.00	0.00	26.00	26.00
8	ERI-AU	0.00	6.67	6.67	0.00	5.99	5.99
9	ERI-Imbail	5.94	0.70	6.64	6.73	0.58	7.31
10	ERI-UK	0.00	0.00	0.00	0.00	0.00	0.00
11	Ta Chen Jitai	1,000.13	7,143.42	8,143.55	715.25	7,085.23	7,800.48
12	Ta Chen (Boye)(Note 1)	106.87	8,045.74	8,152.61	Not Calculated		
13	Brighton-Best (standalone)	5.06	13.98	19.04	4.01	16.25	20.26
14	Ta Chen Empire	0.56	0.09	0.65	0.56	0.00	0.56
15	BBI-USA	3,415.56	1,820.58	5,236.14	3,265.55	1,675.76	4,941.31
16	BBI-CA	497.17	14.38	511.55	1,071.97	313.72	1,385.69
17	BBI-BZ	0.22	8.41	8.63	0.23	0.85	1.08
18	BBI-AU	149.65	314.08	463.73	121.74	280.52	402.26
19	BBI-NZ	102.57	5.17	107.74	91.10	7.52	98.62
20	BBI-UK	123.96	36.41	160.37	135.12	31.10	166.22
21	NOEI GEENG	0.00	0.11	0.11	0.00	0.58	0.58
22	Hu Pao	0.00	0.12	0.12	0.00	0.14	0.14
23	Shie Shin	0.00	0.63	0.63	0.13	0.95	1.08
24	Right Way (standalone)	479.67	2195.95	2,675.62	427.48	2,411.52	2,839.00
25	Right Way Malaysia	1046.87	3742.10	4,788.97	950.53	4,145.27	5,095.80
26	BPT(Note 2)	Not Calculated			3,004.39	2,862.85	5,867.24
27	Nash(Note 2)				19.30	513.92	533.22

Note 1: Ta Chen (Boye) was sold in 2025; therefore, relevant data were not included in the 2025 statistics.

Note 2: BPT and NASH were consolidated into subsidiaries in 2025; therefore, no relevant data were available for 2024.

Appendix VI: Auditor's Limited Assurance Report



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, 2025.

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 industry-specific sustainability accounting standards published by the Sustainability Accounting Standards Board (SASB), 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 from 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,

- 1 -

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傳承 / 堅定 / 當責

Legendary & Steadfast Accountancy

assurance.

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 Chia-Jung Chang.

Legendary & Steadfast Accountancy
Tainan, Taiwan
Republic of China
July 24, 2026

Notice to Readers

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

Reporting Scope and Boundary of the Sustainability Indicator Statement
1. Ta Chen Stainless Pipe Co., Ltd. (“Ta Chen”) 2. Ta Chen (Shijiazhuang) Co., Ltd. (“Ta Chen Jitai”) 3. Ta Chen Lung Mei Home Life Co., Ltd. 4. Wei Mei Hsin Shu Interior Decoration Co., Ltd. 5. Ta Chen International Inc. 6. TCI Texarkana, Inc. 7. Primus Pipe and Tube, Inc. 8. Bristol Pipe and Tube, Inc. 9. Empire Group 10. Nash Metals, LLC 11. Brighton-Best International (Taiwan) Inc. 12. Ta Chen Empire Co., Ltd. 13. Brighton-Best International, Inc. 14. Brighton-Best International (AU), Pty Ltd. 15. Brighton-Best International (Canada), Inc. 16. Brighton-Best International (UK), Limited 17. Brighton-Best International (NZ), Limited 18. Brighton-Best International (Brasil), Comercio de Parafusos Ltda. 19. Noei Geeng Enterprise Co., Ltd. 20. Hupao Technology Co., Ltd. 21. Shie Shin Enterprise Co., Ltd. 22. Right Way Industrial Co., Ltd. (“Right Way”) 23. Right Way Industrial (Malaysia) Sdn. Bhd. The above entities are collectively referred to as the “Ta Chen Stainless Pipe Group”.

#	Subject Matter Information		Corresponding Section	Applicable Criteria	
1.	Ta Chen Stainless Pipe Group	2025	Appendix III: Sustainability Disclosure Indicators of Steel and Iron Industry	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	
	Total energy consumption	2,568,159.78GJ			
	Percentage of purchased electricity	26.34 %			
	Utilization rate (renewable energy/total energy)	0.03 %			
	Total self-generated and self-use energy	536.06GJ			
2.	Ta Chen Stainless Pipe Group	2025	Appendix III: Sustainability Disclosure Indicators of Steel and Iron Industry	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	
	Total water withdrawn	566.27 thousand cubic meters			
	Total water consumption	382.31 thousand cubic meters			
3.	Ta Chen Stainless Pipe Group	2025	Appendix III: Sustainability Disclosure Indicators of Steel and Iron Industry	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	
	Total amount of waste transported for disposal	11,641.42 tones			
	Percentage of hazardous waste	0.98 %			
	Percentage recycled	39.65 %			
4.	Ta Chen Stainless Pipe Group	2025		4-4 Safety and Health	SASB EM-IS-320a.1. (1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees & (b) contract employees Custom indicator: (1) Work-related fatalities (2) Lost time injury rate (LTIR)
		Direct employees	Contract employees		
	Total recordable incident rate (TRIR)	1.89	N/A		
	Fatality rate	0.00	N/A		
	Near miss frequency rate (NMFR)	1.46	N/A		
	Work-related fatalities	0 people	N/A		
	Lost time injury rate (LTIR)	0.75	N/A		

(Continued)

#	Subject Matter Information		Corresponding Section	Applicable Criteria
5.	Ta Chen, Ta Chen Jitai and Right Way	2025	5-5 Air Quality Management	SASB EM-IS-120a.1 Air emissions of the following air pollutants: (1) Carbon monoxide (CO), (2) Nitrogen oxides (NO_x) (excluding N₂O), (3) Sulfur oxides (SO_x), (4) Particulate matter (PM₁₀), (5) Manganese (MnO), (6) Lead (Pb), (7) Volatile organic compounds (VOCs), and (8) Polycyclic aromatic hydrocarbons (PAHs) Custom indicator: Total suspended particulates (TSP)
	Non-methane volatile organic compounds (VOCs)	7.61 tones		
	Total suspended particulates (TSP)	3.12 tones		
	Oxides of nitrogen (NO _x)	2.52 tones		
	Oxides of sulfur (SO _x)	0.78 tones		
	Others (including PM ₁₀ , CO, MnO, Pb, PAHs)	0.00 tones		

(Concluded)